Investcorp Credit Management BDC, Inc.
280 Park Avenue, 39th Floor
New York, NY 10017
(212) 257-5199

September 28, 2023

Dear Stockholder:

You are cordially invited to attend the 2023 Annual Meeting of Stockholders (the "Annual Meeting") of Investcorp Credit Management BDC, Inc. to be held on November 9, 2023, at 10:00 a.m., Eastern Time, at the offices of the Company, 280 Park Avenue, 39th Floor, New York, NY 10017. Only stockholders of record at the close of business on September 14, 2023, are entitled to the notice of, and to vote at, the Annual Meeting, including any postponement or adjournment thereof.

Details regarding the business to be conducted are more fully described in the accompanying Notice of Annual Meeting and Proxy Statement.

It is important that your shares be represented at the Annual Meeting, and you are encouraged to vote your shares as soon as possible. The enclosed proxy card contains instructions for voting over the Internet, by telephone or by returning your proxy card via mail in the envelope provided. Your vote is important.

We reserve the right to reconsider the date, time, and/or means of convening the Annual Meeting, including holding the Annual Meeting by means of remote communications. If we take this step, we will announce the decision to do so in advance, and details on how to participate in the meeting will be issued by press release and filed with the Securities and Exchange Commission as additional proxy material. We urge you to retain your control or proxy voting number after you vote in case changes are made to the meeting format and such information is again required.

We look forward to seeing you at the Annual Meeting.

Sincerely yours,

Michael C. Mauer
Chairman of the Board
and Chief Executive Officer

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting of Stockholders to Be Held on November 9, 2023.

Our proxy statement and annual report on Form 10-K for the year ended June 30, 2023 ("Annual Report") are available at the following cookies-free website that can be accessed anonymously: https://vote.proxyonline.com/investcorp/docs/icmb.pdf.

Investcorp Credit Management BDC, Inc.
280 Park Avenue, 39th Floor
New York, NY 10017
(212) 257-5199

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
TO BE HELD November 9, 2023

To the Stockholders of Investcorp Credit Management BDC, Inc.:

The 2023 Annual Meeting of Stockholders (the "Annual Meeting") of Investcorp Credit Management BDC, Inc., a Maryland corporation (the "Company"), will be held at the offices of the Company, 280 Park Avenue, 39th Floor, New York, NY 10017 on November 9, 2023, at 10:00 a.m., Eastern Time, for the following purposes:

1. To elect two directors of the Company nominated by the Company's Board of Directors (the "Board") and named in this proxy statement who will serve for three years or until his or her successor is elected and qualified; and
2. To transact such other business as may properly come before the meeting, or any postponement or adjournment thereof.

THE BOARD, INCLUDING THE INDEPENDENT DIRECTORS, UNANIMOUSLY RECOMMENDS THAT YOU VOTE "FOR" THE ELECTION OF THE NOMINEES NAMED IN PROPOSAL 1 IN THIS PROXY STATEMENT.

You have the right to receive notice of and to vote at the Annual Meeting if you were a stockholder of record at the close of business on September 14, 2023. Whether or not you expect to be present at the Annual Meeting, please sign the enclosed proxy and return it promptly in the self-addressed envelope provided. As a registered stockholder, you may also vote your proxy electronically by telephone or over the Internet by following the instructions included with your proxy card. Instructions are shown on the proxy card. In the event there are not sufficient votes for a quorum or to approve any of the foregoing proposals at the time of the Annual Meeting, the Annual Meeting may be adjourned in order to permit further solicitation of the proxies by the Company.

We reserve the right to reconsider the date, time, and/or means of convening the Annual Meeting, including holding the Annual Meeting by means of remote communications. If we take this step, we will announce the decision to do so in advance, and details on how to participate in the meeting will be issued by press release and filed with the Securities and Exchange Commission as additional proxy material. We urge you to retain your control or proxy voting number after you vote in case changes are made to the meeting format and such information is again required.

If you have questions about the proposals or would like additional copies of the proxy statement, please contact our proxy solicitor, EQ Fund Solutions, LLC, at (888) 540-8736.

By Order of the Board,

Rocco DelGuercio
Secretary

New York, New York
September 28, 2023

This is an important meeting. To ensure proper representation at the Annual Meeting, please complete, sign, date and return the proxy card in the enclosed, self-addressed envelope. You may also vote your proxy electronically by telephone or over the Internet by following the instructions included with your proxy card Even if you vote your shares prior to the Annual Meeting, you still may attend the Annual Meeting and vote your shares in person.

TABLE OF CONTENTS

	Page
GENERAL	1
ANNUAL MEETING INFORMATION	1
VOTING INFORMATION	2
INFORMATION REGARDING THIS SOLICITATION	3
SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT	4
PROPOSAL 1: ELECTION OF DIRECTOR	6
CONFLICTS OF INTEREST AND CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS	17
SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE	19
EXECUTIVE COMPENSATION	19
PRINCIPAL ACCOUNTANT FEES AND SERVICES	19
AUDIT COMMITTEE REPORT	20
OTHER BUSINESS	22
SUBMISSION OF STOCKHOLDER PROPOSALS	22
PRIVACY PRINCIPLES	22

[THIS PAGE INTENTIONALLY LEFT BLANK]

Investcorp Credit Management BDC, Inc.
280 Park Avenue, 39th Floor
New York, NY 10017
(212) 257-5199

PROXY STATEMENT

2023 ANNUAL MEETING OF STOCKHOLDERS

GENERAL

This proxy statement is furnished in connection with the solicitation of proxies by the Board of Directors (the "Board") of Investcorp Credit Management BDC, Inc., a Maryland corporation (the "Company," "we," "us" or "our"), for use at the Company's 2023 Annual Meeting of Stockholders (the "Annual Meeting") to be held on November 9, 2023, at 10:00 a.m. Eastern Time, at the offices of the Company, 280 Park Avenue, 39th Floor, New York, NY 10017 and at any postponements or adjournments thereof. This proxy statement, the accompanying proxy card and the Company's Annual Report on Form 10-K for the fiscal year ended June 30, 2023, are first being sent to stockholders on or about September 28, 2023.

We encourage you to vote your shares, either by voting in person at the Annual Meeting or by granting a proxy (*i.e.*, authorizing someone to vote your shares). If you properly sign and date the accompanying proxy card, and the Company receives it in time for the Annual Meeting, the persons named as proxies will vote the shares registered directly in your name in the manner that you specified. This proxy statement is also available via the Internet at *www.icmbdc.com* (under the Investor Relations section). The website also includes electronic copies of the form of proxy card and the Company's Annual Report on Form 10-K. If your shares are registered in the name of a bank or brokerage firm, you may be eligible to vote your shares electronically via the Internet or by telephone. This program provides eligible stockholders who receive a copy of the Company's Annual Report on Form 10-K and proxy statement, either by paper or electronically, the opportunity to vote via the Internet or by telephone. If your voting form does not reference Internet or telephone voting information, please complete and return the paper proxy card in the pre-addressed, postage-paid envelope provided.

ANNUAL MEETING INFORMATION

Date and Location

We will hold the Annual Meeting on November 9, 2023, at 10:00 a.m. Eastern Time, at the offices of the Company, 280 Park Avenue, 39th Floor, New York, NY 10017.

We reserve the right to reconsider the date, time, and/or means of convening the Annual Meeting, including holding the Annual Meeting by means of remote communications. If we take this step, we will announce the decision to do so in advance, and details on how to participate in the meeting will be issued by press release and filed with the Securities and Exchange Commission ("SEC") as additional proxy material. We urge you to retain your control or proxy voting number after you vote in case changes are made to the meeting format and such information is again required.

Admission

Only record or beneficial owners of the Company's common stock as of the close of business on September 14, 2023, or their proxies may attend the Annual Meeting. Beneficial owners must also provide evidence of stock holdings, such as a recent brokerage account or bank statement.

Purpose of the Annual Meeting

At the Annual Meeting, you will be asked to vote on the following proposals:

1. To elect two directors of the Company nominated by the Board and named in this proxy statement who will serve for three years or until his or her successor is elected and qualified; and
2. To transact such other business as may properly come before the meeting, or any postponement or adjournment thereof.

VOTING INFORMATION

Record Date and Quorum Required

The record date of the Annual Meeting is the close of business on September 14, 2023 (the "Record Date"). You may cast one vote for each share of common stock that you own as of the Record Date.

A quorum of stockholders must be present for any business to be conducted at the Annual Meeting. The presence at the Annual Meeting, in person or by proxy, of stockholders entitled to cast a majority of the votes entitled to be cast as of the Record Date will constitute a quorum. Abstentions will be treated as shares present for quorum purposes. On the Record Date, there were 14,392,841 shares outstanding and entitled to vote. Thus, 7,196,421 must be represented by stockholders present at the Annual Meeting or by proxy to have a quorum.

If a quorum is not present at the Annual Meeting, the stockholders who are represented may adjourn the Annual Meeting until a quorum is present. The persons named as proxies will vote those proxies for such adjournment, unless marked to be voted against any proposal for which an adjournment is sought, to permit further solicitation of proxies.

Submitting Voting Instructions for Shares Held Through a Broker

If you hold shares of common stock through a broker, bank or other nominee, you must follow the voting instructions you receive from your broker, bank or nominee. If you hold shares of common stock through a broker, bank or other nominee and you want to vote in person at the meeting, you must obtain a legal proxy from the record holder of your shares. If you do not submit voting instructions to your broker, bank or other nominee, your broker, bank or other nominee will not be permitted to vote your shares on any proposal considered at the meeting.

Authorizing a Proxy for Shares Held in Your Name

If you are a record holder of shares of common stock, you may authorize a proxy to vote on your behalf by mail, as described on the enclosed proxy card. Authorizing a proxy will not limit your right to vote in person at the meeting. A properly completed, executed and submitted proxy will be voted in accordance with your instructions, unless you subsequently revoke the proxy. If you authorize a proxy without indicating your voting instructions, the proxyholder will vote your shares according to the Board's recommendations.

Revoking Your Proxy

If you are a stockholder of record, you can revoke your proxy by (1) delivering a written revocation notice prior to the Annual Meeting to our Secretary, Rocco DelGuercio, at 280 Park Avenue, 39th Floor, New York, NY 10017; (2) delivering a later-dated proxy that we receive no later than the opening of the polls at the meeting; or (3) voting in person at the meeting. If you hold shares of common stock through a broker, bank or other nominee, you must follow the instructions you receive from your nominee in order to revoke your voting instructions. Attending the Annual Meeting does not revoke your proxy unless you also vote in person at the meeting. Stockholders have no appraisal or dissenters' rights in connection with any of the proposals described herein.

Vote Required

Proposal	Vote Required	Broker Discretionary Voting Allowed	Effect of Abstentions and Broker Non-Votes
Proposal 1 — To elect two directors of the Company nominated by the Board and named in this proxy statement who will serve for three years or until his or her successor is elected and qualified.	Affirmative vote of a plurality of all the votes cast at the Annual Meeting.	No	Because directors are elected by a plurality of the votes, an abstention will have no effect on the outcome of the vote.

INFORMATION REGARDING THIS SOLICITATION

The Company will bear the expense of the solicitation of proxies for the Annual Meeting, including the cost of preparing, printing, and mailing this proxy statement, the accompanying Notice of Annual Meeting of Stockholders, and the proxy card. We have requested that brokers, nominees, fiduciaries and other persons holding shares in their names, or in the name of their nominees, which are beneficially owned by others, forward the proxy materials to, and obtain proxies from, such beneficial owners. We will reimburse such persons for their reasonable expenses in so doing.

In addition to the solicitation of proxies by the use of the mail, proxies may be solicited in person and by telephone or facsimile transmission by directors, officers or regular employees of the Company or CM Investment Partners LLC (our "Adviser" and "Administrator") (for which no director, officer or regular employee will receive any additional or special compensation). The address of our Adviser is 280 Park Avenue, 39th Floor, New York, NY 10017.

The Company has engaged the services of EQ Fund Solutions, LLC for the purpose of assisting in the solicitation of proxies at an anticipated cost of approximately $35,000 plus reimbursement of certain expenses and fees for additional services requested. Please note that EQ Fund Solutions, LLC may solicit stockholder proxies by telephone on behalf of the Company. They will not attempt to influence how you vote your shares, but only ask that you take the time to authorize your proxy. You may also be asked if you would like to authorize your proxy over the telephone and to have your voting instructions transmitted to the Company's proxy tabulation firm.

The SEC has adopted rules that permit companies and intermediaries (e.g., brokers) to satisfy the delivery requirements for proxy statements and annual reports with respect to two or more stockholders sharing the same address by delivering a single proxy statement and annual report addressed to those stockholders. This process, which is commonly referred to as "householding," potentially means extra convenience for stockholders and cost savings for companies.

A number of brokerages and other institutional holders of record have implemented householding. A single proxy statement will be delivered to multiple stockholders sharing an address unless contrary instructions have been received from the affected stockholders. If you have received notice from your broker that it will be householding communications to your address, householding will continue until you are notified otherwise or until you revoke your consent. If, at any time, you no longer wish to participate in householding and would prefer to receive a separate proxy statement, please notify your broker. Stockholders who currently receive multiple copies of the proxy statement at their addresses and would like to request information about householding of their communications should contact their brokers or other intermediary holder of record. You can notify us by sending a written request to: Rocco DelGuercio, Secretary, Investcorp Credit Management BDC, Inc., 280 Park Avenue, 39th Floor, New York, NY 10017.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth, as of September 14, 2023, the beneficial ownership of each current director, each nominee for director, the Company's executive officers, each person known to us to beneficially own 5% or more of the outstanding shares of our common stock, and the executive officers and directors as a group.

Beneficial ownership is determined in accordance with the rules of the SEC and includes voting or investment power with respect to the securities. Common stock subject to options or warrants that are currently exercisable or exercisable within 60 days of September 14, 2023, are deemed to be outstanding and beneficially owned by the person holding such options or warrants. Such shares, however, are not deemed outstanding for the purposes of computing the percentage ownership of any other person. Percentage of ownership is based on 14,392,841 shares of common stock outstanding as of September 14, 2023.

Unless otherwise indicated, to our knowledge, each stockholder listed below has sole voting and investment power with respect to the shares beneficially owned by the stockholder, except to the extent authority is shared by their spouses under applicable law. Unless otherwise indicated, the address of all executive officers and directors is c/o Investcorp Credit Management BDC, Inc., 280 Park Avenue, 39th Floor, New York, NY 10017.

The Company's directors are divided into two groups — interested directors and independent directors. Interested directors are "interested persons" as defined in Section 2(a)(19) of the 1940 Act.

Name and Address of Beneficial Owner	Number of Shares Owned Beneficially(1)	Percentage of Class
Interested Director		
Michael C. Mauer	114,612(2)	*
Suhail A. Shaikh	—	—
Independent Directors		
Julie Persily	24,562	*
Thomas Sullivan	10,000	*
Lee Shaiman	1,000	*
Executive Officers		
Rocco DelGuercio	16,168	*
Executive officers and directors as a group	166,342	1.16%
5% Holders		
Cyrus Opportunities Master Fund II, Ltd.		
Crescent 1, L.P.		
CRS Master Fund, L.P.		
Cyrus Select Opportunities Master Fund, Ltd.	1,253,976(3)	8.71%
Stifel Venture Corp.	2,181,818(4)	15.16%
Investcorp BDC Holdings Limited	3,582,354(5)	24.89%

* Less than 1%

(1) Beneficial ownership has been determined in accordance with Rule 13d-3 of the Securities Exchange Act of 1934, as amended (the "Exchange Act").

(2) Includes one share held by Mr. Mauer's wife.

(3) Based on information obtained in a Schedule 13D as filed on May 9, 2022, which includes 217,170 shares held by Cyrus Opportunities Master Fund II, Ltd., 75,051 shares held by Crescent 1, L.P., 67,467 shares held by CRS Master Fund, L.P., and 39,522 shares held by Cyrus Select Opportunities Master Fund, Ltd. The principal business address of the Crescent 1, L.P., CRS Master Fund, L.P., Cyrus Select Opportunities Master Fund, Ltd. and Cyrus Opportunities Master Fund II, Ltd. (collectively, the "Cyrus Funds"), is 65 East 55th Street, 35th Floor, New York, New York 10022.

(4) Based on information obtained in an amended Schedule 13D filed jointly by Stifel Financial Corp. and Stifel Venture Corp. ("Stifel") on October 4, 2019. The principal business address of Stifel is One Financial Plaza, 501 North Broadway, St. Louis, Missouri 63102.

(5) Based on information obtained in a Schedule 13D/A as filed jointly on May 10, 2022 by Investcorp Credit Management US LLC ("Investcorp Credit Management US"), Investcorp BDC Holdings Limited, SIPCO Holdings Limited, and Investcorp S.A. Includes 3,582,354 shares directly owned by Investcorp BDC Holdings Limited, which includes 680,935 shares purchased in transactions exempt from the registration requirements of the Securities Act of 1933, as amended (the "Securities Act"), pursuant to Section 4(a)(2) thereof and Regulation D thereunder, as reported in Current Reports on Form 8-K filed by the Company on December 5, 2019, March 6, 2020 and September 7, 2021.

The following table sets forth as of September 14, 2023, the dollar range of our securities owned by our directors and executive officers.

Name	Dollar Range of Equity Securities Beneficially Owned(1)(2)
Interested Director:	
Michael C. Mauer	Over $100,000
Suhail A. Shaikh	None
Independent Directors:	
Julie Persily	$50,001-$100,000
Thomas Sullivan	$10,001-$50,000
Lee Shaiman	$1–$10,000
Executive Officers:	
Rocco DelGuercio	$50,001–$100,000

(1) The dollar range of equity securities beneficially owned is based on the closing price for our common stock of $4.05 on September 14, 2023, on the NASDAQ Global Select Market. Beneficial ownership has been determined in accordance with Rule 16a-1(a)(2) of the Exchange Act.

(2) Dollar ranges are as follows: None, $1 – $10,000, $10,001 – $50,000, $50,001 – $100,000, or Over $100,000.

PROPOSAL 1: ELECTION OF DIRECTOR

Our business and affairs are managed under the direction of our Board. The number of directors on our Board is currently fixed at five directors and divided into three classes. Each director holds office for the term to which he or she is elected and until his or her successor is duly elected and qualified. At each Annual Meeting, the successors to the class of directors whose terms expire at such meeting will be elected to hold office for a term expiring at the Annual Meeting of Stockholders held in the third year following the year of their election and until their successors have been duly elected and qualified or any director's earlier resignation, death or removal.

Julie Persily and Lee Shaiman have been nominated for re-election for a three-year term expiring in 2026. Neither Ms. Persily nor Mr. Shaiman is being nominated to serve as a director pursuant to any agreement or understanding between either of them and the Company.

A stockholder can vote for or withhold his or her vote for the nominees. **In the absence of instructions to the contrary, it is the intention of the persons named as proxies to vote such proxy FOR the election of the nominees named in this proxy statement. If the nominee should decline or be unable to serve as a director, it is intended that the proxy will be voted for the election of such person as is nominated by the Board as a replacement.** The Board has no reason to believe that either nominee will be unable or unwilling to serve.

Required Vote

This proposal requires the affirmative vote of the holders of a plurality of the votes cast at the Annual Meeting. Stockholders may not cumulate their votes. If you vote "withhold authority" with respect to each nominee, your shares will not be voted with respect to such person. Because directors are elected by a plurality of the votes, an abstention will have no effect on the outcome of the vote and, therefore, is not offered as a voting option for this proposal.

THE BOARD UNANIMOUSLY RECOMMENDS A VOTE "FOR" THE ELECTION OF THE NOMINEES NAMED IN THIS PROXY STATEMENT.

Information about Directors and Executive Officers

Board of Directors

We have adopted provisions in our articles of amendment and restatement that divide our Board into three classes. At each annual meeting, directors will be elected for staggered terms of three years, with the term of office of only one of these three classes of directors expiring each year. Each director will hold office for the term to which he or she is elected and until his or her successor is duly elected and qualifies.

Information regarding Ms. Persily and Mr. Shaiman, who are being nominated for election as directors of the Company by the stockholders at the Annual Meeting, as well as information about our current directors whose terms of office will continue after the Annual Meeting, is below. There were no legal proceedings of the type

described in Item 401(f) of Regulation S-K in the past 10 years against any of the directors, director nominees, or officers of the Company and none are currently pending.

Name	Year of Birth	Position(s) Held with Company	Terms of Office and Length of Time Served	Principal Occupation(s) During Past 5 Years	Other Directorships Held by Director or Nominee
Interested Director					
Michael C. Mauer	1961	Chief Executive Officer and Chairman of the Board	Director since 2013; Term expires 2025	Chief Executive Officer and Chairman of the Board of the Company since 2017; Chief Executive Officer and Chairman of the Board of Trustees of Investcorp US Institutional Private Credit Fund since 2022; Co-Chief Investment Officer of CM Investment Partners LLC since 2013; Co-head of Investcorp Credit Management US since 2019; and Managing Partner and Co-Chief Investment Officer of CM Investment Partners, LP from 2012 to 2014.	Investcorp US Institutional Private Credit Fund since 2022
Suhail A. Shaikh	1968	President and Director	Director since 2023; Term expires in 2024	President of the Company since 2023; Co-Chief Investment Officer of CM Investment Partners LLC since 2023; President of Investcorp US Institutional Private Credit Fund since 2023; Chief Executive Officer of Alcentra Capital Corporation and member of the Board of Directors of Alcentra Capital Corporation from 2019-2020; Co-President of Alcentra Capital Corporation from 2018-2019; Managing Director and Head of US Private Credit at Alcentra Group from 2019-2022 and Co-Head of US Private Credit from 2018-2019; Senior Investment Professional at Solar Capital Partners, LLC from 2011-2018.	—
Independent Directors					
Julie Persily	1965	Director	Director since 2013; Term expires 2023	Co-Head of Leveraged Finance and Capital Markets of Nomura Securities North America (2010-2011); Co-Head of the Leveraged Finance Group at Citigroup Inc. from December	Investcorp US Institutional Private Credit Fund since 2022; StepStone Private Credit Fund LLC since 2023;

Name	Year of Birth	Position(s) Held with Company	Terms of Office and Length of Time Served	Principal Occupation(s) During Past 5 Years	Other Directorships Held by Director or Nominee
				2006 to November 2008; Head of Acquisition Finance Group at Citigroup Inc. from December 2001 to November 2006; and Managing Director of Citigroup Inc. from July 1999 to November 2001.	Runway Growth Credit Fund Inc. since 2017; SEACOR Marine Holdings Inc. since 2018.
Lee Shaiman	1956	Director	Director since 2020; Term expires 2023	Executive Director of the Loan Syndications and Trading Association since January 2018; Chief Investment Officer and Portfolio Manager ArrowMark Colorado Holdings, LLC from 2015-2017.	—
Thomas Sullivan	1962	Director	Director since 2019; Term expires 2024	Partner at Standard General L.P. since June 2016; Managing Partner of Smallwood Partners, LLC from 2009 to 2015.	Spirit Realty Capital, Inc. since 2021; SMTA Liquidating Trust since 2020; Totes Isotoner Corporation since 2020; NewHold Investment Corp. from 2020-2021; NewHold Investment Corp. II from 2021-2023; Media General Inc. from 2013-2017; American Apparel Inc. from 2014-2016.

The address for each of our directors is c/o Investcorp Credit Management BDC, Inc., 280 Park Avenue, 39th Floor, New York, NY 10017.

Executive Officers Who Are Not Directors

Information regarding our executive officers who are not directors is as follows:

Name	Year of Birth	Position	Officer Since	Principal Occupation(s) During Past 5 Years
Rocco DelGuercio	1963	Chief Financial Officer, Chief Compliance Officer, Treasurer and Secretary	2016	Chief Financial Officer and Chief Compliance Officer of the Company and CM Investment Partners LLC since 2016 and Treasurer and Secretary of the Company since 2023; Chief Financial Officer and Chief Compliance Officer of Investcorp US Institutional Private Credit Fund since 2022 and Treasurer and Secretary since 2023; Chief Financial Officer and Treasurer of Credit Suisse Park View BDC, Inc., Credit Suisse Asset Management Income Fund Inc. and Credit Suisse High Yield Bond Fund from 2013-2016.

The address for each of our executive officers is c/o Investcorp Credit Management BDC, Inc., 280 Park Avenue, 39th Floor, New York, NY 10017.

Biographical Information

The Board considered whether each of the directors is qualified to serve as a director, based on a review of the experience, qualifications, attributes and skills of each director, including those described below. The Board considered whether each director has significant experience in the investment or financial services industries and has held management, board or oversight positions in other companies and organizations. For the purposes of this presentation, our directors have been divided into two groups — independent directors and interested directors. Interested directors are “interested persons” as defined in Section 2(a)(19) of the 1940 Act.

Independent Directors

Julie Persily has served as a member of the Board and chair of the Compensation Committee of the Board since 2013. Since September 2019, Ms. Persily has served as chair of the Valuation Committee of the Board. Ms. Persily has also served as a director/trustee of Investcorp US Institutional Private Credit Fund, a private company advised by our Adviser that has elected to be regulated as a BDC, since 2022; Stepstone Private Credit Fund LLC, a private company that has elected to be regulated as a BDC, since 2023; Runway Growth Credit Fund Inc. (NASDAQ: RWAY), a publicly traded company that has elected to be regulated as a BDC, since 2016; and SEACOR Marine Holdings Inc. (NYSE: SMHI), a global marine and support transportation services company, since April 2018. Ms. Persily retired in 2011 after serving as the Co-Head of Leveraged Finance and Capital Markets of Nomura Securities North America, a unit of Nomura Holdings Inc. (NYSE: NMR), a securities and investment banking company, since July 2010. Ms. Persily previously served in various capacities at Citigroup Inc. (NYSE: C), a financial services company, including as the Co-Head of the Leveraged Finance Group from December 2006 to November 2008, the Head of Acquisition Finance Group from December 2001 to November 2006 and as Managing Director from July 1999 to November 2001. From 1990 to 1999, Ms. Persily served in various capacities including as a Managing Director, Leveraged Finance at BT Securities Corp., a financial services company and a subsidiary of Bankers Trust Corp., which was acquired by Deutsche Bank in April 1999. From 1987 to 1989, Ms. Persily served as an analyst at Drexel Burnham Lambert, a securities and

investment banking company. Ms. Persily received a B.A. in psychology and economics from Columbia College and a M.B.A in financing and accounting from Columbia Business School. We believe Ms. Persily's extensive experience with structuring, negotiating and marketing senior loans, high yield and mezzanine financings brings important and valuable skills to the Board.

Lee Shaiman has served as a member of the Board and chair of the Audit Committee of the Board since May 7, 2020. Mr. Shaiman has served as Executive Director of the Loan Syndications and Trading Association ("LSTA") since January 2018. Prior to joining the LSTA, Mr. Shaiman was the Chief Investment Officer and Portfolio Manager for the liquid-credit business at ArrowMark Colorado Holdings, LLC, where he led an investment team focused on investing in senior secured loans, held primarily in collateralized loan obligation vehicles. Prior to joining ArrowMark, Mr. Shaiman was a Managing Director and Senior Portfolio Manager and Chairman of the Debt Funds investment committee at GSO Capital Partners, a division of Blackstone. He was directly involved in all aspects of managing, structuring and raising funds primarily invested in senior secured loans. Mr. Shaiman received a Bachelor of Science in Economics from Rutgers University and a Master of Science in Accounting and Taxation from The Wharton School, University of Pennsylvania. We believe Mr. Shaiman's extensive experience with financial institutions and his knowledge of capital markets, accounting and public company regulatory issues brings important and valuable skills to our board of directors.

Thomas Sullivan has served as a member of the Board since September 15, 2019. Since November 2019, Mr. Sullivan has served as chair of the Nominating and Corporate Governance Committee of the Board. Mr. Sullivan has served as a partner of SG Special Situations Fund L.P., whose investment manager is Standard General L.P., a New York-based investment firm that manages event-driven opportunity funds, since June 2016 where he is responsible for portfolio management. Prior to joining Standard General L.P., Mr. Sullivan was the managing partner of Smallwood Partners, LLC, a financial advisory services firm from 2009 to 2015 and a managing director of Investcorp International, Inc., a global middle market private equity firm from 1996 to 2008. Mr. Sullivan has served on numerous boards and committees over the prior twenty-five years. Mr. Sullivan currently serves on the board of directors and the chairman of the compensation committee of Spirit Realty Capital, Inc., a Maryland corporation. Mr. Sullivan also serves on the board of trustees of SMTA Liquidating Trust (successor to Spirit MTA REIT), a Maryland common law trust. Mr. Sullivan served as the chairman of the board of directors of NewHold Investment Corp., and as a member of its nominating committee, from July 2020 to July 2021. Mr. Sullivan served as the chairman of NewHold Investment Corp. II, and as a member of its nominating committee from September 2021 to April 2023. Prior to its dissolution on January 1, 2020 and the establishment of SMTA Liquidating Trust, Mr. Sullivan served on the board of trustees of Spirit MTA REIT, an externally managed, publicly traded REIT, and was chair of its compensation committee and a member of its audit committee and related party transactions committee. Mr. Sullivan also serves as the chairman of the board of directors of Totes Isotoner Corporation, a private company, and is chairman of its compensation committee. Mr. Sullivan served as a member of the board of directors, including as a member of the audit committee, finance committee and budget advisory committee, of Media General Inc. from November 2013 to February 2017. Additionally, Mr. Sullivan served as a member of the board of directors, lead director of the suitability committee and chairperson of the nominating and governance committee of American Apparel Inc. from August 2014 to March 2016. Mr. Sullivan received a Bachelor of Science in Accountancy from Villanova University. We believe Mr. Sullivan's extensive experience with financial institutions and his knowledge of capital markets and structured financing brings important and valuable skills to our board of directors.

Interested Director

Michael C. Mauer has served as our Chief Executive Officer and Chairman of the Board and as Co-Chief Investment Officer of our Adviser since 2013. Mr. Mauer has also served as Chief Executive Officer and Chairman of the Board of Trustees of Investcorp US Institutional Private Credit Fund since 2022 and co-head of Investcorp Credit Management US since August 2019. From January 2012 to February 2014, Mr. Mauer served as the Managing Partner and Co-Chief Investment Officer of CM Investment Partners, LP. Mr. Mauer is also a member of our Adviser's investment committee and board of managers. Mr. Mauer served as a Senior Managing

Director and head of the leveraged loan effort at Cyrus Capital Partners, L.P. (“Cyrus Capital”) from September 2011 to February 2014. Mr. Mauer resigned from Cyrus Capital upon our election to be regulated as a BDC. From July 2009 to September 2010, Mr. Mauer worked for Icahn Capital where he was a Senior Managing Director and a member of the investment team. In addition, he was in charge of the firm’s Marketing and Investor Relations. Prior to that, Mr. Mauer was a Managing Director at Citigroup Inc. (NYSE: C), a financial services company, from 2001 to 2009. During that time, he led several businesses including Global Co-Head of Leveraged Finance and Global Co-Head of Fixed Income Currency and Commodity Distribution. In addition, during this period he was a senior member of Citigroup Inc.’s credit committee responsible for all underwriting and principal commitments of leveraged finance capital worldwide. From 1988 to 2001, Mr. Mauer held several positions at JPMorgan including Head of North American Investment Grade and Leverage Loan Syndicate, Sales and Trading businesses. Mr. Mauer began his career in 1982 at Price Waterhouse & Co., where he was a Senior Accountant and a C.P.A. Mr. Mauer received a B.S. from the University of Scranton and an M.B.A. from Columbia University. We believe Mr. Mauer’s extensive investing, finance, and restructuring experience bring important and valuable skills to the Board.

Suhail A. Shaikh has served as the Co-Chief Investment Officer of the Adviser since January 2023 and as President of the Company since February 2023. Mr. Shaikh has served as a member of our Board since September 2023. Mr. Shaikh has also served as President of Investcorp US Institutional Private Credit Fund since February 2023. Prior to joining Investcorp, Mr. Shaikh served as the Head of U.S. Private Credit for Alcentra Group. Mr. Shaikh also served as Vice Chair of the Global Private Credit Investment Committee and was a Board member of Alcentra NY, LLC, external manager to funds managed by Alcentra Group. Mr. Shaikh also served as member of Alcentra’s management committee. Mr. Shaikh was the Chief Executive Officer of Alcentra Capital Corporation since March 2019, a publicly listed business development company managed by Alcentra NY, LLC, and served on its Board of Directors. Prior to joining Alcentra, Mr. Shaikh was a partner and senior investment professional with Solar Capital Partners LLC. Prior to being a private credit investor, Mr. Shaikh was in investment banking for over fifteen years as a leveraged finance specialist and financial sponsor banker, most recently as a Managing Director in the Financial Sponsors Group at Bank of America Merrill Lynch. He previously worked in CIBC World Market’s Financial Sponsor Group and in the Leveraged Finance and Telecom Groups at JPMorgan & Co. in New York and London. He began his career as an investment analyst in the Investment Management Group at Bankers Trust. Mr. Shaikh earned an M.B.A. from The Wharton School with a concentration in Finance and graduated Cum Laude with an A.B. in Computer Science and Economics from Middlebury College.

Executive Officers Who Are Not Directors

Rocco DelGuercio has served as our Chief Financial Officer since June 2016, as our Chief Compliance Officer since September 2016 and as our Treasurer and Secretary since February 2023. Mr. DelGuercio has also served as Chief Financial Officer of our Adviser since June 2016 and as Chief Compliance Officer of our Adviser since September 2016. Mr. DelGuercio has served as Chief Financial Officer and Chief Compliance Officer of Investcorp US Institutional Private Credit Fund since August 2022 and Treasurer and Secretary since February 2023. Mr. DelGuercio spent over 10 years at Credit Suisse Asset Management and served in various capacities, including as Chief Financial Officer and Treasurer of Credit Suisse Park View BDC, Inc., a BDC, and Credit Suisse Asset Management Income Fund Inc. and Credit Suisse High Yield Bond Fund, each a closed-end management investment company. Mr. DelGuercio also served as the Chief Financial Officer and Treasurer of ten open-end management investment companies managed by Credit Suisse Asset Management. From February 2012 to April 2013, Mr. DelGuercio was an independent contractor consulting for a 12 billion dollar money manager and a large global service provider. Prior to that, Mr. DelGuercio served as Director of Legg Mason & Co., LLC from March 2004 to January 2012. Mr. DelGuercio earned a B.A. in Liberal Arts from The College of Staten Island, a B.A. in Business from Chadwick University and an M.B.A. in Finance from New York Institute of Technology.

Board of Directors and Its Leadership Structure

Our business and affairs are managed under the direction of our Board. The number of directors on our Board is currently fixed at five directors and divided into three classes. Three of the members of our Board are not "interested persons" of the Company, or its affiliates as defined in Section 2(a)(19) of the 1940 Act. We refer to these individuals as our "independent directors." The Board elects our officers, who serve at the discretion of the Board. The responsibilities of the Board include quarterly valuation of our assets, corporate governance activities, oversight of our financing arrangements and oversight of our investment activities.

Oversight of our investment activities extends to oversight of the risk management processes employed by our Adviser as part of its day-to-day management of our investment activities. The Board anticipates reviewing risk management processes at both regular and special board meetings throughout the year, consulting with appropriate representatives of our Adviser as necessary and periodically requesting the production of risk management reports or presentations. The goal of the Board's risk oversight function is to ensure that the risks associated with our investment activities are accurately identified, thoroughly investigated and responsibly addressed. Stockholders should note, however, that the Board's oversight function cannot eliminate all risks or ensure that particular events do not adversely affect the value of investments.

The Board has established an audit committee, a compensation committee, a nominating and corporate governance committee and a valuation committee and may establish additional committees from time to time, as necessary. While our Board is ultimately responsible for risk oversight, the committees assist our Board in fulfilling its responsibility with respect to risk oversight. As discussed in greater detail below, committees assist our Board in the following ways:

- the audit committee of the Board ("Audit Committee") assists with respect to risk management in the areas of financial reporting, internal controls, and compliance with legal and regulatory requirements;
- the nominating and governance committee of the Board (the "Nominating and Corporate Governance Committee") assists with respect to management of risks associated with Board organization and membership, and other corporate governance matters, as well as company culture and ethical compliance;
- the valuation committee of the Board (the "Valuation Committee") assists with respect to management risks related to the valuation of our investment portfolio; and
- the compensation committee of the Board (the "Compensation Committee") assists with respect to management of risks related to executive succession.

The scope of the responsibilities assigned to each of these committees is discussed in greater detail below. Mr. Mauer serves as our Chief Executive Officer and Chairman of the Board and the Managing Member and Co-Chief Investment Officer of our Adviser and Mr. Shaikh serves as our President, a member of the Board and the Co-Chief Investment Officer of our Adviser. We believe that Mr. Mauer's history with our Adviser and its predecessor, CM Investment Partners, LP, his familiarity with its investment platform, and his extensive knowledge of and experience in the financial services industry qualify him to serve as the Chairman of our Board.

The Board does not have a lead independent director. We are aware of the potential conflicts that may arise when a non-independent director is Chairman of the Board, but believe these potential conflicts are offset by our strong corporate governance practices. Our corporate governance practices include regular meetings of the independent directors in executive session without the presence of interested directors and management, the establishment of the Audit Committee, Compensation Committee, Nominating and Corporate Governance Committee, and Valuation Committee, each of which is comprised solely of independent directors, and the appointment of a Chief Compliance Officer, with whom the independent directors meet without the presence of interested directors and other members of management, who is responsible for administering our compliance policies and procedures.

The Board believes that its leadership structure is appropriate in light of our characteristics and circumstances because the structure allocates areas of responsibility among the individual directors and the committees in a manner that affords effective oversight. Specifically, the Board believes that the relationship of Mr. Mauer with our Adviser provides an effective bridge between the Board and management and encourages an open dialogue between management and our Board, ensuring that these groups act with a common purpose. The Board also believes that its small size creates a highly efficient governance structure that provides ample opportunity for direct communication and interaction between our management, our Adviser and the Board.

Board Meetings

The Board met five times during the fiscal year ended June 30, 2023. Each director attended at least 75% of the total number of meetings of the Board and committees on which the director served that were held while the director was a member. The Board's standing committees are set forth below. We require each director to make a diligent effort to attend all Board and committee meetings, as well as each Annual Meeting of Stockholders. Our 2022 Annual Meeting of Stockholders was attended by each member of the Board.

Audit Committee

The members of the Audit Committee are Ms. Persily, Mr. Shaiman and Mr. Sullivan, each of whom is independent for purposes of the 1940 Act and NASDAQ corporate governance regulations. Mr. Shaiman serves as the chairperson of the Audit Committee. Our Board has determined that Mr. Shaiman is an "audit committee financial expert" as that term is defined under Item 407 of Regulation S-K of the Securities Act. The Board has adopted a charter of the Audit Committee, which is available in print to any stockholder who requests it and it is also available on the Company's website at www.icmbdc.com.

The Audit Committee is responsible for approving our independent accountants, reviewing with our independent accountants the plans and results of the audit engagement, approving professional services provided by our independent accountants, reviewing the independence of our independent accountants and reviewing the adequacy of our internal accounting controls.

The Audit Committee met four times during the fiscal year ended June 30, 2023.

Compensation Committee

The members of the Compensation Committee are Ms. Persily, Mr. Shaiman and Mr. Sullivan, each of whom is independent for purposes of the 1940 Act and the NASDAQ corporate governance regulations. Ms. Persily serves as chairperson of the Compensation Committee. The Compensation Committee is responsible for overseeing our compensation policies generally, evaluating executive officer performance, overseeing and setting compensation for our directors and, as applicable, our executive officers and, as applicable, preparing the report on executive officer compensation that SEC rules require to be included in our annual proxy statement. Currently, none of our executive officers are compensated by us, and as such, the compensation committee is not required to produce a report on executive officer compensation for inclusion in our annual proxy statement.

The Compensation Committee has the sole authority to retain and terminate any compensation consultant assisting the Compensation Committee, including sole authority to approve all such compensation consultants' fees and other retention terms. The Compensation Committee may delegate its authority to subcommittees or the chairperson of the Compensation Committee when it deems appropriate and in our best interests.

A charter of the Compensation Committee is available in print to any stockholder who requests it, and it is also available on the Company's website at www.icmbdc.com.

The Compensation Committee met one time during the fiscal year ended June 30, 2023.

Nominating and Corporate Governance Committee

The members of the Nominating and Corporate Governance Committee are Ms. Persily, Mr. Shaiman and Mr. Sullivan, each of whom is independent for purposes of the 1940 Act and NASDAQ corporate governance regulations. Mr. Sullivan serves as chairperson of the Nominating and Corporate Governance Committee. The Nominating and Corporate Governance Committee is responsible for selecting, researching and nominating directors for election by our stockholders, selecting nominees to fill vacancies on the Board or a committee of the Board, developing and recommending to the Board a set of corporate governance principles and overseeing the evaluation of the Board and our management.

The Nominating and Corporate Governance Committee will consider nominees to the Board recommended by a stockholder if such stockholder complies with the advance notice provisions of our bylaws. Our bylaws provide that a stockholder who wishes to nominate a person for election as a director at a meeting of stockholders must deliver written notice to our corporate secretary. This notice must contain, as to each nominee, all of the information relating to such person as would be required to be disclosed in a proxy statement meeting the requirements of Regulation 14A under the Exchange Act, and certain other information set forth in the bylaws. In order to be eligible to be a nominee for election as a director by a stockholder, such potential nominee must deliver to our corporate secretary a written questionnaire providing the requested information about the background and qualifications of such person and would be in compliance with all of our publicly disclosed corporate governance, conflict of interest, confidentiality and stock ownership and trading policies and guidelines.

The Nominating and Corporate Governance Committee has not adopted a formal policy with regard to the consideration of diversity in identifying individuals for election as members of the Board, but the committee will consider such factors as it may deem are in our best interests and those of our stockholders. Those factors may include a person’s differences of viewpoint, professional experience, education and skills, as well as his or her race, gender and national origin. In addition, as part of the Board’s annual self-assessment, the members of the Nominating and Corporate Governance Committee will evaluate the membership of the Board and whether the Board maintains satisfactory policies regarding membership selection.

A charter of the Nominating and Corporate Governance Committee is available in print to any stockholder who requests it, and it is also available on the Company’s website at www.icmbdc.com.

The Nominating and Corporate Governance Committee met one time during the fiscal year ended June 30, 2023.

Valuation Committee

The members of the Valuation Committee are Ms. Persily, Mr. Shaiman and Mr. Sullivan, each of whom is not an interested person for purposes of the 1940 Act and NASDAQ corporate governance regulations. Ms. Persily serves as the chairperson of the Valuation Committee. The Valuation Committee is responsible for aiding the Board in fair value pricing of our debt and equity investments that are not publicly traded or for which current market values are not readily available. The Board and the Valuation Committee utilize the services of an independent valuation firm to help them determine the fair value of these securities. The Board has engaged an independent valuation firm to review, on a periodic basis, at least once annually, the valuation for each of our Level 3 investments. We invest primarily in investments classified as Level 3. The Board, including the members of the Valuation Committee, also meet with the independent valuation firm periodically review the methodology of the independent valuation firm. The Valuation Committee reviews subsequent transactions to test the accuracy of the independent valuation firm’s valuations.

The Valuation Committee met four times during the fiscal year ended June 30, 2023.

Compensation of Directors

The following table shows information regarding the compensation received by our independent directors in office for the fiscal year ended June 30, 2023. No compensation is paid to directors who are "interested persons" for their service as directors.

Name	Aggregate Cash Compensation from Investcorp Credit Management BDC, Inc.(1)	Total Compensation from Fund Complex(1)(2)
Independent Directors		
Julie Persily	$102,500	$122,500
Lee Shaiman	$103,750	$103,750
Thomas Sullivan	$101,250	$101,250

(1) For a discussion of the independent directors' compensation, see below. We do not have a profit-sharing or retirement plan, and directors do not receive any pension or retirement benefits.
(2) "Fund Complex" includes Investcorp US Institutional Private Credit Fund.

The independent directors receive an annual fee of $75,000. They also receive $2,500 plus reimbursement of reasonable out-of-pocket expenses incurred in connection with attending in person or telephonically each regular Board meeting and each special telephonic Board meeting. They also receive $1,000 plus reimbursement of reasonable out-of-pocket expenses incurred in connection with each committee meeting attended in person and each telephonic committee meeting. The chair of the Audit Committee receives an annual fee of $7,500. The chairs of the Valuation Committee, the Nominating and Corporate Governance Committee and the Compensation Committee receive an annual fee of $2,500, $2,500 and $2,500, respectively. We have obtained directors' and officers' liability insurance on behalf of our directors and officers. No compensation is paid to directors who are "interested persons" for their service as directors.

Corporate Governance

Corporate Governance Documents

We maintain a corporate governance webpage at the "Corporate Governance" link at www.icmbdc.com.

Our Corporate Governance Procedures, Code of Ethics and Business Conduct, Code of Ethics and Board committee charters are available at our corporate governance webpage at www.icmbdc.com and are also available to any stockholder who requests them by writing to our Secretary, Rocco DelGuercio, at Investcorp Credit Management BDC, Inc., 280 Park Avenue, 39th Floor, New York, NY 10017.

Director Independence

In accordance with rules of NASDAQ, the Board annually determines the independence of each director. No director is considered independent unless the Board has determined that he or she has no material relationship with the Company. The Company monitors the status of its directors and officers through the activities of the Nominating and Corporate Governance Committee and through a questionnaire to be completed by each director no less frequently than annually, with updates periodically if information provided in the most recent questionnaire has changed.

In order to evaluate the materiality of any such relationship, the Board uses the definition of director independence set forth in the NASDAQ listing rules. Section 5605 provides that a director of a BDC shall be considered to be independent if he or she is not an "interested person" of the Company, as defined in Section 2(a)(19) of the 1940 Act. Section 2(a)(19) of the 1940 Act defines an "interested person" to include,

among other things, any person who has, or within the last two years had, a material business or professional relationship with the Company or our Adviser.

The Board has determined that each of the directors is independent and has no relationship with the Company, except as a director and stockholder of the Company, with the exception of Messrs. Mauer and Shaikh, who are each interested persons of the Company due to their positions as officers of the Company and as officers of our Adviser.

Annual Evaluation

Our directors perform an evaluation, at least annually, of the effectiveness of the Board and its committees. This evaluation includes discussion among the Board and committees of the Board.

Communication with the Board

We believe that communications between our Board, our stockholders and other interested parties are an important part of our corporate governance process. Stockholders with questions about the Company are encouraged to contact the Company's Investor Relations department at (646) 690-5081. However, if stockholders believe that their questions have not been addressed, they may communicate with the Company's Board by sending their communications to Investcorp Credit Management BDC, Inc., 280 Park Avenue, 39th Floor, New York, NY 10017, Attn.: Board of Directors or to icmbcompliance@investcorp.com. All stockholder communications received in this manner will be delivered to one or more members of the Board.

All communications involving accounting, internal accounting controls and auditing matters, possible violations of, or non-compliance with, applicable legal and regulatory requirements or policies, or retaliatory acts against anyone who makes such a complaint or assists in the investigation of such a complaint, will be referred to our Audit Committee.

The acceptance and forwarding of a communication to any director does not imply that the director owes or assumes any fiduciary duty to the person submitting the communication, all such duties being only as prescribed by applicable law.

Code of Business Conduct and Ethics

Our code of ethics, which is signed by directors and executive officers of the Company, requires that directors and executive officers avoid any conflict, or the appearance of a conflict, between an individual's personal interests and the interests of the Company. Pursuant to the code of ethics, which is available on our website under the "Corporate Governance" link at www.icmbdc.com, each director and executive officer must disclose any conflicts of interest, or actions or relationships that might give rise to a conflict, to the Audit Committee. Certain actions or relationships that might give rise to a conflict of interest are reviewed and approved by the Board.

Compensation Committee Interlocks and Insider Participation

All members of the Compensation Committee are independent directors and none of the members is a present or past employee of the Company. No member of the Compensation Committee: (i) has had any relationship with the Company requiring disclosure under Item 404 of Regulation S-K under the Securities Exchange Act of 1934, as amended; or (ii) is an executive officer of another entity, at which one of our executive officers serves on the Board.

Hedging Transactions

Our Statement of Policy on Insider Trading (the "Insider Trading Policy") does not expressly prohibit Covered Persons (as defined in the Insider Trading Policy) from engaging in certain forms of hedging or monetization transactions (e.g., zero-cost collars and forward sale contracts), but such transactions are strongly discouraged. In this regard, any person wishing to enter into such an arrangement must first pre-clear the proposed transaction with the Company's Chief Compliance Officer. Such request for pre-clearance of a hedging or similar arrangement must be received at least two weeks before the Covered Person intends to execute the documents in connection with the proposed transaction and must set forth the reason for the proposed transaction.

Board Diversity

In accordance with NASDAQ listing requirements, the Company has disclosed certain gender identity and demographic background information relating to its directors as set forth in the table below.

Investcorp Credit Management BDC, Inc. Board Diversity Matrix (as of September 28, 2023)				
Total Number of Directors	5			
Part I: Gender Identity	**Female**	**Male**	**Non-Binary**	**Did Not Disclose Gender**
Directors	1	4	-	-
Part II: Demographic Background				
African American or Black	-	-	-	-
Alaskan Native or Native American	-	-	-	-
Asian	-	1	-	-
Hispanic or Latinx	-	-	-	-
Native Hawaiian or Pacific Islander	-	-	-	-
White	1	3	-	-
Two or More Races or Ethnicities	-	-	-	-
LGBTQ+	-			
Did Not Disclose Demographic Background	-			

CONFLICTS OF INTEREST AND CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The Company has procedures in place for the review, approval and monitoring of transactions involving the Company and certain persons related to the Company. As a BDC, the 1940 Act restricts the Company from participating in certain transactions with certain persons affiliated with the Company, including our officers, directors, and employees and any person controlling or under common control with us.

In order to ensure that we do not engage in any prohibited transactions with any persons affiliated with the Company, our officers screen each of our transactions for any possible affiliations, close or remote, between the proposed portfolio investment, the Company, Investcorp US Institutional Private Credit Fund, companies controlled by us and our employees and directors. The Company will not enter into any transactions unless and until we are satisfied that the transaction is not prohibited by the 1940 Act or, if such prohibitions exist, the Company has taken appropriate actions to seek Board review and approval or exemptive relief from the SEC for such transaction.

Investment Advisory Agreement

The Company entered into an investment advisory agreement with the Adviser on August 30, 2019 (the "Advisory Agreement"), in which certain of the Company's directors and executive officers have ownership and financial interests. Mr. Mauer holds an approximate 17% interest in our Adviser. Investcorp Credit Management US holds an approximate 83% ownership interest in the Adviser. Pursuant to the Advisory Agreement, the Company has agreed to pay to the Adviser a base management fee and an incentive fee. Mr. Mauer, an interested member of the Board, has a direct or indirect pecuniary interest in the Adviser. The incentive fee will be computed and paid on income that we may not have yet received in cash at the time of payment. This fee structure may create an incentive for the Adviser to invest in certain types of speculative securities. Additionally, we will rely on investment professionals from the Adviser to assist the Board with the valuation of our portfolio investments. The Adviser's management fee and incentive fee is based on the value of our investments and, therefore, there may be a conflict of interest when personnel of the Adviser are involved in the valuation process for our portfolio investments.

Administration Agreement

The Company entered into an administration agreement with the Adviser on August 30, 2019 (the "Administration Agreement") pursuant to which the Adviser furnishes the Company with office facilities and equipment and provides it with the clerical, bookkeeping, recordkeeping and other administrative services necessary to conduct day-to-day operations. Under this Administration Agreement, the Adviser performs, or oversees the performance of, the Company's required administrative services, which include, among other things, being responsible for the financial records which the Company is required to maintain and preparing reports to its stockholders and reports filed with the SEC. The Company reimburses the Adviser for the allocable portion (subject to the review of the Board) of overhead and other expenses incurred by it in performing its obligations under the Administration Agreement, including rent, the fees and expenses associated with performing compliance functions, and the Company's allocable portion of the cost of its chief financial officer and chief compliance officer and his respective staff. In addition, the Adviser may satisfy certain of its obligations to the Company under the Administration Agreement through the services agreement with Investcorp International Inc., an affiliate of Investcorp, including supplying the Company with accounting and back-office professionals upon the request of the Adviser.

Co-investment Exemptive Relief

On July 20, 2021, the SEC issued an exemptive order (the "Exemptive Order"), which superseded a prior order issued on March 19, 2019, which permits the Company to co-invest, subject to the satisfaction of certain conditions, in certain private placement transactions with other funds managed by the Adviser or its affiliates and any future funds that are advised by the Adviser or its affiliated investment advisers. Under the terms of the exemptive order, in order for the Company to participate in a co-investment transaction a "required majority" (as defined in Section 57(o) of the 1940 Act) of the Company's independent directors must conclude that (i) the terms of the proposed transaction, including the consideration to be paid, are reasonable and fair to the Company and its stockholders and do not involve overreaching in respect of the Company or its stockholders on the part of any person concerned, and (ii) the proposed transaction is consistent with the interests of the Company's stockholders and is consistent with the Company's investment objectives and strategies.

License Agreement

The Company has entered into a license agreement with the Adviser pursuant to which the Adviser has granted the Company a non-exclusive, royalty-free license to use the name "Investcorp."

Other Conflicts of Interest

The Company may also have conflicts of interest arising out of the investment advisory activities of the Adviser. The Adviser may manage other investment funds, accounts or investment vehicles that invest or may invest in assets eligible for purchase by the Company. To the extent that the Company competes with entities managed by the Adviser or any of its affiliates for a particular investment opportunity, the Adviser will allocate investment opportunities across the entities for which such opportunities are appropriate, consistent with (a) its internal investment allocation policies, (b) the requirements of the Investment Advisers Act of 1940, as amended, and (c) certain restrictions under the 1940 Act regarding co-investments with affiliates.

SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Exchange Act and the disclosure requirements of Item 405 of SEC Regulation S-K require that our directors and executive officers, and any persons holding more than 10% of any class of our equity securities report their ownership of such equity securities and any subsequent changes in that ownership to the SEC and to us. Based solely on a review of the written statements and copies of such reports furnished to us by our executive officers, directors and greater than 10% beneficial owners, we believe that, during the fiscal year ended June 30, 2023, all Section 16(a) filing requirements applicable to the executive officers, directors and stockholders were timely satisfied.

EXECUTIVE COMPENSATION

Currently, none of our executive officers are compensated by us. We currently have no employees, and each of our executive officers is also an employee of our Adviser. Mr. Mauer has a direct ownership and financial interest in and may receive compensation and/or profit distributions from the Adviser. Mr. Shaikh also has a financial interest in and may receive compensation from the Adviser. None of Mr. Mauer or Mr. Shaikh receives any direct compensation from us. See “Conflicts of Interest and Certain Relationships and Related Transactions.” Services necessary for our business are provided by individuals who are employees of our Adviser, pursuant to the terms of the Advisory Agreement and the Administration Agreement. Rocco DelGuercio, our Chief Financial Officer, Chief Compliance Officer, Treasurer and Secretary, is paid by the Adviser, as our Administrator, subject to reimbursement by us of an allocable portion of such compensation for services rendered by Mr. DelGuercio to us. To the extent that the Adviser outsources any of its functions, we will pay the fees associated with such functions on a direct basis without profit to the Adviser.

PRINCIPAL ACCOUNTANT FEES AND SERVICES

The Board, including the Audit Committee and independent directors thereof, have selected RSM US LLP to serve as the Company’s independent registered public accounting firm for the fiscal year ending June 30, 2024.

RSM US LLP has advised the Company that neither the firm nor any present member or associate of it has any material financial interest, direct or indirect, in the Company or its affiliates. It is expected that a representative of RSM US LLP will be present at the Annual Meeting and will have an opportunity to make a statement if he or she chooses and will be available to answer questions.

The following table presents fees for professional services rendered by RSM US LLP for the fiscal years ended June 30, 2023 and 2022. Aggregate audit and tax fees in the table below consist of fees billed and paid:

	Fiscal Year Ended June 30, 2023	Fiscal Year Ended June 30, 2022
Audit Fees	$326,308	$450,541
Audit-Related Fees	—	—
Tax Fees	19,500	34,220
All Other Fees	—	—
TOTAL FEES	**$345,808**	**$484,761**

Services rendered by RSM US LLP in connection with fees presented above were as follows:

Audit Fees. Audit fees include fees for services that normally would be provided by the accountant in connection with statutory and regulatory filings or engagements and that generally only the independent accountant can provide. In addition to fees for the audit of our annual financial statements and the review of our quarterly financial statements in accordance with generally accepted auditing standards, this category contains fees for comfort letters, consents, and assistance with and review of documents filed with the SEC.

Audit-Related Fees. Audit related fees are assurance related services that traditionally are performed by the independent accountant, such as attest services that are not required by statute or regulation.

Tax Fees. Tax fees include professional fees for tax compliance and tax advice.

All Other Fees. Fees for other services would include fees for products and services other than the services reported above.

Pre-Approval Policy

The Audit Committee has established a pre-approval policy that describes the permitted audit, audit-related, tax and other services to be provided by RSM US LLP, the Company's independent registered public accounting firm. The policy requires that the Audit Committee pre-approve all audit and non-audit services performed by the independent auditor in order to assure that the provision of such service does not impair the auditor's independence. In accordance with the pre-approval policy, the Audit Committee includes every year a discussion and pre-approval of such services and the expected costs of such services for the year.

Any requests for audit, audit-related, tax and other services that have not received general pre-approval at the first Audit Committee meeting of the year must be submitted to the Audit Committee for specific pre-approval, irrespective of the amount, and cannot commence until such approval has been granted. Normally, pre-approval is provided at regularly scheduled meetings of the Audit Committee. However, the Audit Committee may delegate pre-approval authority to one or more of its members. The member or members to whom such authority is delegated shall report any pre-approval decisions to the Audit Committee at its next scheduled meeting. The Audit Committee does not delegate its responsibilities to pre-approve services performed by the independent registered public accounting firm to management. The Audit Committee pre-approved 100% of services described in this policy.

AUDIT COMMITTEE REPORT

Management is responsible for the Company's internal controls and the financial reporting process. The independent auditors are responsible for performing an independent audit of the Company's financial statements

in accordance with auditing standards generally accepted in the United States and expressing an opinion on the conformity of those audited financial statements in accordance with accounting principles generally accepted in the United States. The Audit Committee's responsibility is to monitor and oversee these processes. The Audit Committee is also directly responsible for the appointment, compensation and oversight of the Company's independent registered public accounting firm.

Review with Management

The Audit Committee has reviewed the audited financial statements and met and held discussions with management regarding the audited financial statements. Management has represented to the Audit Committee that the Company's financial statements were prepared in accordance with the United States generally accepted accounting principles.

Review and Discussion with Independent Registered Public Accounting Firm

The Audit Committee has discussed with RSM US LLP, the Company's independent registered public accounting firm during the year ended June 30, 2023, matters required to be discussed by Statement of Auditing Standards No. 61, as amended (AICPA, *Professional Standards*, Vol. 1, AU section 380), as adopted by the Public Company Accounting Oversight Board in Rule 3200T. SAS No. 61, as amended, requires our independent registered public accounting firm to discuss with our Audit Committee, among other things, the following:

- methods used to account for significant unusual transactions;
- the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus;
- the process used by management in formulating particularly sensitive accounting estimates and the basis for the auditors' conclusions regarding the reasonableness of those estimates; and
- disagreements with management over the application of accounting principles, the basis for management's accounting estimates and the disclosures in the consolidated financial statements.

The Audit Committee received and reviewed the written disclosures and the letter from the independent registered public accounting firm required by the applicable Public Company Accounting Oversight Board rule regarding the independent accountant's communications with audit committees concerning independence and has discussed with the auditors the auditors' independence. The Audit Committee has also considered the compatibility of non-audit services with the auditors' independence.

Conclusion

Based on the Audit Committee's discussion with management and the independent registered public accounting firm, the Audit Committee's review of the audited financial statements, the representations of management and the report of the independent registered public accounting firm to the Audit Committee, the Audit Committee recommended that the Board include the audited financial statements in the Company's Annual Report on Form 10-K for the year ended June 30, 2023 for filing with the SEC. The Audit Committee also recommended the selection of RSM US LLP to serve as the Company's independent registered public accounting firm for the fiscal year ending June 30, 2024 and the Board approved such recommendation.

The Audit Committee
Lee Shaiman, Chairman
Julie Persily
Thomas Sullivan

OTHER BUSINESS

The Board knows of no other business to be presented for action at the Annual Meeting. If any matters do come before the Annual Meeting on which action can properly be taken, it is intended that the proxies shall vote in accordance with the judgment of the person or persons exercising the authority conferred by the proxy at the Annual Meeting. The submission of a proposal does not guarantee its inclusion in the Company's proxy statement or presentation at the Annual Meeting unless certain securities law requirements are met.

SUBMISSION OF STOCKHOLDER PROPOSALS

The Company expects that the 2024 Annual Meeting of Stockholders will be held in November 2024, but the exact date, time, and location of such meeting have yet to be determined. A stockholder who intends to present a proposal at that annual meeting pursuant to the SEC's Rule 14a-8 must submit the proposal in writing to the Company at its address in New York, New York and the Company must receive the proposal on or before May 31, 2024, in order for the proposal to be considered for inclusion in the Company's proxy statement for that meeting. The submission of a proposal does not guarantee its inclusion in the Company's proxy statement or presentation at the meeting.

Stockholder proposals or director nominations to be presented at the 2024 Annual Meeting of Stockholders, other than stockholder proposals submitted pursuant to the SEC's Rule 14a-8, must be delivered to, or mailed and received at, the principal executive offices of the Company not less than 120 days or more than 150 days in advance of the one year anniversary of the date the Company's proxy statement was released to stockholders in connection with the previous year's Annual Meeting of Stockholders. For the Company's 2024 Annual Meeting of Stockholders, the Company must receive such proposals and nominations between May 1, 2024 and May 31, 2024. If the date of the Annual Meeting has been changed by more than thirty (30) calendar days from the date contemplated at the time of the previous year's proxy statement, stockholder proposals or director nominations must be so received not later than the tenth day following the day on which such notice of the date of the 2024 Annual Meeting of Stockholders or such public disclosure is made. Proposals must also comply with the other requirements contained in the Company's bylaws, including supporting documentation and other information. Proxies solicited by the Company will confer discretionary voting authority with respect to these proposals, subject to SEC rules governing the exercise of this authority.

PRIVACY PRINCIPLES

We are committed to maintaining the privacy of our stockholders and to safeguarding their nonpublic personal information. The following information is provided to help you understand what personal information we collect, how we protect that information and why, in certain cases, we may share information with select other parties.

Generally, we do not receive any nonpublic personal information relating to our stockholders, although certain nonpublic personal information of our stockholders may become available to us. We do not disclose any nonpublic personal information about our stockholders or former stockholders to anyone, except as permitted by law or as is necessary in order to service stockholder accounts (for example, to a transfer agent or third-party administrator).

We restrict access to nonpublic personal information about our stockholders to employees of CM Investment Partners LLC, as our investment adviser, and its affiliates with a legitimate business need for the information. We intend to maintain physical, electronic and procedural safeguards designed to protect the nonpublic personal information of our stockholders.

By Order of the Board,

Rocco DelGuercio
Secretary
New York, New York
September 28, 2023

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

(Mark One)

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

COMMISSION FILE NUMBER: 814-01054

INVESTCORP CREDIT MANAGEMENT BDC, INC.

(Exact Name of Registrant as Specified in Its Charter)

Maryland	46-2883380
(State of Incorporation)	(I.R.S. Employer Identification No.)
280 Park Avenue 39th Floor New York, NY	10017
(Address of principal executive offices)	(Zip Code)

(212) 257-5199
(Registrant's telephone number, including area code)

SECURITIES REGISTERED PURSUANT TO SECTION 12(B) OF THE ACT:

Title of Each Class	Trading Symbol(s)	Name of Each Exchange on Which Registered
Common Stock, par value $0.001 per share	ICMB	The NASDAQ Global Select Market

SECURITIES REGISTERED PURSUANT TO SECTION 12(G) OF THE ACT:
None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See definition of "accelerated filer," "large accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒ (Do not check if a smaller reporting company)	Smaller reporting company	☐
		Emerging Growth Company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☐

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to § 240.10D-1(b). ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

The aggregate market value of the Registrant's common stock held by non-affiliates of the Registrant as of the last business day of the Registrant's most recently completed second fiscal quarter was approximately $37.3 million based upon the last sale price for the Registrant's common stock on that date.

There were 14,392,841 shares of the Registrant's common stock outstanding as of September 15, 2023.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Registrant's definitive Proxy Statement relating to the Registrant's 2023 Annual Meeting of Stockholders, to be filed with the Securities and Exchange Commission within 120 days following the end of the Company's fiscal year, are incorporated by reference in Part III of this Annual Report on Form 10-K as indicated herein.

INVESTCORP CREDIT MANAGEMENT BDC, INC.

FORM 10-K FOR THE FISCAL YEAR ENDED JUNE 30, 2023

TABLE OF CONTENTS

		Page
PART I		1
ITEM 1.	BUSINESS	1
ITEM 1A.	RISK FACTORS	27
ITEM 1B.	UNRESOLVED STAFF COMMENTS	55
ITEM 2.	PROPERTIES	55
ITEM 3.	LEGAL PROCEEDINGS	55
ITEM 4.	MINE SAFETY DISCLOSURES	55
PART II		56
ITEM 5.	MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES	56
ITEM 6.	[RESERVED]	58
ITEM 7.	MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS	59
ITEM 7A.	QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK	74
ITEM 8.	FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA	76
ITEM 9.	CHANGES IN AND DISAGREEMENTS WITH INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM ON ACCOUNTING AND FINANCIAL DISCLOSURE	114
ITEM 9A.	CONTROLS AND PROCEDURES	114
ITEM 9B.	OTHER INFORMATION	114
PART III		115
ITEM 10.	DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE	115
ITEM 11.	EXECUTIVE COMPENSATION	115
ITEM 12.	SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS	115
ITEM 13.	CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE	115
ITEM 14.	PRINCIPAL ACCOUNTANT FEES AND SERVICES	115
PART IV		116
ITEM 15.	EXHIBITS, FINANCIAL STATEMENT SCHEDULES	116
SIGNATURES		119

[THIS PAGE INTENTIONALLY LEFT BLANK]

PART I

Item 1. Business

Our Company

Except as otherwise indicated, the terms "we," "us," "our," "Investcorp Credit" and the "Company" refer to Investcorp Credit Management BDC, Inc. (formerly known as CM Finance Inc through August 30, 2019) and "CM Investment Partners" and the "Adviser" refer to our investment adviser and administrator, CM Investment Partners LLC.

We were formed in February 2012 and commenced operations in March 2012 as CM Finance LLC, a Maryland limited liability company. Immediately prior to the pricing of our initial public offering, CM Finance LLC was merged with and into CM Finance Inc, a Maryland corporation (the "Merger"). On August 30, 2019, we changed our name to Investcorp Credit Management BDC, Inc. We are an externally managed, non-diversified closed-end management investment company that has elected to be regulated as a business development company ("BDC") under the Investment Company Act of 1940, as amended (the "1940 Act"), and that has elected to be treated as a regulated investment company ("RIC") under Subchapter M of the Internal Revenue Code, as amended (the "Code") for U.S. federal income tax purposes.

We are a specialty finance company that invests primarily in the debt of U.S. middle-market companies, which we generally define as those companies that have an enterprise value, which represents the aggregate of debt value and equity value of the entity, of less than $750 million. We are externally managed by CM Investment Partners. The Adviser is led by Michael C. Mauer and Suhail A. Shaikh, who together have over 40 years of experience in the leveraged debt markets. Our primary investment objective is to maximize total return to stockholders in the form of current income and capital appreciation by investing in debt and related equity of privately held middle-market companies.

We seek to invest primarily in middle-market companies that have annual revenues of at least $50 million and EBITDA of at least $15 million. We focus on companies with leading market positions, significant asset or franchise values, strong free cash flow and experienced senior management teams, with emphasis on companies with high-quality sponsors. Our investments typically range in size from $5 million to $25 million. We expect that our portfolio companies will use our capital for organic growth, acquisitions, market or product expansion, refinancings, and/or recapitalizations. We invest, and intend to continue to invest, in standalone first and second lien loans and unitranche loans, with an emphasis on floating rate debt. Unitranche loans are loans structured as first lien loans with certain characteristics of mezzanine loan risk in one security. We also selectively invest in unsecured debt, bonds and in the equity of portfolio companies through warrants and other instruments, in most cases taking such upside participation interests as part of a broader investment relationship.

We strive to maintain a strong focus on credit quality, investment discipline and investment selectivity. We believe that investing in the debt of private middle-market companies generally provides a more attractive relative value proposition than investing in broadly syndicated debt due to the conservative capital structures and superior default and loss characteristics typically associated with middle-market companies. We believe that, because private middle-market companies have limited access to capital providers, debt investments in these companies typically carry above-market interest rates and include more favorable protections, resulting in attractive risk-adjusted returns across credit cycles while better preserving capital. The companies in which we invest typically are highly leveraged, and, in most cases, our investments in such companies are not rated by national rating agencies. If such investments were rated, we believe that they would likely receive a rating that is often referred to as "junk."

We previously, through CM Finance SPV Ltd. ("CM SPV"), our wholly owned subsidiary, entered into a $102.0 million term secured financing facility (the "Term Financing"), due December 5, 2021 with UBS AG, London Branch (together with its affiliates "UBS"). The Term Financing was collateralized by a portion of the debt investments in our portfolio. On June 21, 2019, we amended the Term Financing to increase the Term Financing by $20.0 million from $102.0 million to $122.0 million. We subsequently repaid $20.0 million of the Term Financing on April 15, 2020. Borrowings under the Term Financing, as amended, bore interest with respect to the $102.0 million (i) at a rate per annum equal to one-month LIBOR plus 3.55% from December 5, 2019 through December 4, 2020, and (ii) at a rate per annum equal to one-month LIBOR plus 3.15% from December 5, 2020 through December 4, 2021. On November 19, 2021, the Company repaid the Term Financing in full in accordance with the terms of the Term Financing and the agreement was terminated.

As of June 30, 2023 and June 30, 2022, there were no borrowings outstanding under the Term Financing, respectively.

On November 20, 2017, as subsequently amended, we entered into a $50 million revolving financing facility with UBS, which was subsequently amended on June 21, 2019 to reduce the size to $30.0 million and extend the maturity date (as amended, the "Revolving Financing"). On September 30, 2020, we amended the Revolving Financing to reduce the size of the Revolving Financing to $20.0 million and extend the maturity date to December 5, 2021. We paid a fee on any undrawn amounts of 0.75% per annum. On November 19, 2021, we satisfied all obligations under the Revolving Financing and the agreement was terminated.

As of June 30, 2023 and June 30, 2022, there were no borrowings outstanding under the Revolving Financing.

On August 23, 2021, we, through Investcorp Credit Management BDC SPV, LLC ("SPV LLC"), our wholly-owned subsidiary, entered into a five-year, $115 million senior secured revolving credit facility (the "Capital One Revolving Financing") with Capital One, N.A. ("Capital One"), which is secured by collateral consisting primarily of loans in the Company's investment portfolio. On June 14, 2023, we amended the Capital One Revolving Financing to decrease the facility size from $115 million to $100 million. The Capital One Revolving Financing, which will expire on August 22, 2026 (the "Maturity Date"), features a three-year reinvestment period and a two-year amortization period.

Effective November 18, 2022, borrowings under the Capital One Revolving Financing generally bear interest at a rate per annum equal to Secured Overnight Financing Rate ("SOFR") plus 2.50%. The default interest rate will be equal to the interest rate then in effect plus 2.00%. The Capital One Revolving Financing required the payment of an upfront fee of 1.125% ($1.3 million) of the available borrowings under the Capital One Revolving Financing at the closing, and requires the payment of an unused fee of (i) 0.75% annually for any undrawn amounts below 50% of the Capital One Revolving Financing, (ii) 0.50% annually for any undrawn amounts between 50% and 75% of the Capital One Revolving Financing, and (iii) 0.25% annually for any undrawn amounts above 75% of the Capital One Revolving Financing. Borrowings under the Capital One Revolving Financing are based on a borrowing base. The Capital One Revolving Financing generally requires payment of interest and fees on a quarterly basis. All outstanding principal is due on the Maturity Date. The Capital One Revolving Financing also requires mandatory prepayment of interest and principal upon certain events.

As of June 30, 2023 and June 30, 2022, there were $71.9 million and $84.0 million in borrowings outstanding under the Capital One Revolving Financing, respectively.

Portfolio Composition

As of June 30, 2023, our portfolio consisted of debt and equity investments in 36 portfolio companies with a fair value of $220.1 million. As of June 30, 2023, our portfolio at fair value consisted of 89.21% first lien investments and 10.79% equity, warrant or other positions. At June 30, 2023, the weighted average total yield of debt and income producing securities at amortized cost (which includes income and amortization of fees and discounts) was 12.46%. At June 30, 2023, our weighted average total yield on investments at amortized cost (which includes interest income and amortization of fees and discounts) was 11.32%. The weighted average total yield was computed using an internal rate of return calculation of our debt investments based on contractual cash flows, including interest and amortization payments, and, for floating rate investments, the spot London Interbank Offered Rate ("LIBOR"), SOFR, the Euro Interbank Offered Rate, the Federal Funds Rate or the Prime Rate as of June 30, 2023 of all of our debt investments. See "Management's Discussion and Analysis of Financial Condition and Results of Operations". The weighted average total yield of our debt investments is not the same as a return on investment for our stockholders but, rather, relates to a portion of our investment portfolio and is calculated before payment of all of our fees and expenses, including any sales load paid in connection with an offering of our securities. There can be no assurance that the weighted average total yield will remain at its current level.

The industry composition of our portfolio at fair value at June 30, 2023 was as follows:

	Percentage of Total Portfolio at June 30, 2023
Trading Companies & Distributors	15.98 %
Professional Services	12.83
IT Services	10.71
Commercial Services & Supplies	6.51
Software	6.26
Containers & Packaging	5.89
Machinery	4.36
Internet & Direct Marketing Retail	4.08
Entertainment	3.47
Household Durables	3.46
Chemicals	3.44
Diversified Consumer Services	3.30
Automobile Components	3.30
Hotels, Restaurants and Leisure	2.85
Consumer Staples Distribution & Retail	2.75
Specialty Retail	2.34
Building Products	2.05
Food Products	1.95
Automotive Retail	1.76
Electronic Equipment, Instruments & Components	1.48
Energy Equipment & Services	1.23
	100.00 %

The Adviser and Administrator – CM Investment Partners LLC

CM Investment Partners, our external investment adviser, was formed in July 2013 and is a registered investment adviser under the Investment Advisers Act of 1940, as amended (the "Advisers Act"). The Adviser is responsible for sourcing investment opportunities, conducting industry research, performing diligence on potential investments, structuring our investments and monitoring our portfolio companies on an ongoing basis. The Adviser is led by its Co-Chief Investment Officers, Michael C. Mauer and Suhail A. Shaikh. Mr. Mauer also serves as the Chairman of our board of directors and our Chief Executive Officer, and Mr. Shaikh also serves as our President and a member of our board of directors. Mr. Mauer was formerly Global Co-Head of Leveraged Finance and Global Co-Head of Fixed Income Currency and Commodity Distribution at Citigroup Inc. and a senior member of its credit committee responsible for all underwriting and principal commitments of leveraged finance capital worldwide. Mr. Shaikh has served as President of Investcorp Credit Management BDC, Inc. since 2023 and as Co-Chief Investment Officer of CM Investment Partners since 2023.

On August 30, 2019, Investcorp Credit Management US LLC ("Investcorp") acquired an approximate 76% ownership interest in the Adviser through the acquisition of the interests held by Stifel Venture Corp. ("Stifel") and certain funds managed Cyrus Capital Partners, L.P. (the "Cyrus Funds") and through a direct purchase of equity from the Adviser (the "Investcorp Transaction"). Investcorp is a leading global credit investment platform with assets under management of $22.7 billion as of June 30, 2023. Investcorp manages funds that invest primarily in senior secured corporate debt issued by mid and large-cap corporations in Western Europe and the United States. The Investcorp business has a strong track record of consistent performance and growth, employing approximately 36 investment professionals in London and New York. Investcorp is a subsidiary of Investcorp Holdings B.S.C. ("Investcorp Holdings"). Investcorp Holdings and its consolidated subsidiaries, including Investcorp, are referred to as "Investcorp Group". Investcorp Group is a global provider and manager of alternative investments, offering such investments to its high-net-worth private and institutional clients on a global basis. As of June 30, 2023, Investcorp Group had $48.0 billion in total assets under management, including assets managed by third party managers and assets subject to a non-discretionary advisory mandate where Investcorp Group receives fees calculated on the basis of assets under management. Investcorp Group employs approximately 500 people across its offices in New York, London, Switzerland, Bahrain, Abu Dhabi, Riyadh, Doha, Mumbai, Beijing, Singapore and Tokyo. Investcorp Group has been engaged in the investment management and related services business since 1982, and brings enhanced capabilities to the Adviser.

The Adviser's investment team, led by Messrs. Mauer and Shaikh, is supported by eight additional investment professionals, who, together with Messrs. Mauer and Shaikh, we refer to as the "Investment Team." The members of the Investment Team have over 100 combined years of structuring customized debt solutions for middle-market companies, which we believe will enable us to generate favorable returns across credit cycles with an emphasis on preserving capital. Messrs. Mauer and Shaikh have developed an

investment process for reviewing lending opportunities, structuring transactions and monitoring investments throughout multiple credit cycles. The members of the Investment Team have extensive networks for sourcing investment opportunities through direct corporate relationships and relationships with private equity firms, investment banks, restructuring advisors, law firms, boutique advisory firms and distressed/specialty lenders. The members of the Investment Team also have extensive experience across various industries, including aviation, cable, defense, healthcare, media, mining, oil and gas, power, retail, telecommunications, trucking and asset-backed special situations. As a result, we believe we will be able to achieve appropriate risk-adjusted returns by investing in companies that have restructured but do not have sufficient track records to receive traditional lending terms from a commercial bank or the broadly syndicated leveraged finance market. We believe the members of the Investment Team share a common investment philosophy built on a framework of rigorous business assessment, extensive due diligence and disciplined risk valuation methodology.

Every initial investment by us requires the approval by a majority of the Adviser's investment committee (the "Investment Committee") and such majority must include both Messrs. Mauer and Shaikh. Every follow-on investment decision in an existing portfolio company and every investment disposition require approval by a majority of the Investment Committee. The Investment Committee currently consists of Messrs. Mauer and Shaikh, the Co-Chief Investment Officers of the Adviser, and Andrew Muns, a Director of Investcorp, Zachary Alpern, a Director of Investcorp, Branko Krmpotic, a Managing Director of Investcorp and Timothy Waller, a Director of Investcorp.

In connection with the Investcorp Transaction, on June 26, 2019, our board of directors, including all of the directors who are not "interested persons" of the Company, as defined in Section 2(a)(19) of the 1940 Act (each, an "Independent Director"), unanimously approved a new investment advisory agreement (the "Advisory Agreement") and recommended that the Advisory Agreement be submitted to our stockholders for approval, which our stockholders approved at the Special Meeting of Stockholders held on August 28, 2019. At the closing of the Investcorp Transaction on August 30, 2019, we entered into the Advisory Agreement with the Adviser, pursuant to which we pay the Adviser a management fee equal to 1.75% of our gross assets, payable in arrears on a quarterly basis. In addition, pursuant to the Advisory Agreement, we pay the Adviser an incentive fee equal to 20.0% of pre-incentive fee net investment income, subject to an annualized hurdle rate of 8.0% with a "catch up" fee for returns between the 8.0% hurdle and 10.0%, as well as 20.0% of net capital gains.

At the closing of the Investcorp Transaction on August 30, 2019, we entered into a new administration agreement with the Adviser (the "Administration Agreement"). Under the Administration Agreement, the Adviser provides us with our chief financial officer, accounting and back-office professionals, equipment and clerical, bookkeeping, recordkeeping and other administrative services. The terms of the Administration Agreement, including the reimbursement of expenses by the Company to the Adviser, are identical to those contained in the Company's prior administration agreement with the Adviser.

In connection with the Investcorp Transaction, on June 26, 2019, the Company entered into a definitive stock purchase and transaction agreement with Investcorp BDC Holdings Limited ("Investcorp BDC"), an affiliate of Investcorp (the "Stock Purchase Agreement"). Under the Stock Purchase Agreement, Investcorp BDC was required by August 30, 2021 to purchase (i) 680,985 newly issued shares of the Company's common stock, par value $0.001 per share, at the most recently determined net asset value per share of the Company's common stock at the time of such purchase, as adjusted as necessary to comply with Section 23 of the 1940 Act, and (ii) 680,985 shares of the Company's common stock in open-market or secondary transactions. Investcorp BDC has completed all required purchases under the Stock Purchase Agreement.

Market Opportunity

We believe that the current investment environment presents a compelling case for investing in secured debt (including standalone first and second lien loans and unitranche loans) and unsecured debt (including mezzanine/structured equity) of middle-market companies. The following factors represent the key drivers of our focus on this attractive market segment:

- *Reduced Availability of Capital for Middle-Market Companies.* We believe there are fewer providers of financing and less capital available for middle-market companies compared to prior to the economic downturn. We believe that, as a result of that downturn:
    - many financing providers have chosen to focus on large, liquid corporate loans and syndicated capital markets transactions rather than lending to middle-market businesses;
    - regulatory changes have caused decreased capacity to hold non-investment grade leveraged loans, causing banks to curtail lending to middle-market companies;
    - hedge funds and collateralized loan obligation managers are less likely to pursue investment opportunities in our target market as a result of reduced availability of funding for new investments; and
    - consolidation of regional banks into money center banks has reduced their focus on middle-market lending.

As a result, we believe that less competition facilitates higher quality deal flow and allows for greater selectivity throughout the investment process.

- *Robust Demand for Debt Capital.* According to Pitchbook, a market research firm, private equity firms had approximately $853.8 billion of uncalled capital as of December 31, 2022. They have expanded their focus to include middle-market opportunities due to the lack of opportunities in large capital buyout transactions. We expect the large amount of uninvested capital and the expanded focus on middle-market opportunities to drive buyout activity over the next several years, which should, in turn, continue to create lending opportunities for us.
- *Attractive Deal Pricing and Structures.* We believe that, in general, middle-market debt investments are priced more attractively to lenders than larger, more liquid, public debt financings, due to the more limited universe of lenders as well as the highly negotiated nature of these financings. Middle-market transactions tend to offer stronger covenant packages, higher interest rates, lower leverage levels and better call protection compared to larger financings. In addition, middle-market loans typically offer other investor protections such as default penalties, lien protection, change of control provisions and information rights for lenders.
- *Specialized Lending Requirements.* We believe that several factors render many U.S. financial institutions ill-suited to lend to U.S. middle-market companies. For example, based on the Investment Team's experience, lending to private U.S. middle-market companies is generally more labor-intensive than lending to larger companies due to the smaller size of each investment and the fragmented nature of information for such companies. Lending to smaller capitalization companies requires due diligence and underwriting practices consistent with the demands and economic limitations of the middle-market and may also require more extensive ongoing monitoring by the lender. As a result, middle-market companies historically have been served by a limited segment of the lending community.

Competitive Strengths

We believe that the Adviser's disciplined approach to origination, portfolio construction and risk management should allow us to achieve favorable risk-adjusted returns while preserving our capital. We believe that the following competitive strengths provide positive returns for our investors:

- *Experienced Team with Substantial Resources.* The Adviser and its Investment Team is led by Messrs. Mauer and Shaikh, each with over 40 years of experience investing in, providing corporate finance services to, restructuring and consulting with middle-market companies. Messrs. Mauer and Shaikh are supported by eight additional investment professionals, who collectively with Messrs. Mauer and Shaikh, have over 100 combined years of structuring strategic capital for business expansion, refinancings, capital restructuring , post-reorganization financing and servicing the general corporate needs of middle-market companies. The Adviser also benefits from its alignment with Investcorp, its parent company, which is the leading global credit investment platform with assets under management of $22.7 billion as of June 30, 2023. We believe that the Investment Team and its substantial resources, including through its relationship with Investcorp, provide a significant advantage and contribute to the strength of our business and enhance the quantity and quality of investment opportunities available to us.
- *Capitalize on the Investment Team's Extensive Relationships with Middle-Market Companies, Private Equity Sponsors (and non-sponsor transactions) and Intermediaries.* The members of the Investment Team have extensive networks for sourcing investment opportunities through corporate relationships and relationships with private equity firms, investment banks, restructuring advisors, law firms, boutique advisory firms and distressed/specialty lenders. We believe that the strength of these relationships in conjunction with the Investment Team's ability to structure financing solutions for companies that incorporate credit protections at attractive returns for us provide us with a competitive advantage in identifying investment opportunities for us in our target market.
- *Disciplined Underwriting Policies and Rigorous Portfolio Management.* The Adviser has established a credit analysis and investment process to analyze investment opportunities thoroughly. This process includes structuring loans with appropriate covenants and pricing loans based on its knowledge of the middle-market and its rigorous underwriting standards. We focus on capital preservation by extending loans to portfolio companies with assets that we believe will retain sufficient value to repay us even in depressed markets or under liquidation scenarios. Each investment is analyzed from its initial stages by either Mr. Mauer or Mr. Shaikh, as the Adviser's Co-Chief Investment Officers, and a senior member of the Investment Team. Every initial investment by the Company requires approval by a majority of the Investment Committee and such majority must include both Messrs. Mauer and Shaikh. Follow-on investment decisions in existing portfolio companies and any investment dispositions require approval by a majority of the Investment Committee. Under the supervision of Messrs. Mauer and Shaikh, the Investment Team's senior investment professionals monitor the portfolio for developments on a daily basis, perform credit updates on each investment, review financial performance on at least a quarterly basis, and have regular discussions with the management of portfolio companies. We

believe that the Adviser's investment and monitoring process and the depth and experience of the Investment Team gives us a competitive advantage in identifying investments and evaluating risks and opportunities throughout the life cycle of an investment.

- *Ability to Structure Investments Creatively.* Our Investment Team has the expertise and ability to structure investments across all levels of a company's capital structure. These individuals have extensive experience in cash flow, asset-based lending, workout situations and investing in distressed debt, which should enable us to take advantage of attractive investments in recently restructured companies. Furthermore, we believe we are in a better position to leverage the existing knowledge and relationships that the Investment Team has developed to lead investments that meet our investment criteria. We believe that current market conditions allow us to structure attractively priced debt investments and may allow us to incorporate other return-enhancing mechanisms such as commitment fees, original issue discounts ("OID"), early redemption premiums, payment-in-kind ("PIK") interest and certain forms of equity securities.

Investment Strategy

We invest in standalone first and second lien loans and unitranche loans, and selectively in unsecured debt, bonds and in the equity of portfolio companies through warrants and other instruments, in most cases taking advantage of a potential benefit from an increase in the value of such portfolio company as part of an overall relationship. We seek to invest primarily in middle-market companies that have annual revenues of at least $50 million and EBITDA of at least $15 million. Our investments typically range in size from $5 million to $25 million. We may invest in smaller or larger companies if there is an attractive opportunity, especially when there are dislocations in the capital markets, including the high yield and large syndicated loan markets. During such dislocations, we expect to see more deep value investment opportunities offering prospective returns that are disproportionate to the associated risk profile. We focus on companies with leading market positions, significant asset or franchise values, strong free cash flow and experienced senior management teams, with an emphasis on companies with high-quality sponsors.

Our primary investment objective is to maximize current income and capital appreciation by investing directly in privately held middle-market companies. The Adviser pursues investments for us with favorable risk-adjusted returns, including debt investments that offer cash origination fees and lower leverage levels. The Adviser seeks to structure our debt investments with strong protections, including default penalties, information rights, and affirmative and negative financial covenants, such as lien protection and restrictions concerning change of control. We believe these protections, coupled with the other features of our investments, allow us to reduce our risk of capital loss and achieve attractive risk-adjusted returns, although there can be no assurance that we are always able to structure our investments to minimize risk of loss and achieve attractive risk-adjusted returns.

Investment Criteria

The Investment Team uses the following investment criteria and guidelines to evaluate prospective portfolio companies. However, not all of these criteria and guidelines are used or met in connection with each of our investments.

- *Established companies with a history of positive operating cash flow.* We seek to invest in established companies with sound historical financial performance. The Adviser typically focuses on companies with a history of profitability on an operating cash flow basis. We do not intend to invest in start-up companies or companies with speculative business plans.
- *Defensible and sustainable business.* We seek to invest in companies with proven products and/or services that provide a competitive advantage versus its competitors or new entrants. The Adviser places an emphasis on the strength of historical operations and profitability and the generation of free cash flow to reinvest in the business or to utilize for debt service. The Adviser also focuses on the relative strength of the valuation and liquidity of collateral used to provide security for our investments, when applicable.
- *Seasoned management team with meaningful equity ownership*. The Adviser generally requires that our portfolio companies have a seasoned management team, with strong corporate governance. The Adviser also seeks to invest in companies with management teams that have meaningful equity ownership. The Adviser believes that companies that have proper incentives in place, including having significant equity interests, motivate management teams to enhance enterprise value, which will act in accordance with our interests.
- *Significant Invested Capital.* The Adviser seeks investments in portfolio companies where it believes that the aggregate enterprise value significantly exceeds aggregate indebtedness, after consideration of our investment. The Adviser believes that the existence of significant underlying equity value (i.e., the amount by which the aggregate enterprise value exceeds the aggregate indebtedness) provides important support to our debt investments.
- *Investment Partnerships*. We seek to invest where private equity sponsors have demonstrated capabilities in building enterprise value. In addition, we seek to partner with specialty lenders and other financial institutions. The Adviser

believes that private equity sponsors and specialty lenders can serve as committed partners and advisors that will actively work with the Adviser, the company and its management team to meet company goals and create value.

- *Ability to exert meaningful influence.* We target investment opportunities in which we will be a significant investor in the tranche and in which we can add value through active participation in the direction of the company, sometimes through advisory positions.
- *Exit strategy.* We generally seek to invest in companies that the Adviser believes possess attributes that will provide us with the ability to exit our investments. We typically expect to exit our investments through one of three scenarios: (i) the sale of the company resulting in repayment of all outstanding debt, (ii) the recapitalization of the company through which our loan is replaced with debt or equity from a third party or parties or (iii) the repayment of the initial or remaining principal amount of our loan then outstanding at maturity. In some investments, there may be scheduled amortization of some portion of our loan, which would result in a partial exit of our investment prior to the maturity of the loan.

Deal Origination

The Adviser's deal-originating efforts are focused on its direct corporate relationships and relationships with private equity firms, investment banks, restructuring advisers, law firms, and boutique advisory firms and distressed/specialty lenders. The Adviser's Investment Team continues to enhance and expand these relationships.

The origination process is designed to thoroughly evaluate potential financings and to identify the most attractive of these opportunities on the basis of risk-adjusted returns. Each investment is analyzed from its initial stages through our investment by one of the Co-Chief Investment Officers of the Adviser and an additional investment professional. If an opportunity fits our criteria for investment and merits further review and consideration, the investment is presented to the Investment Committee. This first stage of analysis involves a preliminary, but detailed, description of the potential financing. An investment summary is then generated after preliminary due diligence. The opportunity may be discussed several times by members of the Investment Team. Prior to funding, every initial investment requires the approval of a majority of the Investment Committee and such majority must include both Messrs. Mauer and Shaikh. Follow-on investment decisions in existing portfolio companies and investment dispositions require the approval of a majority of the Investment Committee.

If the Adviser decides to pursue an opportunity, a preliminary term sheet will be produced for the target portfolio company. This term sheet serves as a basis for the discussion and negotiation of the critical terms of the proposed financing. At this stage, the Adviser begins its formal underwriting and investment approval process as described below. After the negotiation of a transaction, the financing is presented to the Investment Committee of the Adviser for approval. Upon approval of a financing transaction, the parties will prepare the relevant loan documentation. An investment is funded only after all due diligence is satisfactorily completed and all closing conditions have been satisfied. The investments in our portfolio are monitored by a member of the Investment Committee aided by the investment professionals of the Investment Team, who also perform credit updates on each investment quarterly.

Underwriting

Underwriting process and investment approval

The Adviser makes investment decisions only after considering a number of factors regarding the potential investment including, but not limited to:

- historical and projected financial performance;
- company and industry specific characteristics, such as strengths, weaknesses, opportunities and threats;
- composition and experience of the management team; and
- track record of the private equity sponsor leading the transaction, if applicable.

This methodology is employed to screen a high volume of potential investment opportunities on a consistent basis.

If an investment is deemed appropriate to pursue, a more detailed and rigorous evaluation is made after considering relevant investment parameters. The following outlines the general parameters and areas of evaluation and due diligence for investment decisions, although not all are necessarily considered or given equal weighting in the evaluation process.

Business model and financial assessment

The Adviser undertakes a review and analysis of the financial and strategic plans for the potential investment. There is significant evaluation of and reliance upon the due diligence performed by the private equity sponsor, if applicable, and third-party experts, including accountants and consultants. Areas of evaluation include:

- historical and projected financial performance;
- quality of earnings, including source and predictability of cash flows;
- customer and vendor interviews and assessments;
- potential exit scenarios, including probability of a liquidity event;
- internal controls and accounting systems; and
- assets, liabilities and contingent liabilities.

Industry dynamics

The Adviser evaluates the portfolio company's industry, and may, if considered appropriate, consult or retain industry experts. The following factors are among those the Adviser analyzes:

- sensitivity to economic cycles;
- competitive environment, including number of competitors, threat of new entrants or substitutes;
- fragmentation and relative market share of industry leaders;
- growth potential; and
- regulatory and legal environment.

Management assessment

The Adviser makes an in-depth assessment of the management team, including evaluation along several key metrics:

- background checks;
- the number of years in their current positions;
- track record;
- industry experience;
- management incentive, including the level of direct investment in the enterprise; and
- completeness of the management team (positions that need to be filled or added).

Sponsor assessment

Among critical due diligence investigations is the evaluation of a private equity sponsor or specialty lender that has, or is also making, an investment in the portfolio company. A private equity sponsor is typically a controlling stockholder upon completion of an investment and as such is considered critical to the success of the investment. In addition, a management team with meaningful equity ownership can serve as a committed partner to us and any private equity sponsor or specialty lender. The Adviser evaluates a private equity sponsor or specialty lender along several key criteria, including:

- investment track record;
- industry experience.
- capacity and willingness to provide additional financial support to the company through additional capital contributions, if necessary; and
- reference checks.

Investments

The following describes the types of loans we generally make:

Standalone first lien loans. Standalone first lien loans are loans that are typically senior on a lien basis to other liabilities in the issuer's capital structure and have the benefit of a security interest on the assets of the portfolio company. Standalone first lien loans may provide for moderate loan amortization in the early years of the loan, with the majority of the amortization deferred until loan maturity.

Standalone second lien loans. Standalone second lien loans are loans that are typically senior on a lien basis to other liabilities in the issuer's capital structure and have the benefit of a security interest over the assets of the borrower, although ranking junior to first lien loans. Standalone second lien loans may provide for moderate loan amortization in the early years of the loan, with the majority of the amortization deferred until loan maturity. Standalone second lien loans can incur greater "frictional costs" (e.g., increased professional costs relating to resolving conflicts among the lenders) in the event of a workout and, partly because of this possible impact on recovery rates, we expect to demand a significantly higher risk premium in the form of higher spreads, call protection and/or warrants for extending standalone second lien loans, compared to first lien loans of similar credit quality.

Unitranche loans. Unitranche loans are loans structured as first lien loans with certain characteristics of mezzanine loan risk in one security. Unitranche loans typically provide for moderate loan amortization in the initial years of the loan with the majority of the principal repayment deferred until loan maturity. Unitranche loans usually provide us with greater control over a portfolio company's capital structure, as they provide a one-stop financing solution and limit "frictional costs" (e.g., negotiations with, and concessions to, other lien holders) in the event of a workout process. Consistent with our focus on capital preservation, unitranche loans typically have less volatile returns than standalone second lien or mezzanine loans.

Mezzanine loans/structured equity. Mezzanine loans are subordinated to senior secured loans on a payment basis, are typically unsecured and rank pari passu with other unsecured creditors of the issuer. As with standalone second lien loans, we expect to demand a significantly higher risk premium in the form of higher spreads, call protection and/or warrants for mezzanine loans, given the lower recovery rates for such securities due in part to the greater "frictional costs" (e.g., increased professional costs relating to resolving conflicts among the lenders) in a protracted workout. We may take mezzanine type risk in the form of "structured equity" investments. In cases where portfolio companies may be constrained in their ability to raise additional capital in the form of debt, we may have the opportunity to structure preferred equity or other equity-like instruments. These equity instruments typically have redemption rights and will either be convertible into common equity at our option or will have detachable warrants compensating us for the additional risk inherent in such investments. In most cases, these equity instruments will have debt-like characteristics, which provide more downside protection than a typical equity instrument.

Equity components. In connection with some of our debt investments, we will also invest in preferred or common stock or receive nominally priced warrants or options to buy an equity interest in the portfolio company. As a result, as a portfolio company appreciates in value, we may achieve additional investment return from this equity interest. The Adviser may structure such equity investments and warrants to include provisions protecting our rights as a minority-interest holder, as well as a "put," or right to sell such securities back to the issuer, upon the occurrence of specified events. In many cases, we may also seek to obtain registration rights in connection with these equity interests, which may include demand and "piggyback" registration rights.

Portfolio Management Strategy

The investments in our portfolio are monitored by a member of the Investment Committee aided by the investment professionals of the Investment Team, who also perform credit updates on each investment quarterly.

Risk Ratings

In addition to various risk management and monitoring tools, we use the Adviser's investment rating system to characterize and monitor the credit profile and expected level of returns on each investment in our portfolio. This investment rating system uses a five-level numeric rating scale. The following is a description of the conditions associated with each investment rating:

Investment Rating 1	Investments that are performing above expectations, and whose risks remain favorable compared to the expected risk at the time of the original investment.
Investment Rating 2	Investments that are performing within expectations and whose risks remain neutral compared to the expected risk at the time of the original investment. All new loans are initially rated 2.
Investment Rating 3	Investments that are performing below expectations and that require closer monitoring, but where no loss of return or principal is expected. Portfolio companies with a rating of 3 may be out of compliance with their financial covenants.

Investment Rating 4	Investments that are performing substantially below expectations and whose risks have increased substantially since the original investment. These investments are often in workout. Investments with a rating of 4 are those for which some loss of return but no loss of principal is expected.
Investment Rating 5	Investments that are performing substantially below expectations and whose risks have increased substantially since the original investment. These investments are almost always in workout. Investments with a rating of 5 are those for which some loss of return and principal is expected.

If the Adviser determines that an investment is underperforming, or circumstances suggest that the risk associated with a particular investment has significantly increased, the Adviser will increase its monitoring intensity and prepare regular updates for the Investment Committee, summarizing current operating results and material impending events and suggesting recommended actions. While the investment rating system identifies the relative risk for each investment, the rating alone does not dictate the scope and/or frequency of any monitoring that will be performed. The frequency of the Adviser's monitoring of an investment is determined by a number of factors, including, but not limited to, the trends in the financial performance of the portfolio company, the investment structure and the type of collateral securing the investment.

The following table shows the investment rankings of the debt investments in our portfolio:

	As of June 30, 2023			As of June 30, 2022		
Investment Rating	**Fair Value**	**% of Portfolio**	**Number of Investments**	**Fair Value**	**% of Portfolio**	**Number of Investments**
1	$ 16,538,345	7.5%	3	$ 35,059,097	15.0%	5
2	114,979,324	52.2	32	172,732,804	73.9	44
3	62,588,392	28.4	19	23,364,583	10.0	4
4	13,067,850	6.0	5	—	—	—
5	12,937,418	5.9	6	2,527,502	1.1	7
Total	$ 220,111,329	100.0%	65	$ 233,683,986	100.0%	60

Determination of Net Asset Value and Portfolio Valuation Process

The net asset value per share of our outstanding shares of common stock is determined quarterly by dividing total assets minus liabilities by the total number of shares outstanding.

In calculating the value of our total assets, investment transactions will be recorded on the trade date. Realized gains or losses will be computed using the specific identification method. Investments for which market quotations are readily available are valued at such market quotations. Debt and equity securities that are not publicly traded or whose market price is not readily available are valued at fair value as determined in good faith by our board of directors based on the input of our management and valuation committee. In addition, our board of directors retains one or more independent valuation firms to review each quarter, the valuation of each portfolio investment for which a market quotation is not available. We also have adopted Accounting Standards Board Accounting Standards Codification 820, *Fair Value Measurements and Disclosures*, or "ASC 820." This accounting statement requires us to assume that the portfolio investment is assumed to be sold in the principal market to market participants, or in the absence of a principal market, the most advantageous market, which may be a hypothetical market. Market participants are defined as buyers and sellers in the principal or most advantageous market that are independent, knowledgeable, and willing and able to transact. In accordance with ASC 820, the market in which we can exit portfolio investments with the greatest volume and level activity is considered our principal market.

Investments for which market quotations are readily available are valued at such market quotations unless the quotations are deemed not to represent fair value. We generally obtain market quotations from recognized exchanges, market quotation systems, independent pricing services or one or more broker dealers or market makers.

Debt and equity securities for which market quotations are not readily available or for which market quotations are deemed not to represent fair value are valued at fair value as determined in good faith by our board of directors. Because a readily available market value for many of the investments in our portfolio is often not available, we value many of our portfolio investments at fair value as determined in good faith by our board of directors using a consistently applied valuation process in accordance with a documented valuation policy that has been reviewed and approved by our board of directors. Due to the inherent uncertainty and subjectivity of determining the fair value of investments that do not have a readily available market value, the fair value of our investments may differ significantly from the values that would have been used had a readily available market value existed for such investments and may differ materially from the values that we may ultimately realize. In addition, changes in the market environment and other events may have differing impacts on the market quotations used to value some of our investments than on the fair values of our investments

for which market quotations are not readily available. Market quotations may also be deemed not to represent fair value in certain circumstances where we believe that facts and circumstances applicable to an issuer, a seller or purchaser, or the market for a particular security causes current market quotations not to reflect the fair value of the security. Examples of these events could include cases where a security trades infrequently, causing a quoted purchase or sale price to become stale, where there is a "forced" sale by a distressed seller, where market quotations vary substantially among market makers, or where there is a wide bid-ask spread or significant increase in the bid ask spread.

Those investments for which market quotations are not readily available or for which market quotations are deemed not to represent fair value are valued utilizing a market approach, an income approach, or both approaches, as appropriate. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities (including a business). The income approach uses valuation techniques to convert future amounts (for example, cash flows or earnings) to a single present amount (discounted). The measurement is based on the value indicated by current market expectations about those future amounts. In following these approaches, the types of factors that we may take into account in determining the fair value of our investments include, as relevant and among other factors: available current market data, including relevant and applicable market trading and transaction comparables, applicable market yields and multiples, security covenants, call protection provisions, information rights, the nature and realizable value of any collateral, the portfolio company's ability to make payments, its earnings and discounted cash flows, the markets in which the portfolio company does business, comparisons of financial ratios of peer companies that are public, merger and acquisition comparables, our principal market (as the reporting entity) and enterprise values.

With respect to investments for which market quotations are not readily available, our board of directors undertakes a multi-step valuation process each quarter, as described below:

- our quarterly valuation process begins with each portfolio company or investment being initially valued by the investment professionals of the Adviser responsible for the portfolio investment;
- preliminary valuation conclusions are then documented and discussed by senior management and the Adviser;
- on a periodic basis, at least once annually, the valuation for each portfolio investment is reviewed by an independent valuation firm engaged by our board of directors;
- the valuation committee of our board of directors then reviews these preliminary valuations and makes a recommendation to our board of directors regarding the fair value of each investment; and
- the board of directors then discusses these preliminary valuations and determines the fair value of each investment in our portfolio in good faith, based on the input of the Adviser, the independent valuation firm and the valuation committee.

Rule 2a-5 under the 1940 Act was adopted by the SEC in December 2020 and establishes requirements for determining fair value in good faith for purposes of the 1940 Act. Our board of directors has adopted valuation policies and procedures that are intended to comply with Rule 2a-5.

Realization of Investments

The potential exit scenarios of a portfolio company will play an important role in evaluating investment decisions. The Adviser will formulate specific exit strategies at the time of each investment. Our debt orientation will provide for increased potential exit opportunities, including the sale of investments in the private markets, the refinancing of investments held, often due to maturity or recapitalizations, and other liquidity events including the sale or merger of the portfolio company. Since we seek to maintain a debt orientation in our investments, we generally expect to receive interest income over the course of the investment period, receiving a significant return on invested capital well in advance of final exit.

Derivatives

We may utilize hedging techniques such as interest rate swaps to mitigate potential interest rate risk on our indebtedness. Such interest rate swaps would principally be used to protect us against higher costs on our indebtedness resulting from increases in both short-term and long-term interest rates. We also may use various hedging and other risk management strategies to seek to manage various risks, including changes in currency exchange rates and market interest rates. Such hedging strategies would be utilized to seek to protect the value of our portfolio investments, for example, against possible adverse changes in the market value of securities held in our portfolio.

Managerial Assistance

As a BDC, we offer, and must provide upon request, managerial assistance to our portfolio companies. This assistance could involve monitoring the operations of our portfolio companies, participating in board and management meetings, consulting with and advising officers of portfolio companies and providing other organizational and financial guidance. The Adviser will provide such managerial assistance on our behalf to portfolio companies that request this assistance. We may receive fees for these services and will reimburse the Adviser for its allocated costs in providing such assistance, subject to the review by our board of directors, including our Independent Directors.

Competition

Our primary competitors in providing financing to middle-market companies include public and private funds, other BDCs, commercial and investment banks, commercial finance companies and, to the extent they provide an alternative form of financing, private equity funds and hedge funds. Many of our competitors are substantially larger and have considerably greater financial, technical and marketing resources than we do. For example, we believe some competitors may have access to funding sources that are not available to us. In addition, some of our competitors may have higher risk tolerances or different risk assessments, which could allow them to consider a wider variety of investments and establish more relationships than us. Furthermore, many of our competitors are not subject to the regulatory restrictions that the 1940 Act imposes on us as a BDC or to the distribution and other requirements we must satisfy to maintain our qualification as a RIC.

We use the expertise of the investment professionals of the Adviser to assess investment risks and determine appropriate pricing for our investments in portfolio companies. In addition, we believe the relationships of these investment professionals will enable us to learn about, and compete effectively for, financing opportunities with attractive middle-market companies in the industries in which we seek to invest.

Staffing

We do not have any direct employees, and our day-to-day investment operations are managed by the Adviser. We have a Chief Executive Officer, President, Chief Financial Officer and Chief Compliance Officer. To the extent necessary, our board of directors may hire additional personnel in the future. Our officers are all employees of the Adviser and our allocable portion of the cost of Rocco DelGuercio, as our Chief Financial Officer and Chief Compliance Officer, and his staff, is paid by us pursuant to the Administration Agreement with the Adviser.

At the closing of the Investcorp Transaction on August 30, 2019, the Adviser entered into a services agreement with Investcorp International Inc. (“Investcorp International”), an affiliate of Investcorp (the “Investcorp Services Agreement”), through which the Adviser can utilize the expertise of Investcorp’s accounting and back-office professionals on an as-needed basis upon the request of the Adviser.

Management Agreements

Advisory Agreement

The Advisory Agreement went into effect on August 30, 2019 (the “Commencement Date”).

Management Services

Subject to the overall supervision of our board of directors and in accordance with the 1940 Act, the Adviser manages our day-to-day operations and provides investment advisory services to us. Under the terms of the Advisory Agreement, the Adviser:

- determines the composition of our portfolio, the nature and timing of the changes to our portfolio and the manner of implementing such changes;
- identifies, evaluates and negotiates the structure of the investments we make;
- executes, closes, services and monitors the investments we make;
- determines the securities and other assets that we will purchase, retain or sell;
- performs due diligence on prospective portfolio companies; and
- provides us with such other investment advisory, research and related services as we may, from time to time, reasonably require for the investment of our funds.

The Adviser's services under the Advisory Agreement are not exclusive, and it may furnish similar services to other entities.

Management Fee

Under the Advisory Agreement, we have agreed to pay the Adviser a fee for investment advisory and management services consisting of two components — a base management fee (the "Base Management Fee") and an incentive fee (the "Incentive Fee"). The cost of both the Base Management Fee and the Incentive Fee will ultimately be borne by our stockholders.

Base Management Fee

Under the Advisory Agreement, the Base Management Fee is calculated at an annual rate of 1.75% of our gross assets, including assets purchased with borrowed funds or other forms of leverage and excluding cash and cash equivalents (such amount, "Gross Assets").

The Base Management Fee is calculated based on the average value of our Gross Assets at the end of the two most recently completed calendar quarters. The Base Management Fee is payable quarterly in arrears and the Base Management Fees for any partial month or quarter will be appropriately pro-rated.

Incentive Fee

Under the Advisory Agreement, the Incentive Fee, which provides the Adviser with a share of the income that it generates for the Company, has two components, ordinary income (the "Income-Based Fee") and capital gains (the "Capital Gains Fee"). Incentive Fees are calculated as described below and payable quarterly in arrears (or, upon termination of the Advisory Agreement, as of the termination date).

Income-Based Fee

Under the Advisory Agreement, the Income-Based Fee is calculated and payable quarterly in arrears based on our Pre-Incentive Fee Net Investment Income (as defined below) for the immediately preceding fiscal quarter, subject to a total return requirement (the "Total Return Requirement") and deferral of non-cash amounts, and is 20.0% of the amount, if any, by which our Pre-Incentive Fee Net Investment Income, expressed as a rate of return on the value of our net assets attributable to its common stock, for the immediately preceding fiscal quarter, exceeds a 2.0% (which is 8.0% annualized) hurdle rate and a "catch-up" provision measured as of the end of each fiscal quarter. Under this provision, in any fiscal quarter, the Adviser receives no Incentive Fee until our Pre-Incentive Fee Net Investment Income equals the hurdle rate of 2.0%, but then receives, as a "catch-up," 100% of our Pre-Incentive Fee Net Investment Income with respect to that portion of such Pre-Incentive Fee Net Investment Income, if any, that exceeds the hurdle rate but is less than 2.5% (which is 10.0% annualized). The effect of the "catch-up" provision is that, subject to the Total Return Requirement and deferral provisions discussed below, if Pre-Incentive Fee Net Investment Income exceeds 2.5% in any fiscal quarter, the Adviser receives 20.0% of our Pre-Incentive Fee Net Investment Income as if a hurdle rate did not apply.

"Pre-Incentive Fee Net Investment Income" means interest income, dividend income and any other income (including any other fees, such as commitment, origination, structuring, diligence, managerial assistance and consulting fees or other fees that we receive from portfolio companies) accrued during the fiscal quarter, minus the Company's operating expenses for the quarter (including the Base Management Fee, expenses payable under the Administration Agreement and any interest expense and any distributions paid on any issued and outstanding preferred stock, but excluding the Incentive Fee). Pre-incentive fee net investment income includes, in the case of investments with a deferred interest feature (such as OID, debt instruments with PIK interest and zero coupon securities), accrued income that we have not yet received in cash.

Pre-Incentive Fee Net Investment Income does not include any realized capital gains, realized capital losses or unrealized capital appreciation or depreciation. Because of the structure of the Incentive Fee, it is possible that we may pay an Incentive Fee in a quarter where we incur a loss, subject to the Total Return Requirement and deferral of non-cash amounts. For example, if we receive Pre-Incentive Fee Net Investment Income in excess of the quarterly minimum hurdle rate, we would pay the applicable Incentive Fee even if we have incurred a loss in that quarter due to realized and unrealized capital losses. Our net investment income used to calculate this component of the Incentive Fee is also included in the amount of its gross assets used to calculate the 1.75% Base Management Fee. These calculations are appropriately prorated for any period of less than three months and adjusted for any share issuances or repurchases during the current quarter.

Under the Advisory Agreement, the Income-Based Fee is subject to the Total Return Requirement. No Income-Based Fee is payable under the Advisory Agreement except to the extent 20.0% of the cumulative net increase in net assets resulting from operations over the fiscal quarter for which fees are being calculated and the Lookback Period exceeds the cumulative Incentive Fees accrued and/or paid for the Lookback Period. For the foregoing purpose, the "cumulative net increase in net assets resulting from

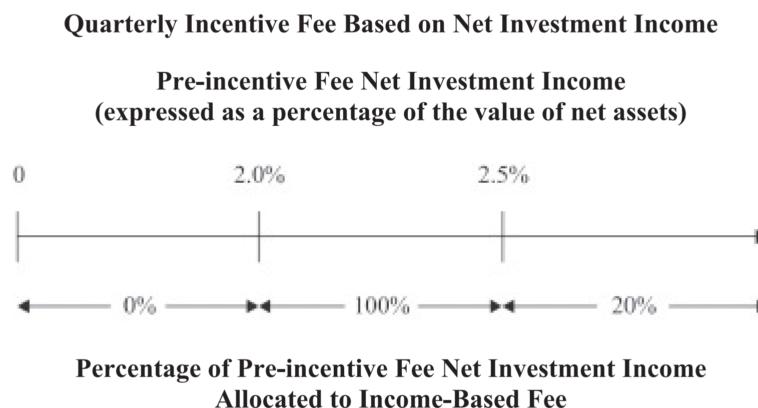
operations” is the amount, if positive, of the sum of Pre-Incentive Fee Net Investment Income, realized gains and losses and unrealized appreciation and depreciation of the Company for the then current fiscal quarter and the Lookback Period. The “Lookback Period” means (1) through June 30, 2023, the period that commences on the last day of the fiscal quarter in which the Commencement Date occurs and ends on the last day of the fiscal quarter immediately preceding the fiscal quarter for which the Income-Based Fee is being calculated, and (2) after June 30, 2023, the eleven fiscal quarters immediately preceding the fiscal quarter for which the Income-Based Fee is being calculated.

In addition, under the Advisory Agreement, the portion of such Incentive Fee that is attributable to deferred interest (such as PIK interest or OID) will be paid to the Adviser only if and to the extent we actually receive such interest in cash, and any accrual thereof will be reversed if and to the extent such interest is reversed in connection with any write-off or similar treatment of the investment giving rise to any deferred interest accrual. Any reversal of such accounts would reduce net income for the quarter by the net amount of the reversal (after taking into account the reversal of Incentive Fees payable) and would result in a reduction and possible elimination of the Incentive Fees for such quarter. Notwithstanding any such Incentive Fee reduction or elimination, there is no accumulation of amounts on the hurdle rate from quarter to quarter, and accordingly there is no clawback of amounts previously paid if subsequent quarters are below the quarterly hurdle, and there is no delay of payment if prior quarters are below the quarterly hurdle.

The following is a graphic representation of the calculation of the Income-Based Fee:

Quarterly Incentive Fee Based on Net Investment Income

Pre-incentive Fee Net Investment Income
(expressed as a percentage of the value of net assets)



Percentage of Pre-incentive Fee Net Investment Income
Allocated to Income-Based Fee

Capital Gains Fee

Under the Advisory Agreement, the Capital Gains Fee is determined and payable in arrears as of the end of each fiscal year (or upon termination of the Advisory Agreement, as of the termination date), commencing with the fiscal year ended June 30, 2021, and is equal to 20.0% of our cumulative aggregate realized capital gains from the Commencement Date through the end of each fiscal year, computed net of our aggregate cumulative realized capital losses and our aggregate cumulative unrealized capital depreciation through the end of such year, less the aggregate amount of any previously paid Capital Gains Fees. If such amount is negative, then no Capital Gains Fee will be payable for such year. Additionally, if the Advisory Agreement is terminated as of a date that is not a fiscal year end, the termination date will be treated as though it were a fiscal year end for purposes of calculating and paying the Capital Gains Fee.

Under U.S. generally accepted accounting principles, we calculate the Capital Gains Fee as if we had realized all assets at their fair values as of the reporting date. Accordingly, we accrue a provisional Capital Gains Fee taking into account any unrealized gains or losses. As of June 30, 2023 and June 30, 2022 there were no Capital Gains Fees. As the provisional Capital Gains Fee is subject to the performance of investments until there is a realization event, the amount of the provisional Capital Gains Fee accrued at a reporting date may vary from the Capital Gains Fee that is ultimately realized and the differences could be material.

Examples of Quarterly Incentive Fee Calculation

Example 1: Income Related Portion of Incentive Fee before Total Return Requirement Calculation:

Alternative 1

Assumptions

Investment income (including interest, dividends, fees, etc.) = 1.25%
Hurdle rate[(1)] = 2.0%

Management fee[2] = 0.4375%
Other expenses (legal, accounting, custodian, transfer agent, etc.)[3] = 0.2%
Pre-incentive fee net investment income
(investment income – (management fee + other expenses) = 0.6125%

Pre-incentive fee net investment income does not exceed hurdle rate, therefore there is no income-related incentive fee.

Alternative 2

Assumptions

Investment income (including interest, dividends, fees, etc.) = 2.9%
Hurdle rate[1] = 2.0%
Management fee[2] = 0.4375%
Other expenses (legal, accounting, custodian, transfer agent, etc.)[3] = 0.2%
Pre-incentive fee net investment income
(investment income – (management fee + other expenses) = 2.2625%
Incentive fee = 100% × Pre-incentive fee net investment income (subject to “catch-up”)[4]
= 100% × (2.2625% – 2.0%)
= 0.2625%

Pre-incentive fee net investment income exceeds the hurdle rate, but does not fully satisfy the “catch-up” provision; therefore, the income related portion of the incentive fee is 0.2625%.

Alternative 3

Assumptions

Investment income (including interest, dividends, fees, etc.) = 3.5%
Hurdle rate[1] = 2.0%
Management fee[2] = 0.4375%
Other expenses (legal, accounting, custodian, transfer agent, etc.)[3] = 0.2%
Pre-incentive fee net investment income
(investment income – (management fee + other expenses) = 2.8625%

Incentive fee = 100% × Pre-incentive fee net investment income (subject to “catch-up”)[4]

Incentive fee = 100% × “catch-up” + (20.0% × (Pre-Incentive Fee Net Investment Income – 2.5%))

“Catch-up” = 2.5% – 2.0%
= 0.5%

Incentive fee = (100% × 0.5%) + (20.0% × (2.8625% – 2.5%))
= 0.5% + (20.0% × 0.3625%)
= 0.5% + 0.725%
= 0.5725%

Pre-incentive fee net investment income exceeds the hurdle rate, and fully satisfies the “catch-up” provision; therefore, the income related portion of the incentive fee is 0.5725%.

---

(1) Represents 8.0% annualized hurdle rate.

(2) Represents 1.75% annualized base management fee.

(3) Excludes organizational and offering expenses.

(4) The “catch-up” provision is intended to provide the Adviser with an incentive fee of 20.0% on all pre-incentive fee net investment income as if a hurdle rate did not apply when our net investment income exceeds 2.5% in any fiscal quarter.

Example 2: Income Portion of Incentive Fee with Total Return Requirement Calculation:

Alternative 1:

Assumptions

Investment income (including interest, dividends, fees, etc.) = 3.5%
Hurdle rate(1) = 2.0%
Management fee(2) = 0.4375%
Other expenses (legal, accounting, custodian, transfer agent, etc.)(3) = 0.2%
Pre-incentive fee net investment income
(investment income – (management fee + other expenses) = 2.8625%
Cumulative incentive compensation accrued and/or paid for preceding 11 calendar quarters = $9,000,000 20.0% of cumulative net increase in net assets resulting from operations over current and preceding 11 calendar quarters = $8,000,000

Although our pre-incentive fee net investment income exceeds the hurdle rate of 2.0% (as shown in Alternative 3 of Example 1 above), no incentive fee is payable because 20.0% of the cumulative net increase in net assets resulting from operations over the then current and 11 preceding calendar quarters did not exceed the cumulative income and capital gains incentive fees accrued and/or paid for the preceding 11 calendar quarters.

Alternative 2:

Assumptions

Investment income (including interest, dividends, fees, etc.) = 3.5%
Hurdle rate(1) = 2.0%
Management fee(2) = 0.4375%
Other expenses (legal, accounting, custodian, transfer agent, etc.)(3) = 0.2%
Pre-incentive fee net investment income
(investment income – (management fee + other expenses) = 2.8625%
Cumulative incentive compensation accrued and/or paid for preceding 11 calendar quarters = $9,000,000 20.0% of cumulative net increase in net assets resulting from operations over current and preceding 11 calendar quarters = $10,000,000

Because our pre-incentive fee net investment income exceeds the hurdle rate of 2.0% and because 20.0% of the cumulative net increase in net assets resulting from operations over the then current and 11 preceding calendar quarters exceeds the cumulative income and capital gains incentive fees accrued and/or paid for the preceding 11 calendar quarters, an incentive fee would be payable, as shown in Alternative 3 of Example 1 above.

---

(1) Represents 8.0% annualized hurdle rate.

(2) Represents 1.75% annualized base management fee.

(3) Excludes organizational and offering expenses.

(4) The "catch-up" provision is intended to provide the Adviser with an incentive fee of 20.0% on all pre-incentive fee net investment income as if a hurdle rate did not apply when our net investment income exceeds 2.5% in any fiscal quarter.

Example 3: Capital Gains Portion of Incentive Fee(*):

Alternative 1:

Assumptions

Year 1: $2.0 million investment made in Company A ("Investment A"), and $3.0 million investment made in Company B ("Investment B")
Year 2: Investment A sold for $5.0 million and fair market value ("FMV") of Investment B determined to be $3.5 million
Year 3: FMV of Investment B determined to be $2.0 million
Year 4: Investment B sold for $3.25 million

The capital gains portion of the incentive fee would be:

Year 1: None
Year 2: Capital gains incentive fee of $0.6 million — ($3.0 million realized capital gains on sale of Investment A multiplied by 20.0%)
Year 3: None — $0.4 million (20.0% multiplied by ($3.0 million cumulative capital gains less $1.0 million cumulative capital depreciation)) less $0.6 million (previous capital gains fee paid in Year 2)
Year 4: Capital gains incentive fee of $50,000 — $0.65 million ($3.25 million cumulative realized capital gains multiplied by 20%) less $0.6 million (capital gains incentive fee taken in Year 2)

Alternative 2

Assumptions

Year 1: $2.0 million investment made in Company A ("Investment A"), $5.25 million investment made in Company B ("Investment B") and $4.5 million investment made in Company C ("Investment C")
Year 2: Investment A sold for $4.5 million, FMV of Investment B determined to be $4.75 million and FMV of Investment C determined to be $4.5 million
Year 3: FMV of Investment B determined to be $5.0 million and Investment C sold for $5.5 million
Year 4: FMV of Investment B determined to be $6.0 million
Year 5: Investment B sold for $4.0 million

The capital gains incentive fee, if any, would be:

Year 1: None
Year 2: Capital gains incentive fee of $0.4 million — 20.0% multiplied by $2.0 million ($2.5 million realized capital gains on Investment A less $0.5 million unrealized capital depreciation on Investment B)
Year 3: $0.25 million capital gains incentive fee[(1)] — $0.65 million (20.0% multiplied by $3.25 million ($3.5 million cumulative realized capital gains less $0.25 million unrealized capital depreciation)) less $0.4 million capital gains incentive fee received in Year 2
Year 4: $0.05 million capital gains incentive fee — $0.7 million ($3.50 million cumulative realized capital gains multiplied by 20.0%) less $0.65 million cumulative capital gains incentive fee paid in Year 2 and Year 3
Year 5: None — $0.45 million (20.0% multiplied by $2.25 million (cumulative realized capital gains of $3.5 million less realized capital losses of $1.25 million)) less $0.7 million cumulative capital gains incentive fee paid in Year 2, Year 3 and Year 4[(2)]

---

* The hypothetical amounts of returns shown are based on a percentage of our total net assets and assume no leverage. There is no guarantee that positive returns will be realized and actual returns may vary from those shown in this example.

(1) As illustrated in Year 3 of Alternative 1 above, if a portfolio company were to be wound up on a date other than its fiscal year end of any year, it may have paid aggregate capital gains incentive fees that are more than the amount of such fees that would be payable if such portfolio company had been wound up on its fiscal year end of such year.

(2) As noted above, it is possible that the cumulative aggregate capital gains fee received by the Adviser ($0.70 million) is effectively greater than $0.45 million (20% of cumulative aggregate realized capital gains less net realized capital losses or net unrealized depreciation ($2.25 million)).

Payment of Our Expenses

The Base Management Fee and Incentive Fee compensation provided for in the Advisory Agreement remunerates the Adviser for work in identifying, evaluating, negotiating, closing and monitoring our investments. We bear all other out-of-pocket costs and expenses of our operations and transactions, including, without limitation, those relating to:

- our organization, the formation transactions and offerings;
- calculating our net asset value (including the cost and expenses of any independent valuation firm(s));
- fees and expenses incurred by the Adviser or payable to third parties, including agents, consultants or other advisors, in monitoring financial and legal affairs for us and in monitoring our investments and performing due diligence on our prospective portfolio companies or otherwise relating to, or associated with, evaluating and making investments;

- interest payable on debt, if any, incurred to finance our investments and expenses related to unsuccessful portfolio acquisition efforts;
- other offerings of our common stock and other securities;
- administration fees and expenses, if any, payable under the Administration Agreement (including our allocable portion of the Adviser's overhead in performing its obligations under the Administration Agreement, including rent and the allocable portion of the cost of our Chief Compliance Officer, Chief Financial Officer and their respective staffs);
- transfer agent, dividend agent and custodial fees and expenses;
- costs associated with our reporting and compliance obligations under the 1940 Act, as amended, and other applicable federal and state securities laws, and stock exchange listing fees;
- fees and expenses associated with independent audits and outside legal costs;
- U.S. federal, state and local taxes;
- Independent Directors' fees and expenses;
- costs of any reports, proxy statements or other notices to or communications and meetings with stockholders;
- costs associated with investor relations;
- costs and fees associated with any fidelity bond, directors and officers/errors and omissions liability insurance, and any other insurance premiums;
- direct costs and expenses of administration, including printing, mailing, long distance telephone, copying, secretarial and other staff; and
- all other expenses incurred by us or the Adviser in connection with administering our business.

Duration and Termination

The Advisory Agreement had an initial term of two years and continues thereafter from year-to-year if approved annually by our board of directors, including a majority of the Independent Directors, or by the affirmative vote of the holders of a majority of the Company's outstanding voting securities and a majority of the Independent Directors.

The Advisory Agreement may be terminated by either party without penalty by delivering notice of termination upon not less than 60 days' written notice to the other party and will automatically terminate in the event of its assignment. The holders of a majority of our outstanding voting securities may also terminate the Advisory Agreement without penalty upon 60 days' written notice.

Indemnification

The Advisory Agreement provides that, absent willful misfeasance, bad faith or gross negligence in the performance of its duties or by reason of the reckless disregard of its duties and obligations under the Advisory Agreement, the Adviser and its officers, managers, partners, agents, employees, controlling persons and members, and any other person or entity affiliated with it, are entitled to indemnification from us for any damages, liabilities, costs and expenses (including reasonable attorneys' fees and amounts reasonably paid in settlement) arising from the rendering of the Adviser's services under the Advisory Agreement or otherwise as the Adviser.

Board Approval of the Advisory Agreement

On August 29, 2023, our board of directors, including all of the Independent Directors, held a meeting to consider and approve the continuation of the Advisory Agreement. In its consideration of the Advisory Agreement, our board of directors took into consideration (1) the nature, quality and extent of the advisory and other services to be provided to the Company by the Adviser; (2) comparative data with respect to advisory fees or similar expenses paid by other BDCs with similar investment objectives; (3) the Company's operating expenses and expense ratio compared to BDCs with similar investment objectives; (4) the expected profitability of the Adviser; (5) information about the services to be performed and the personnel performing such services under the Advisory Agreement; (6) the organizational capability and financial condition of the Adviser and its affiliates; and (7) other factors our board of directors deemed to be relevant. In its deliberations, our board of directors did not identify any single piece of information discussed below that was all-important, controlling or determinative of its decision.

Based on the information reviewed and the discussion thereof, our board of directors, including all of the Independent Directors, determined that the investment advisory fee rates are reasonable in relation to the services provided and approved the continuation of the Advisory Agreement as being in the best interests of our stockholders. In voting to approve the Advisory Agreement, our board of directors, including all of the Independent Directors, made the following conclusions:

- **Nature, Extent and Quality of Services.** In considering the nature, extent and quality of the services to be provided by the Adviser, our board of directors discussed the experience of current key personnel of the Adviser and considered its experience with the Adviser providing investment management services to the Company. Our board of directors also considered the investment selection process employed by the Adviser, including the flow of transaction opportunities resulting from the Investment Team's significant experience in structuring strategic capital for business expansion, refinancings, capital restructuring, post-reorganization financing and servicing the general corporate needs of middle-market companies; the employment of the Adviser's investment philosophy, diligence procedures, credit recommendation process, investment structuring, and ongoing relationships with and monitoring of portfolio companies, in light of the investment objective of the Company. Our board of directors also considered the Adviser's personnel and their prior experience in connection with the types of investments made by us, including such personnel's corporate relationships and relationships with private equity firms, investment banks, restructuring advisors, law firms, boutique advisory firms and distressed/specialty lenders. In addition, our board of directors considered the other terms and conditions of the Advisory Agreement. Our board of directors determined that the substantive terms of the Advisory Agreement (other than the fees payable thereunder, which our board of directors reviewed separately), including the services to be provided, are similar to those of comparable BDCs described in the available market data and in the best interests of our stockholders. Based on the factors above, as well as those discussed below, our board of directors concluded that it was satisfied with the nature, extent and quality of the services to be provided to the Company by the Adviser under the Advisory Agreement.

- **Comparison to Other Business Development Companies.** Our board of directors reviewed a detailed comparison of performance metrics of the Company and a sample of peer BDCs. In considering the appropriate performance metrics by which to benchmark the Company's performance against its peers, our board of directors focused on certain factors that it believes are significant drivers of stockholder value. Our board of directors considered the comparison of performance metrics as it relates to the management and incentive fees to be paid to the Adviser under the Advisory Agreement, in comparison to the fees paid to other externally managed BDCs.

  Our board of directors noted that the exclusion of cash and cash equivalents from the Base Management Fee calculation makes it more beneficial to stockholders than certain other fee structures in the peer group. Our board of directors also noted the stockholder-friendly three-year Total Return Requirement, which would result in the net investment income amount utilized for the income-based Incentive Fee calculation being reduced to the extent of any net realized losses and net unrealized depreciation during the applicable three-year period.

  In addition to reviewing the appropriateness of the terms of the Advisory Agreement and the relative performance of the Adviser and the Company, our board of directors considered the differentiated investment strategy of the Company, which focuses on generating both current income and capital appreciation by investing in debt and related equity investments of privately held middle-market companies. The Company invests primarily in middle-market companies in the form of standalone first and second lien loans and unitranche loans. The Company may also invest in unsecured debt and bonds and in the equity of portfolio companies through warrants and other instruments. The Company generally defines middle-market companies as those with an enterprise value that represents the aggregate of debt value and equity value of the entity of less than $750 million, although it may invest in larger or smaller companies. As of June 30, 2023, the Company's portfolio at fair value consisted of 89.21% first lien investments and 10.79% equity, warrant or other positions.

- **Costs of Services Provided and Economies of Scale.** Our board of directors considered the extent to which economies of scale would be realized as the Company grows, and whether the fees payable under the Advisory Agreement reflect these economies of scale for the benefit of our stockholders. Taking into account such information, our board of directors determined that the advisory fee structure under the Advisory Agreement was reasonable with respect to any economies of scale that may be realized as the Company grows, and that there were no material economies of scale to be realized at the Company's current asset level.

- **Limited Potential for Additional Benefits Derived by the Adviser.** Our board of directors considered existing and potential sources of indirect income the Adviser receive as a result of the relationship with us, including reimbursements to the Adviser of allocable expenses under the Administration Agreement, and whether there would be potential for additional benefits to be derived by the Adviser as a result of our relationship with the Adviser, and was advised any such potential would be limited.

Our board of directors concluded that the proposed advisory fees are reasonable, taking into consideration these other indirect benefits.

Conclusions. No single factor was determinative of the decision of our board of directors, including all of the Independent Directors, to approve the Advisory Agreement and individual directors may have weighed certain factors differently.

Administration Agreement

Under the Administration Agreement, the Adviser furnishes us with office facilities and equipment and provides us with clerical, bookkeeping, recordkeeping and other administrative services at such facilities. Under the Administration Agreement, the Adviser performs, or oversees the performance of, our required administrative services, which includes, among other things, being responsible for the financial and other records that we are required to maintain and preparing reports to our stockholders and reports and other materials filed with the SEC. In addition, the Adviser assists us in determining and publishing our net asset value, oversees the preparation and filing of our tax returns and the printing and dissemination of reports and other materials to our stockholders, and generally oversees the payment of our expenses and the performance of administrative and professional services rendered to us by others. Under the Administration Agreement, the Adviser also provides managerial assistance on our behalf to those portfolio companies that have accepted our offer to provide such assistance. The Adviser may satisfy certain of its obligations under the Administration Agreement to us through the Investcorp Services Agreement, including supplying us with accounting and back-office professionals upon the request of the Adviser.

Payments under the Administration Agreement equal an amount based upon our allocable portion (subject to the review of our board of directors) of the Adviser's overhead in performing its obligations under the Administration Agreement, including rent, the fees and expenses associated with performing compliance functions and our allocable portion of the cost of our Chief Financial Officer and Chief Compliance Officer and their respective staffs. In addition, if requested to provide significant managerial assistance to our portfolio companies, the Adviser will be paid an additional amount based on the services provided, which shall not exceed the amount we receive from such portfolio companies for providing this assistance. The Administration Agreement had an initial term of two years and continues thereafter from year-to-year if approved annually by our board of directors. The Administration Agreement may be terminated by either party without penalty upon 60 days' written notice to the other party. To the extent that the Adviser outsources any of its functions, we pay the fees associated with such functions on a direct basis without any incremental profit to the Adviser.

Indemnification

The Administration Agreement provides that, absent criminal conduct, willful misfeasance, bad faith or gross negligence in the performance of its duties or by reason of the reckless disregard of its duties and obligations, the Adviser and its officers, managers, partners, agents, employees, controlling persons and members, and any other person or entity affiliated with it, are entitled to indemnification from us for any damages, liabilities, costs and expenses (including reasonable attorneys' fees and amounts reasonably paid in settlement) arising from the rendering of the Adviser's services under the Administration Agreement or otherwise as our administrator.

License Agreement

We have entered into a license agreement with the Adviser under which the Adviser has agreed to grant us a non-exclusive, royalty-free license to use the name "Investcorp." Under this agreement, we have a right to use the "Investcorp" name for so long as the Adviser or one of its affiliates remains our investment adviser. Other than with respect to this limited license, we have no legal right to the "Investcorp" name. This license agreement will remain in effect for so long as the Advisory Agreement with the Adviser is in effect and Investcorp is the majority owner of the Adviser.

Investments in and Advice Regarding Different Parts of an Issuer's Capital Structure

In some cases, another investment account or vehicle managed or controlled by the Adviser or its affiliates ("Other Accounts"), on the one hand, and the Company, on the other hand, invest in or extend credit to different parts of the capital structure of a single issuer. As a result, such Other Accounts may take actions that adversely affect the Company. In addition, in some cases, the Adviser advises such Other Accounts with respect to different parts of the capital structure of the same issuer, or classes of securities that are subordinate or senior to securities, in which the Company invest. The Adviser is able to pursue rights, provide advice or engage in other activities, or refrain from pursuing rights, providing advice or engaging in other activities, on behalf of such Other Accounts with respect to an issuer in which the Company has invested, and such actions (or inaction) may have a material adverse effect on the Company.

For example, in the event that the Other Account holds loans, securities or other positions in the capital structure of an issuer that ranks senior in preference to the holdings of the Company in the same issuer, and the issuer experiences financial or operational challenges, the Adviser, acting on behalf of the Other Account, may seek a liquidation, reorganization or restructuring of the issuer that has, or terms in connection with the foregoing, that have, an adverse effect on or otherwise conflict with the interests of the Company's holdings in the issuer. In connection with any such liquidation, reorganization or restructuring, the Company's holdings in the issuer may be extinguished or substantially diluted, while the Other Accounts recover some or all of the amounts due to them. In addition, in connection with any lending arrangements involving the issuer in which such Other Accounts participate, the Other Accounts may seek to exercise rights under the applicable loan agreement or other document, in a manner detrimental to the Company. In situations in which the Adviser advises clients (including the Company) with positions in multiple parts of the capital structure of an issuer, the Adviser may not pursue actions or remedies available to the Company, as a result of legal and regulatory requirements or otherwise. These potential issues are examples of conflicts that the Adviser will face in situations in which the Company and Other Accounts, invest in or extend credit to different parts of the capital structure of a single issuer.

The Adviser addresses these issues based on the circumstances of particular situations. For example, the Adviser may rely on information barriers between different Investcorp business units or portfolio management teams. The Adviser in some circumstances relies on the actions of similarly situated holders of loans or securities rather than, or in connection with, taking such actions itself on behalf of the Company. As a result of the various conflicts and related issues described above and the fact that conflicts will not necessarily be resolved in favor of the interests of the Company, the Company could sustain losses during periods in which Other Accounts achieve profits generally or with respect to particular holdings in the same issuer, or could achieve lower profits or higher losses than would have been the case had the conflicts described above not existed. It should be expected that the negative effects described above will be more pronounced in connection with transactions in, or the Company's use of, small capitalization, emerging market, distressed or less liquid strategies.

Exchange Act Reports

We maintain a website at *www.icmbdc.com.* The information on our website is not incorporated by reference in this annual report on Form 10-K.

We make available on or through our website certain reports and amendments to those reports that we file with or furnish to the SEC in accordance with the Exchange Act. These include our annual reports on Form 10-K, our quarterly reports on Form 10-Q and our current reports on Form 8-K. We make this information available on our website free of charge as soon as reasonably practicable after we electronically file the information with, or furnish it to, the SEC.

Regulation as a BDC

We are a BDC under the 1940 Act. The 1940 Act contains prohibitions and restrictions relating to transactions between BDCs and their affiliates (including any investment advisers), principal underwriters and affiliates of those affiliates or underwriters and requires that a majority of the directors be persons other than "interested persons," as that term is defined in the 1940 Act. In addition, the 1940 Act provides that we may not change the nature of our business so as to cease to be, or to withdraw our election as, a BDC unless approved by a majority of our outstanding voting securities.

We may invest up to 100% of our assets in securities acquired directly from issuers in privately negotiated transactions. With respect to such securities, we may, for the purpose of public resale, be deemed an "underwriter" as that term is defined in the Securities Act. Our intention is to not write (sell) or buy put or call options to manage risks associated with the publicly traded securities of our portfolio companies, except that we may enter into hedging transactions to manage the risks associated with interest rate fluctuations. However, we may purchase or otherwise receive warrants to purchase the common stock of our portfolio companies in connection with acquisition financing or other investments. Similarly, in connection with an acquisition, we may acquire rights to require the issuers of acquired securities or their affiliates to repurchase them under certain circumstances. We also do not intend to acquire securities issued by any investment company that exceed the limits imposed by the 1940 Act and the rules thereunder. Prior to January 19, 2021, except for registered money market funds, we generally were prohibited from acquiring more than 3% of the voting stock of any registered investment company, investing more than 5% of the value of our total assets in the securities of one investment company, or investing more than 10% of the value of our total assets in the securities of more than one investment company without obtaining exemptive relief from the SEC. However, the SEC adopted new rules, which became effective on January 19, 2021, that allow us to acquire the securities of other investment companies in excess of the 3%, 5%, and 10% limitations without obtaining exemptive relief if we comply with certain conditions. If we invest in securities issued by investment companies, if any, it should be noted that such investments might subject our stockholders to additional expenses as they will be indirectly responsible for the costs and expenses of such companies. None of these policies is fundamental and may be changed without stockholder approval upon 60 days' prior written notice to stockholders.

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 company's total assets. The principal categories of qualifying assets relevant to our business are the following:

(1) Securities purchased in transactions not involving any public offering from the issuer of such securities, which issuer (subject to certain limited exceptions) is an eligible portfolio company, or from any person who is, or has been during the preceding 13 months, an affiliated person of an eligible portfolio company, or from any other person, subject to such rules as may be prescribed by the SEC. Under the 1940 Act and the rules thereunder, "eligible portfolio companies" include (1) private domestic operating companies, (2) public domestic operating companies whose securities are not listed on a national securities exchange (e.g., NASDAQ), and (3) public domestic operating companies having a market capitalization of less than $250 million. Public domestic operating companies whose securities are quoted on the over-the-counter bulletin board or through Pink Sheets LLC are not listed on a national securities exchange and therefore are eligible portfolio companies.

(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 to such a private transaction, 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 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 that mature in one year or less from the date of investment.

The regulations defining qualifying assets may change over time. We may adjust our investment focus as needed to comply with and/or take advantage of any regulatory, legislative, administrative or judicial actions in this area.

Managerial Assistance to Portfolio Companies

BDCs generally must offer to make available to the issuer of the securities significant managerial assistance, except in circumstances where either (i) the BDC controls such issuer of securities or (ii) the BDC purchases such securities in conjunction with one or more other persons acting together and one of the other persons in the group makes available such managerial assistance. Making available managerial assistance means any arrangement whereby the BDC, through its directors, officers, employees or agents, 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 Adviser will provide such managerial assistance on our behalf to portfolio companies that request this assistance.

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, repurchase agreements and high-quality debt investments that mature in one year or less from the date of investment, which we refer to, collectively, as temporary investments, so that 70% of our assets are qualifying assets or temporary investments. Typically, we will invest in U.S. Treasury bills or in repurchase agreements, so long as the agreements are fully collateralized by cash or securities issued by the U.S. government or its agencies. A repurchase agreement involves the purchase by an investor, such as us, of a specified security and the simultaneous agreement by the seller to repurchase it at an agreed-upon future date and at a price that is greater than the purchase price by an amount that reflects an agreed-upon interest rate. There is no percentage restriction on the proportion of our assets that may be invested in such repurchase agreements. However, if more than 25% of our total assets constitute repurchase agreements from a single counterparty, we would not meet the diversification tests in order to qualify as a RIC for U.S. federal income tax purposes. Accordingly, we do not intend to enter into repurchase agreements with a single counterparty in excess of this limit. The Adviser will monitor the creditworthiness of the counterparties with which we enter into repurchase agreement transactions.

Senior Securities

We are generally permitted, under specified conditions, to issue multiple classes of indebtedness and one class of stock senior to our common stock if our asset coverage, as defined in the 1940 Act, is at least equal to 150% immediately after each such issuance. In addition, while any senior securities remain outstanding, we must make provisions to prohibit any distribution to our stockholders or the repurchase of such securities or shares unless we meet the applicable asset coverage ratios at the time of the distribution or repurchase.

In accordance with the 1940 Act, on May 2, 2018, our board of directors, including a "required majority," approved the modified asset coverage requirements set forth in Section 61(a)(2) of the 1940 Act. As a result, our asset coverage requirements for senior securities changed from 200% to 150%, effective May 2, 2019. For more information, see "Risk Factors — Risks Related to Our Business and Structure — 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 may expose us to risks, including the typical risks associated with leverage." We may also borrow amounts up to 5% of the value of our total assets for temporary or emergency purposes without regard to asset coverage. For a discussion of the risks associated with leverage, see "Risk Factors — Risks Relating to our Business and Structure — Regulations governing our operation as a business development company will affect our ability to, and the way in which we, raise additional capital. As a business development company, the necessity of raising additional capital may expose us to risks, including the typical risks associated with leverage."

Common Stock

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 at a price below the current net asset value of the common stock (i) in connection with a rights offering to our existing stockholders, (ii) with the consent of the majority of our common stockholders, or (iii) under such other circumstances as the SEC may permit. For example, we may sell our common stock, or warrants, options or rights to acquire our common stock, at a price below the then current net asset value of our common stock if our board of directors determines that such sale is in our best interests and that of our stockholders, and our stockholders approve our policy and practice of making such sales. In any such case, the price at which our securities are to be issued and sold may not be less than a price which, in the determination of our board of directors, closely approximates the market value of such securities (less any distributing commission or discount).

Codes of Ethics

We and the Adviser have each 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 each such code 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 such code's requirements. Each code of ethics is available on the EDGAR Database on the SEC's website at *www.sec.gov.* You may also obtain copies of each code of ethics, after paying a duplicating fee, by electronic request at the following e-mail address: *publicinfo@sec.gov*.

Proxy Voting Policies and Procedures

We have delegated our proxy voting responsibility to the Adviser. The Proxy Voting Policies and Procedures of the Adviser are set out below. The guidelines will be reviewed periodically by the Adviser and our directors who are not "interested persons," and, accordingly, are subject to change.

Introduction

As an investment adviser registered under the Advisers Act, the Adviser has a fiduciary duty to act solely in our best interests. As part of this duty, the Adviser recognizes that it must vote our securities in a timely manner free of conflicts of interest and in our best interests.

The Adviser's policies and procedures for voting proxies for its investment advisory clients are intended to comply with Section 206 of, and Rule 206(4)-6 under, the Advisers Act.

Proxy Policies

The Adviser votes proxies relating to our portfolio securities in what it perceives to be the best interest of our stockholders. The Adviser reviews on a case-by-case basis each proposal submitted to a stockholder vote to determine its effect on the portfolio securities we hold. In most cases, the Adviser will vote in favor of proposals that the Adviser believes are likely to increase the value

of the portfolio securities we hold. Although the Adviser will generally vote against proposals that may have a negative effect on our portfolio securities, the Adviser may vote for such a proposal if there exist compelling long-term reasons to do so.

The Adviser has established a proxy voting committee and adopted proxy voting guidelines and related procedures. The proxy voting committee establishes proxy voting guidelines and procedures, oversees the internal proxy voting process, and reviews proxy voting issues. To ensure that the Adviser's 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 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 Adviser intends to vote on a proposal in order to reduce any attempted influence from interested parties. Where conflicts of interest may be present, the Adviser will disclose such conflicts to us, including to our Independent Directors, and may request guidance from us on how to vote such proxies.

Proxy Voting Records

You may obtain information about how the Adviser voted proxies by making a written request for proxy voting information to: Investcorp Credit Management BDC, Inc., Attention: Investor Relations, 280 Park Avenue, 39th Floor, New York, New York 10017, or by calling us collect at (646) 690-5034. The SEC also maintains a website at *www.sec.gov* that contains this information.

Privacy Principles

We are committed to maintaining the privacy of our stockholders and to safeguarding their nonpublic personal information. The following information is provided to help you understand what personal information we collect, how we protect that information and why, in certain cases, we may share information with select other parties.

Generally, we do not receive any nonpublic personal information relating to our stockholders, although certain nonpublic personal information of our stockholders may become available to us. We do not disclose any nonpublic personal information about our stockholders or former stockholders to anyone, except as permitted by law or as is necessary in order to service stockholder accounts (for example, to a transfer agent or third-party administrator).

We restrict access to nonpublic personal information about our stockholders to employees of the Adviser and its affiliates with a legitimate business need for the information. We intend to maintain physical, electronic and procedural safeguards designed to protect the nonpublic personal information of our stockholders.

Other

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 the Adviser are each required to adopt and implement written policies and procedures reasonably designed to prevent violation of relevant 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.

We may be prohibited under the 1940 Act from knowingly participating in certain transactions with our affiliates without the prior approval of our board of directors who are not interested persons and, in some cases, prior approval by the SEC. Thus, based on current SEC interpretations, co-investment transactions involving a BDC like us and an entity that is advised by the Adviser or an affiliated adviser generally could not be effected without SEC relief. The staff of the SEC has, however, granted no-action relief permitting purchases of a single class of privately placed securities, provided that the adviser negotiates no term other than price and certain other conditions are met. On July 20, 2021, the SEC issued an order, which superseded a prior order issued on March 19, 2019, granting the Company's application for exemptive relief to co-invest, subject to the satisfaction of certain conditions, in certain private placement transactions with other funds managed by the Adviser or its affiliates and any future funds that are advised by the Adviser or its affiliated investment advisers (the "Exemptive Relief"). Under the terms of the Exemptive Relief, in order for the Company to participate in a co-investment transaction a "required majority" (as defined in Section 57(o) of the 1940 Act) of the Independent Directors must conclude that (i) the terms of the proposed transaction, including the consideration to be paid, are reasonable and fair to the Company and its stockholders and do not involve overreaching in respect of the Company or its stockholders on the part of any person concerned, and (ii) the proposed transaction is consistent with the interests of the Company's stockholders and is consistent with the Company's investment objectives and strategies.

Sarbanes-Oxley Act of 2002

The Sarbanes-Oxley Act of 2002 imposes a wide variety of regulatory requirements on publicly held companies and their insiders. Many of these requirements affect us. For example:

- pursuant to Rule 13a-14 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, 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; and
- pursuant to Item 308 of Regulation S-K 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.

Taxation as a Regulated Investment Company

As a BDC, we have elected to be treated as a RIC under Subchapter M of the Code. As a RIC, we generally do not have to pay corporate-level U.S. federal income taxes on any income that we 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, to qualify for RIC tax treatment we must distribute to our stockholders, for each taxable year, at least 90% of our "investment company taxable income," which is generally our ordinary income plus the excess of our realized net short-term capital gains over our realized net long-term capital losses (the "Annual Distribution Requirement").

If we qualify as a RIC and satisfy the Annual Distribution Requirement, then we generally will not be subject to U.S. federal income tax on the portion of our income we distribute (or are deemed to distribute) to stockholders. We will be subject to U.S. federal income tax at the regular corporate rates on any income or capital gains not distributed (or deemed distributed) to our stockholders.

We will be subject to a 4% nondeductible U.S. federal excise tax on certain undistributed income unless we distribute in a timely manner an amount at least equal to the sum of (1) 98% of our net ordinary income for each calendar year, (2) 98.2% of our capital gain net income for the one-year period ending October 31 in that calendar year and (3) any income recognized, but not distributed, in preceding years (the "Excise Tax Avoidance Requirement").

In order to qualify as a RIC for U.S. federal income tax purposes, we must, among other things:

- continue to qualify 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 loans of certain securities, gains from the sale of stock or other securities, net income from certain "qualified publicly traded partnerships," or other income derived with respect to our business of investing in such stock or securities (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, of two or more issuers that are controlled, as determined under applicable Code rules, by us and that are engaged in the same or similar or related trades or businesses or of certain "qualified publicly traded partnerships" (the "Diversification Tests").

We may be required to recognize taxable income in circumstances in which we do not receive cash. For example, if we hold debt obligations that are treated under applicable tax rules as having original issue discount (such as debt instruments with PIK interest or, in certain cases, increasing interest rates or issued with warrants), we must include in income each year a portion of the original issue discount that accrues over the life of the obligation, regardless of whether cash representing such income is received by us in the same taxable year. We may also have to include in income other amounts that we have not yet received in cash, such as PIK interest and deferred loan origination fees that are paid after origination of the loan or are paid in non-cash compensation such as warrants or stock. Because any original issue discount or other amounts accrued will be included in our investment company taxable income for

the year of accrual, we may be required to make a distribution to our stockholders in order to satisfy the Annual Distribution Requirement, even though we will not have received any corresponding cash amount.

Although we do not presently expect to do so, we are authorized to borrow funds and to sell assets in order to satisfy the distribution requirements. However, under the 1940 Act, we are not permitted in certain circumstances to make distributions to our stockholders while our debt obligations and other senior securities are outstanding unless certain "asset coverage" tests are met. 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 status as a RIC, including 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.

In accordance with certain applicable Treasury regulations and a revenue procedure issued by the Internal Revenue Service, a RIC may treat a distribution of its own stock as fulfilling its RIC distribution requirements if each stockholder may elect to receive his or her entire distribution in either cash or stock of the RIC, subject to a limitation that the aggregate amount of cash to be distributed to all stockholders must be at least 20% of the aggregate declared distribution. If too many stockholders elect to receive cash, each stockholder electing to receive cash must receive a pro rata amount of cash (with the balance of the distribution paid in stock). In no event will any stockholder, electing to receive cash, receive less than 20% (or 10%, if applicable) of his or her entire distribution in cash. If these and certain other requirements are met, for U.S. federal income tax purposes, the amount of the dividend paid in stock will be equal to the amount of cash that could have been received instead of stock. We have no current intention of paying dividends in shares of our stock in accordance with these Treasury regulations or the revenue procedure.

Failure to Maintain our Qualification as a RIC

If we fail to satisfy the 90% Income Test or the Diversification Tests for any taxable year, we may nevertheless continue to qualify as a RIC for such year if certain relief provisions are applicable (which may, among other things, require us to pay certain corporate-level U.S. federal income taxes or to dispose of certain assets).

If we were unable to qualify for treatment as a RIC and the foregoing relief provisions are not applicable, we would be subject to tax on all of our taxable income at regular corporate rates, regardless of whether we make any distributions to our stockholders. Distributions would not be required, and any distributions would be taxable to our stockholders as ordinary dividend income that, subject to certain limitations, may be eligible for the 20% maximum rate to the extent of our current and accumulated earnings and profits provided certain holding period and other requirements were met. Subject to certain limitations under the Code, corporate distributees would be eligible for the dividends-received deduction. 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. To requalify as a RIC in a subsequent taxable year, we would be required to satisfy the RIC qualification requirements for that year and dispose of any earnings and profits from any year in which we failed to qualify as a RIC. Subject to a limited exception applicable to RICs that qualified as such under Subchapter M of the Code for at least one year prior to disqualification and that requalify as a RIC no later than the second year following the nonqualifying year, we could be subject to tax on any unrealized net built-in gains in the assets held by us during the period in which we failed to qualify as a RIC that are recognized within the subsequent five years, unless we made a special election to pay corporate-level U.S. federal income tax on such built-in gain at the time of our requalification as a RIC.

The NASDAQ Stock Market Corporate Governance Regulations

Our common stock is listed on the NASDAQ Global Select Market under the symbol "ICMB". The NASDAQ Stock Market has adopted corporate governance regulations with which listed companies must comply. We are in compliance with such corporate governance listing standards applicable to BDCs.

Item 1A. Risk Factors

Investing in our securities involves a number of significant risks. Before you invest in our securities, you should be aware of various risks, including those described below. You should carefully consider these risk factors, together with all of the other information included in this annual report on Form 10-K, before you decide whether to make an investment in our securities. The risks set out below are the principal risks with respect to an investment in our securities generally and with respect to a BDC with investment objectives, investment policies, capital structures or trading markets similar to ours. However, they may not be 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, the net asset value of our common stock and the trading price of our securities could decline, and you may lose all or part of your investment.

The following is a summary of the principal risks that you should carefully consider before investing in our securities. Further details regarding each risk included in the below summary list can be found further below.

Risks Relating to Our Business and Structure

- We depend upon key personnel of the Adviser for our future success. If the Adviser were to lose any of its key personnel, our ability to achieve our investment objective could be significantly harmed.
- Our relationship with Investcorp may create conflicts of interest.
- Because we finance our investments with borrowed money, the potential for gain or loss on amounts invested in us is magnified and may increase the risk of investing in us.
- We may default under the Capital One Revolving Financing or any future borrowing facility we enter into or be unable to amend, repay or refinance any such facility on commercially reasonable terms, or at all, which could have a material adverse effect on our business, financial condition, results of operations and cash flows.
- Our financial condition, results of operations and cash flows will depend on our ability to manage our business effectively.
- The involvement of our interested directors in the valuation process may create conflicts of interest.
- We operate in a highly competitive market for investment opportunities, which could reduce returns and result in losses.
- 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 may expose us to risks, including the typical risks associated with leverage.
- Efforts to comply with Section 404 of the Sarbanes-Oxley Act involve significant expenditures, and if we fail to maintain an effective system of internal control over financial reporting, we may not be able to accurately report our financial results or prevent fraud. As a result, stockholders could lose confidence in our financial and other public reporting, which would harm our business and the trading price of our common stock.

Risks Relating to the Adviser or Its Affiliates

- Our incentive fee may induce the Adviser to make speculative investments.
- The Adviser’s liability is limited under the Advisory Agreement and we have agreed to indemnify the Adviser against certain liabilities, which may lead the Adviser to act in a riskier manner on our behalf than it would when acting for its own account.
- The Adviser can resign as the Adviser or administrator upon 60 days’ notice and we may not be able to find a suitable replacement within that time, or at all, resulting in a disruption in our operations that could adversely affect our financial condition, business and results of operations.

Risks Relating to Our Investments

- Economic recessions or downturns could adversely affect our portfolio companies, leading to defaults on our investments, which would harm our operating results.
- The lack of liquidity in our investments may adversely affect our business.

- Our portfolio may be concentrated in a limited number of industries, which may subject us to a risk of significant loss if there is a downturn in a particular industry in which a number of our investments are concentrated.
- Risks related to the transition away from LIBOR.

Risks Relating to an Investment in Our Common Stock

- We cannot assure you that the market price of shares of our common stock will not decline.
- There is a risk that you may not receive distributions or that our distributions may not grow over time or a portion of your distributions may be a return of capital.
- The market price of our common stock may fluctuate significantly.

Risks Relating to an Investment in Our Notes

- The indenture under which our 4.875% notes due 2026 (the "2026 Notes") are issued contains limited protection for holders of the 2026 Notes.
- There is no active trading market for the 2026 Notes. If an active trading market does not develop for the 2026 Notes, you may not be able to sell them.

Risks Relating to U.S. Federal Income Tax

- We will be subject to corporate-level U.S. federal income tax if we are unable to maintain our qualification as a RIC under Subchapter M of the Code.
- We cannot predict how tax reform legislation will affect us, our investments, or our stockholders, and any such legislation could adversely affect our business.

Risks Relating to the Current Environment

- The COVID-19 pandemic has caused severe disruptions in the U.S. economy and has disrupted financial activity in the areas in which we or our portfolio companies operate.
- Global economic, regulatory and market conditions may adversely affect our business, results of operations and financial condition, including our revenue growth and profitability.

Risks Relating to Our Business and Structure

We depend upon key personnel of the Adviser for our future success. If the Adviser were to lose any of its key personnel, our ability to achieve our investment objective could be significantly harmed.

We depend on the diligence, skill, experience and network of business contacts of the Investment Team of the Adviser, in particular Messrs. Mauer and Shaikh, who are also members of the Investment Committee, our executive officers and Mr. Mauer is chairman of our board of directors and Mr. Shaikh is a member of our board of directors. We can offer no assurance that Messrs. Mauer and Shaikh will continue to provide investment advice to us. The loss of either Mr. Mauer or Mr. Shaikh could limit our ability to achieve our investment objective and operate as we anticipate.

In addition, we are dependent on the other members of the Investment Team. If any of the members of the Investment Team were to resign, we may not be able to hire investment professionals with similar expertise and ability to provide the same or equivalent services on acceptable terms. If we are unable to do so quickly, our operations are likely to experience a disruption, and our financial condition, business and results of operations may be adversely affected. Even if we are able to retain comparable professionals the integration of such investment professionals 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.

Our business model depends to a significant extent upon our Adviser's network of relationships. 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 to maintain its relationships with private equity sponsors, placement agents, investment banks, management groups and other financial institutions and we expect to rely to a significant extent upon these relationships to provide us

with potential investment opportunities. If the Adviser or members of the Investment Team fail to maintain such relationships, or to develop new relationships with other sources of investment opportunities, we may not be able to grow our investment portfolio. In addition, individuals with whom the Adviser has relationships are not obligated to provide us with investment opportunities, and we can offer no assurance that these relationships will generate investment opportunities for us in the future.

Our relationship with Investcorp may create conflicts of interest.

Investcorp has an approximate 76% interest in the Adviser. Pursuant to the Investcorp Services Agreement, the Adviser is able to utilize personnel of Investcorp International and its affiliates to provide services to the Company from time-to-time on an as-needed basis related to human resources, compensation and technology services. The Adviser may rely on the Investcorp Services Agreement to satisfy its obligations under the Administration Agreement. The personnel of Investcorp International may also provide services for the funds managed by Investcorp, which could result in conflicts of interest and may distract them from their responsibilities to us.

There are significant potential conflicts of interest that could negatively affect our investment returns.

There may be times when the Adviser or the members of the Investment Team have interests that differ from those of our stockholders, giving rise to conflicts of interest. The members of the Investment Committee and the Investment Team serve, or may serve, as officers, directors, members, or principals of entities that operate in the same or a related line of business as we do or of investment funds, accounts, or investment vehicles managed by the Adviser, Investcorp or their affiliates. Similarly, the Adviser or the members of the Investment Team may have other clients with similar, different or competing investment objectives. In serving in these multiple capacities, they may have obligations to other clients or investors in those entities, the fulfillment of which may not be in the best interests of us or our stockholders. In addition, the Adviser and some of its affiliates, including our officers and our non-Independent Directors, are not prohibited from raising money for, or managing, another investment entity that makes the same types of investments as those we target.

In addition, another investment account or vehicle managed or controlled by the Adviser or its affiliates may hold securities, loans or other instruments of a portfolio company in a different class or a different part of the capital structure than securities, loans or other instruments of such portfolio company held by us. As a result, such other investment account or vehicle or such other client of the Adviser or its affiliates may pursue or enforce rights or activities, or refrain from pursuing or enforcing rights or activities, on behalf of its own account, that could have an adverse effect on us.

The members of the Investment Team may, from time to time, possess material non-public information, limiting our investment discretion.

Members of the Investment Team may serve as directors of, or in a similar capacity with, portfolio companies in which we invest. In the event that material nonpublic information is obtained with respect to such companies, or we become subject to trading restrictions under the internal trading policies of those companies or as a result of applicable law or regulations, 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.

Because we finance our investments with borrowed money, the potential for gain or loss on amounts invested in us is magnified 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. If we continue to use leverage to partially finance our investments through banks, insurance companies and other lenders, you will experience increased risks of investment in our common stock. Lenders of these funds have fixed dollar claims on our assets that are superior to the claims of our common stockholders, and we would expect such lenders to seek recovery against our assets in the event of a default. As of June 30, 2023, substantially all of our assets were pledged as collateral under the Capital One Revolving Financing. In addition, under the terms of the Capital One Revolving Financing and any borrowing facility or other debt instrument we may enter into, we are likely to be required to use the net proceeds of any investments that we sell to repay a portion of the amount borrowed under such facility or instrument before applying such net proceeds to any other uses. If the value of our assets decreases, leveraging would cause net asset value to decline more sharply than it otherwise would have had we not leveraged, thereby magnifying losses or eliminating our stake in a leveraged investment. Similarly, any decrease in our revenue or income will cause our net income to decline more sharply than it would have had we not borrowed. Such a decline would also negatively affect our ability to make distributions with respect to our common stock or preferred stock. Our ability to service any debt will depend largely on our financial performance and will be subject to prevailing economic conditions and competitive pressures. Moreover, as the Base Management Fee payable to the Adviser will be payable based on the value of our gross assets, including those assets acquired through the use of leverage, the Adviser will have a financial incentive to incur leverage, which may not be consistent with our stockholders' interests. In addition, our common

stockholders will bear the burden of any increase in our expenses as a result of our use of leverage, including interest expenses and any increase in the Base Management Fee payable to the Adviser.

As a BDC, we generally are required to meet a coverage ratio of total assets to total borrowings and other senior securities, which include all of our borrowings and any preferred stock that we may issue in the future, of at least 150%. If this ratio declines below 150%, we will not be able to incur additional debt and could be required to sell a portion of our investments to repay some debt when it is otherwise disadvantageous for us to do so. This could have a material adverse effect on our operations, and we may not be able to make distributions. The amount of leverage that we employ will depend on the Adviser's and our board of directors' assessment of market and other factors at the time of any proposed borrowing. We cannot assure you that we will be able to obtain credit at all or on terms acceptable to us.

Illustration. The following table illustrates the effect of leverage on returns from an investment in our common stock assuming various annual returns, net of expenses. The calculations in the table below are hypothetical and actual results may be higher or lower than those appearing below.

Assumed Return on Our Portfolio[1]
(net of expenses)

	(10.0)%	(5.0)%	0.0%	5.0%	10.0%
Corresponding net return to common stockholder	(34.1)%	(20.9)%	(7.7)%	5.5%	18.7%

(1) Assumes $232.1 million in total assets, $135.5 million in debt outstanding, $88.0 million in net assets, and an average cost of funds of 5.00%. Actual interest payments may be different.

In addition, our debt facilities may impose financial and operating covenants that restrict our business activities, including limitations that hinder our ability to finance additional loans and investments or to make the distributions required to maintain our qualification as a RIC under the Code.

We may default under the Capital One Revolving Financing or any future borrowing facility we enter into or be unable to amend, repay or refinance any such facility on commercially reasonable terms, or at all, which could have a material adverse effect on our business, financial condition, results of operations and cash flows.

In the event we default under the Capital One Revolving Financing or any other future borrowing facility, our business could be adversely affected as we may be forced to sell a portion of our investments quickly and prematurely at prices that may be disadvantageous to us in order to meet our outstanding payment obligations and/or support working capital requirements under the Capital One Revolving Financing or such future borrowing facility, any of which would have a material adverse effect on our business, financial condition, results of operations and cash flows. In addition, following any such default, the agent for the lenders under the Capital One Revolving Financing or such future borrowing facility could assume control of the disposition of any or all of our assets, including the selection of such assets to be disposed and the timing of such disposition, which would have a material adverse effect on our business, financial condition, results of operations and cash flows.

Provisions in the Capital One Revolving Financing or any other future borrowing facility may limit our discretion in operating our business.

The Capital One Revolving Financing is, and any future borrowing facility may be, backed by all or a portion of our loans and securities on which the lenders in the Capital One Revolving Financing will or, in the case of a future facility, may have a security interest. We may pledge up to 100% of our assets and may grant a security interest in all of our assets under the terms of any debt instrument we enter into with lenders. We expect that any security interests we grant will be set forth in a pledge and security agreement and evidenced by the filing of financing statements by the agent for the lenders. In addition, we expect that the custodian for our securities serving as collateral for such loan would include in its electronic systems notices indicating the existence of such security interests and, following notice of occurrence of an event of default, if any, and during its continuance, will only accept transfer instructions with respect to any such securities from the lender or its designee. If we were to default under the terms of any debt instrument, the agent for the applicable lenders would be able to assume control of the timing of disposition of any or all of our assets securing such debt, which would have a material adverse effect on our business, financial condition, results of operations and cash flows.

In addition, any security interests as well as negative covenants under the Capital One Revolving Financing or any other borrowing facility may limit our ability to create liens on assets to secure additional debt and may make it difficult for us to restructure or refinance indebtedness at or prior to maturity or obtain additional debt or equity financing. In addition, if our borrowing base under the Capital One Revolving Financing or any other borrowing facility were to decrease, we would be required to secure additional

assets in an amount equal to any borrowing base deficiency. In the event that all of our assets are secured at the time of such a borrowing base deficiency, we could be required to repay advances under the Capital One Revolving Financing or any other borrowing facility or make deposits to a collection account, either of which could have a material adverse impact on our ability to fund future investments and to make stockholder distributions.

In addition, under the Capital One Revolving Financing or any future borrowing facility we will be subject to limitations as to how borrowed funds may be used, which may include restrictions on geographic and industry concentrations, loan size, payment frequency and status, average life, collateral interests and investment ratings, as well as regulatory restrictions on leverage, which may affect the amount of funding that may be obtained. There may also be certain requirements relating to portfolio performance, including required minimum portfolio yield and limitations on delinquencies and charge-offs, a violation of which could limit further advances and, in some cases, result in an event of default. An event of default under the Capital One Revolving Financing or any other borrowing facility could result in an accelerated maturity date for all amounts outstanding thereunder, which could have a material adverse effect on our business and financial condition. This could reduce our revenues and, by delaying any cash payment allowed to us under the Capital One Revolving Financing or any other borrowing facility until the lenders have been paid in full, reduce our liquidity and cash flow and impair our ability to grow our business and maintain our qualification as a RIC.

Because we borrow money to make our investments, if market interest rates were to increase, our cost of capital could increase, which could reduce our net investment income.

Because we borrow money to make investments, our net investment income will depend, in part, upon the difference between the rate at which we borrow funds and the rate at which we invest those funds. As a result, we can offer no assurance that a significant change in market interest rates would not have a material adverse effect on our net investment income in the event we use debt to finance our investments. In periods of rising interest rates, our cost of funds would increase, which could reduce our net investment income. 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. There is no limit on our ability to enter derivative transactions.

In addition, a rise in the general level of interest rates typically leads to higher interest rates applicable to our debt investments. Accordingly, an increase in interest rates may result in an increase of the amount of our pre-incentive fee net investment income and, as a result, an increase in incentive fees payable to the Adviser.

Our financial condition, results of operations and cash flows will depend on our ability to manage our business effectively.

Our ability to achieve our investment objective will depend on our ability to manage our business and to grow our investments and earnings. This will depend, in turn, on the Adviser's ability to identify, invest in and monitor portfolio companies that meet our investment criteria. The achievement of our investment objective on a cost-effective basis will depend upon the Adviser's execution of our investment process, its ability to provide competent, attentive and efficient services to us and, to a lesser extent, our access to financing on acceptable terms. The Adviser's investment professionals may have substantial responsibilities in connection with the management of other investment funds, accounts and investment vehicles. The personnel of the Adviser may also be called upon to provide managerial assistance to our portfolio companies. These activities may distract them from identifying new investment opportunities for us or slow our rate of investment. Any failure to manage our business and our future growth effectively could have a material adverse effect on our business, financial condition, results of operations and cash flows.

The involvement of our interested directors in the valuation process may create conflicts of interest.

We expect to make most of our portfolio investments in the form of loans and securities that are not publicly traded and for which there are limited or no market-based price quotations available. As a result, our board of directors will determine the fair value of these loans and securities in good faith as described below in "— Most of our portfolio investments will be recorded at fair value as determined in good faith by our board of directors and, as a result, there may be uncertainty as to the value of our portfolio investments." In connection with that determination, investment professionals from the Adviser may provide our board of directors with valuations based upon the most recent portfolio company financial statements available and projected financial results of each portfolio company. While the valuations for portfolio investments will be reviewed by an independent valuation firm periodically, the ultimate determination of fair value will be made by our board of directors and not by such third-party valuation firm. In addition, Mr. Mauer, an interested member of our board of directors, has a direct or indirect pecuniary interest in the Adviser. The participation of the Adviser's investment professionals in our valuation process, and the pecuniary interest in the Adviser by Mr. Mauer, could result in a conflict of interest as the Adviser's management fee is based, in part, on the value of our gross assets, and our incentive fees will be based, in part, on realized gains and realized and unrealized losses.

We operate in a highly competitive market for investment opportunities, which could reduce returns and result in losses.

A number of entities compete with us to make the types of investments that we make. We compete with public and private funds, other BDCs, commercial and investment banks, commercial financing companies and, to the extent they provide an alternative form of financing, private equity and hedge funds. Many of our competitors are substantially larger and have considerably greater financial, technical and marketing resources than we do. For example, we believe some of our competitors may have access to funding sources that are not available to us. In addition, some of our competitors may have higher risk tolerances or different risk assessments, which could allow them to consider a wider variety of investments and establish more relationships than us. Furthermore, many of our competitors are not subject to the regulatory restrictions that the 1940 Act imposes on us as a BDC or the source-of-income, asset diversification and distribution requirements we must satisfy to maintain our RIC qualification. The competitive pressures we face may have a material adverse effect on our business, financial condition, results of operations and cash flows. As a result of this competition, we may not be able to take advantage of attractive investment opportunities from time to time, and we may not be able to identify and make investments that are consistent with our investment objective.

With respect to the investments we make, we do not seek to compete based primarily on the interest rates we offer, and we believe that some of our competitors may make loans with interest rates that will be lower than the rates we offer. With respect to all investments, we may lose some investment opportunities if we do not match our competitors' pricing, terms and structure. However, if we match our competitors' pricing, terms and structure, we may experience decreased net interest income, lower yields and increased risk of credit loss.

We may need to raise additional capital to grow because we must distribute most of our income.

We may 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 at least 90% of our net ordinary income and net short-term capital gains in excess of net long-term capital losses, if any, to our stockholders to maintain our qualification as a RIC. As a result, these earnings will not be available to fund new investments. An inability on our part 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, which would have an adverse effect on the value of our securities.

Our distributions to stockholders may be funded, in part, from waivers of investment advisory fees by the Adviser.

To the extent any distributions by us are funded through waivers of the incentive fee portion of our investment advisory fees such distributions will not be based on our investment performance, and can only be sustained if we achieve positive investment performance in future periods and/or the Adviser continues to waive such fees. Any such waivers in no way imply that the Adviser will waive incentive fees in any future period. There can be no assurance that we will achieve the performance necessary or that the Adviser will waive all or any portion of the incentive fee necessary to be able to pay distributions at a specific rate or at all.

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 may expose 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. The 1940 Act generally prohibits us from incurring indebtedness unless immediately after such borrowing we have an asset coverage for total borrowings of at least 150% (i.e., the amount of debt may not exceed 66 and $^{2}/_{3}$% of the value of our assets). On May 2, 2018, our board of directors, including a "required majority" approved the modified asset coverage requirements set forth in Section 61(a)(2) of the 1940 Act. As a result, our asset coverage requirements for senior securities changed from 200% to 150%, effective May 2, 2019. If the value of our assets declines, we may be unable to satisfy this test. If that happens, we would not be able to borrow additional funds until we were able to comply with the 150% asset coverage ratio under the 1940 Act. Also, any amounts that we use to service our indebtedness would not be available for distributions to our common stockholders. If we issue senior securities, we will be exposed to typical risks associated with leverage, including an increased risk of loss.

Under the 1940 Act, we generally are prohibited from issuing or selling 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 our common stock, or warrants, options, or rights to acquire our common stock, at a price below the current net asset value of our common stock if our Board and Independent Directors determine that such sale is in our best interests and the best interests of our shareholders, and our shareholders, including a majority of those shareholders that are not affiliated with us, approve such sale. In any such case, the price at which our securities are to be issued and sold may not be less than a price that, in the determination of our Board, closely

approximates the fair 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 shareholders at that time will decrease and you will experience dilution.

Our ability to enter into transactions involving derivatives and financial commitment transactions may be limited.

We may invest in derivatives and other assets that are subject to many of the same types of risks related to the use of leverage. In October 2020, the SEC adopted Rule 18f-4 under the 1940 Act regarding the ability of a BDC to use derivatives and other transactions that create future payment or delivery obligations. Under Rule 18f-4, BDCs that use derivatives are subject to a value-at-risk leverage limit, a derivatives risk management program and testing requirements and requirements related to board reporting. These requirements apply unless the BDC qualifies as a "limited derivatives user," as defined under Rule 18f-4. Under Rule 18f-4, a BDC may enter into an unfunded commitment agreement (which may include delayed draw and revolving loans) that will not be deemed to be a derivatives transaction, such as an agreement to provide financing to a portfolio company, if the BDC has, among other things, a reasonable belief, at the time it enters into such an agreement, that it will have sufficient cash and cash equivalents to meet its obligations with respect to all of its unfunded commitment agreements, in each case as it becomes due. Collectively, these requirements may limit our ability to use derivatives and/or enter into certain other financial contracts.

We have adopted updated policies and procedures in compliance with Rule 18f-4. We do not expect to enter into derivatives transactions. Future legislation or rules may modify how we treat derivatives and other financial arrangements for purposes of our compliance with the leverage limitations of the 1940 Act. Future legislation or rules may modify how leverage is calculated under the 1940 Act and, therefore, may increase or decrease the amount of leverage currently available to us under the 1940 Act, which may be materially adverse to us and our shareholders.

If we do not invest a sufficient portion of our assets in qualifying assets, we could fail to maintain our qualification 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.

We believe that most of the investments that we may acquire in the future will constitute qualifying assets. However, we may be precluded from investing in what we believe to be 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.

Substantially all of our portfolio investments are recorded at fair value as determined in good faith by our board of directors and, as a result, there may be uncertainty as to the value of our portfolio investments.

Substantially all of our portfolio investments are securities that are not publicly traded. The fair value of loans, securities and other investments that are not publicly traded may not be readily determinable, and we will value these investments at fair value as determined in good faith by our board of directors, including to reflect significant events affecting the value of our investments. Most, if not all, of our investments (other than cash and cash equivalents) will be classified as Level 3 under ASC 820. This means that our portfolio valuations will be based on unobservable inputs and our own assumptions about how market participants would price the asset or liability in question. 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 include a disclaimer that the broker would not be held to such a price in an actual transaction. The non-binding nature of consensus pricing and/or quotes accompanied by disclaimers materially reduces the reliability of such information. We have retained the services of independent service providers to review the valuation of these loans and securities. The types of factors that the 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 particularly valuations of private securities and private companies, are inherently uncertain, may fluctuate over short periods of time and may be based on estimates, our determinations of fair value may differ materially from the values that would have been used if a ready market for these loans and securities existed. 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 loans and securities.

We adjust quarterly the valuation of our portfolio to reflect our board of directors' determination of the fair value of each investment in our portfolio. Any changes in fair value are recorded in our statement of operations as net change in unrealized appreciation or depreciation.

Efforts to comply with Section 404 of the Sarbanes-Oxley Act involve significant expenditures, and if we fail to maintain an effective system of internal control over financial reporting, we may not be able to accurately report our financial results or prevent fraud. As a result, stockholders could lose confidence in our financial and other public reporting, which would harm our business and the trading price of our common stock.

We are subject to the Sarbanes-Oxley Act, and the related rules and regulations promulgated by the SEC. Under current SEC rules, we are required to report on internal control over financial reporting pursuant to Section 404 of the Sarbanes-Oxley Act and regulations of the SEC thereunder. 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.

Effective internal controls over financial reporting are necessary for us to provide reliable financial reports and, together with adequate disclosure controls and procedures, are designed to prevent fraud. Any failure to implement required new or improved controls, or difficulties encountered in their implementation could cause us to fail to meet our reporting obligations. In addition, any testing by us conducted in connection with Section 404 of the Sarbanes-Oxley Act may reveal deficiencies in our internal controls over financial reporting that are deemed to be material weaknesses or that may require prospective or retroactive changes to our consolidated financial statements or identify other areas for further attention or improvement. Inferior internal controls could also cause investors to lose confidence in our reported financial information, which could have a negative effect on the trading price of our common stock.

As a non-accelerated filer, we are not required to comply with the auditor attestation requirements of the Sarbanes-Oxley Act.

As of June 30, 2023, we are a non-accelerated filer under the Securities Exchange Act of 1934, as amended, and, therefore, we are not required to comply with the auditor attestation requirements of Section 404(b) of the Sarbanes-Oxley Act. Therefore, our internal controls over financial reporting will not receive the level of review provided by the process relating to the auditor attestation included in annual reports of issuers that are subject to the auditor attestation requirements. In addition, we cannot predict if investors will find our common stock less attractive because we are not required to comply with the auditor attestation requirements. If some investors find our common stock less attractive as a result, there may be a less active trading market for our common stock and trading price for our common stock may be negatively affected.

Our board of directors may change our investment objective, operating policies and strategies without prior notice or stockholder approval.

Our board of directors has the authority, except as otherwise provided in the 1940 Act, to modify or waive our investment objective or 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 operating policies and strategies would have on our business, operating results and the market price of our common stock. Nevertheless, any such changes could adversely affect our business and impair our ability to make distributions to our stockholders.

Provisions of the Maryland General Corporation Law and of our charter and bylaws could deter takeover attempts and have an adverse impact on the price of our common stock.

Our board of directors is divided into three classes of directors serving staggered terms. A classified board may render a change in control of us or removal of our incumbent management more difficult. The Maryland General Corporation Law and our charter and bylaws contain additional provisions that may discourage, delay or make more difficult a change in control of Investcorp Credit Management BDC, Inc. or the removal of our directors. We are subject to the Maryland Business Combination Act, subject to any applicable requirements of the 1940 Act. Our board of directors has adopted a resolution exempting from the Business Combination Act 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 the Independent Directors. If the resolution exempting business combinations is

repealed or our board of directors does not approve a business combination, the Business Combination Act may discourage third parties from trying to acquire control of us and increase the difficulty of consummating such an offer. Our bylaws exempt from the Maryland Control Share Acquisition Act ("Control Share Acquisition Act") acquisitions of our stock by any person. If we amend our bylaws to repeal the exemption from the Control Share Acquisition Act, the Control Share Acquisition Act also may make it more difficult for a third party to obtain control of us and increase the difficulty of consummating such a transaction. The SEC staff has rescinded its position that, under the 1940 Act, an investment company may not avail itself of the Control Share Acquisition Act. As a result, we will amend our bylaws to be subject to the Control Share Acquisition Act only if our board of directors determines it would be in our best interest.

We have also adopted measures that may make it difficult for a third party to obtain control of us, including provisions of our charter classifying our board of directors in three classes serving staggered three-year terms, and authorizing our board of directors to classify or reclassify shares of our stock in one or more classes or series, to cause the issuance of additional shares of our stock, to amend our charter without stockholder approval and to increase or decrease the number of shares of stock that we have authority to issue. These provisions, as well as other provisions of our charter and bylaws, may delay, defer or prevent a transaction or a change in control that might otherwise be in the best interests of our stockholders.

Risks Relating to the Adviser or Its Affiliates

The Adviser's incentive fee structure may create incentives to it that are not fully aligned with the interests of our stockholders.

In the course of our investing activities, we pay the Base Management Fee and Incentive Fee to the Adviser. We have entered into the Advisory Agreement with the Adviser that provides that the Base Management Fee will be based on the value of our gross assets. As a result, investors in 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 the Base Management Fee is based on the value of our gross assets, the Adviser will benefit when we incur debt or use leverage. This fee structure may encourage the Adviser to cause us to borrow money to finance additional investments. Under certain circumstances, the use of borrowed money may increase the likelihood of default, which would disfavor our stockholders.

Our board of directors is charged with protecting our interests by monitoring how the Adviser addresses these and other conflicts of interests associated with its management services and compensation. While our board of directors is not expected to review or approve each investment decision, borrowing or incurrence of leverage, the Independent Directors will periodically review the Adviser's services and fees as well as its portfolio management decisions and portfolio performance. In connection with these reviews, the Independent Directors will consider whether our fees and expenses (including those related to leverage) remain appropriate. As a result of this arrangement, the Adviser may from time to time have interests that differ from those of our stockholders, giving rise to a conflict.

Our Incentive Fee may induce the Adviser to make speculative investments.

The Adviser receives an Incentive Fee based, in part, upon net capital gains realized on our investments. Unlike that portion of the Income-Based Fee, there is no hurdle rate applicable to the Capital Gains Fee. Additionally, under the incentive fee structure, the Adviser may benefit when we recognize capital gains and, because the Adviser will determine when to sell a holding, the Adviser will control the timing of the recognition of such capital gains. As a result, the Adviser may have a tendency to invest more capital in investments likely to result in capital gains, 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 economic downturns.

We may be obligated to pay the Adviser incentive compensation even if we incur a loss and may pay more than 20.0% of our net capital gains because we cannot recover payments made in previous years.

The Adviser is entitled to incentive compensation for each fiscal quarter in an amount equal to a percentage of the excess of our investment income for that quarter (before deducting incentive compensation) above a threshold return for that quarter. Thus, we may be required to pay the Adviser incentive compensation for a fiscal quarter even if there is a decline in the value of our portfolio or we incur a net loss for that quarter. If we pay an incentive fee of 20% of our realized capital gains (net of all realized capital losses and unrealized capital depreciation on a cumulative basis) and thereafter experience additional realized capital losses or unrealized capital depreciation, we will not be able to recover any portion of the incentive fee previously paid.

PIK interest payments we receive will increase our assets under management and, as a result, will increase the amount of Base Management Fees and Incentive Fees payable by us to the Adviser.

Certain of our debt investments contain provisions providing for the payment of PIK interest. Because PIK interest results in an increase in the size of the loan balance of the underlying loan, the receipt by us of PIK interest will have the effect of increasing our assets under management. As a result, because the Base Management Fee that we pay to the Adviser is based on the value of our gross assets, receipt of PIK interest will result in an increase in the amount of the Base Management Fee payable by us. In addition, any such increase in a loan balance due to the receipt of PIK interest will cause such loan to accrue interest on the higher loan balance, which will result in an increase in our pre-incentive fee net investment income and, as a result, an increase in incentive fees that are payable to the Adviser.

Our incentive fee arrangements with the Adviser may vary from those of other investment funds, account or investment vehicles that the Adviser may manage in the future, which may create an incentive for the Adviser to devote time and resources to a higher fee-paying fund.

If the Adviser is paid a higher performance-based fee from any other fund that it may manage in the future, it may have an incentive to devote more research and development or other activities, and/or recommend the allocation of investment opportunities, to such higher fee-paying fund. For example, to the extent the Adviser's incentive compensation is not subject to a hurdle or total return requirement with respect to another fund, it may have an incentive to devote time and resources to such other fund. As a result, the investment professionals of the Adviser may devote time and resources to a higher fee-paying fund.

The Adviser's liability is limited under the Advisory Agreement and we have agreed to indemnify the Adviser against certain liabilities, which may lead the Adviser to act in a riskier manner on our behalf than it would when acting for its own account.

Under the Advisory Agreement, the Adviser has not assumed any responsibility to us other than to render the services called for under that agreement. It will not be responsible for any action of our board of directors in following or declining to follow the Adviser's advice or recommendations. Under the Advisory Agreement, the Adviser, its officers, members and personnel, and any person controlling or controlled by the Adviser will not be 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 Advisory Agreement, except those resulting from acts constituting gross negligence, willful misconduct, bad faith or reckless disregard of the duties that the Adviser owes to us under the Advisory Agreement. In addition, as part of the Advisory Agreement, 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 Advisory Agreement, except where attributable to gross negligence, willful misconduct, bad faith or reckless disregard of such person's duties under the Advisory Agreement. These protections may lead the Adviser to act in a riskier manner when acting on our behalf than it would when acting for its own account.

The Adviser can resign as the Adviser or administrator upon 60 days' notice and we may not be able to find a suitable replacement within that time, or at all, resulting in a disruption in our operations that could adversely affect our financial condition, business and results of operations.

The Adviser has the right under the Advisory Agreement to resign as the Adviser at any time upon not less than 60 days' written notice, whether we have found a replacement or not. Similarly, the Adviser has the right under the Administration Agreement to resign at any time upon not less than 60 days' written notice, whether we have found a replacement or not. If the Adviser were to resign, we may not be able to find a new investment adviser or administrator 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 financial condition, business and results of operations as well as our ability to pay distributions to our stockholders are likely to be adversely affected and the market price of our shares may decline. In addition, the coordination of our internal management and investment or administrative activities, as applicable, is likely to suffer if we are unable to identify and reach an agreement with a single institution or group of executives having the expertise possessed by the Adviser. 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.

There are conflicts related to other arrangements with the Adviser.

We have entered into a license agreement with the Adviser under which the Adviser has agreed to grant us a non-exclusive, royalty-free license to use the name "Investcorp." See "Business — Management Agreements — License Agreement." In addition, we have entered into the Administration Agreement with the Adviser pursuant to which we are required to pay to the Adviser our

allocable portion of overhead and other expenses incurred by the Adviser in performing its obligations under such Administration Agreement, such as rent, equipment and our allocable portion of the cost of our Chief Financial Officer and Chief Compliance Officer and his respective staff's compensation and compensation-related expenses. This will create conflicts of interest that our board of directors will monitor. For example, under the terms of the license agreement, we will be unable to preclude the Adviser from licensing or transferring the ownership of the "Investcorp" name to third parties, some of whom may compete against us. Consequently, we will be unable to prevent any damage to goodwill that may occur as a result of the activities of the Adviser or others. Furthermore, in the event the license agreement is terminated, we will be required to change our name and cease using "Investcorp" as part of our name. Any of these events could disrupt our recognition in the market place, damage any goodwill we may have generated and otherwise harm our business.

Risks Relating to our Investments

Economic recessions or downturns could adversely affect our portfolio companies, leading to defaults on our investments, which would harm our operating results.

Many of the portfolio companies in which we expect to make investments, including those currently included in our portfolio, are likely to be susceptible to economic slowdowns or recessions and may be unable to repay our loans during such periods. In such event, the number of our non-performing assets is likely to increase and the value of our portfolio is likely to decrease during such periods. Adverse economic conditions may decrease the value of collateral securing some of our loans and debt securities 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.

A portfolio company's failure to satisfy financial or operating covenants imposed by us or other lenders could lead to defaults and, potentially, termination of its loans and foreclosure on its assets, which could trigger cross-defaults under other agreements and jeopardize our portfolio company's ability to meet its obligations under the loans and debt securities that we hold. We may incur expenses to the extent necessary to seek recovery upon default or to negotiate new terms with a defaulting portfolio company.

The lack of liquidity in our investments may adversely affect our business.

All of our assets may be invested in illiquid loans and securities, and a substantial portion of our investments in leveraged companies will be subject to legal and other restrictions on resale or will otherwise be less liquid than more broadly traded public securities. The illiquidity of these investments may make it difficult for us to sell such investments if the need arises. In addition, if we are required to liquidate all or a portion of our portfolio quickly, we may realize significantly less than the value at which we have previously recorded our investments. Also, as noted above, we may be limited or prohibited in our ability to sell or otherwise exit certain positions in our initial portfolio as such a transaction could be considered a joint transaction prohibited by the 1940 Act.

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.

As a BDC, we are required to carry our investments at market value or, if no market value is ascertainable, at fair value as determined in good faith by our board of directors. 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:

- available current market data, including relevant and applicable market trading and transaction comparables;
- applicable market yields and multiples;
- security covenants;
- call protection provisions;
- information rights;
- the nature and realizable value of any collateral;
- the portfolio company's ability to make payments, its earnings and discounted cash flows and the markets in which it does business;
- comparisons of financial ratios of peer companies that are public;
- comparable merger and acquisition transactions; and

- principal market and enterprise values.

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. Depending on market conditions, we could incur substantial realized losses and may suffer additional unrealized losses in future periods, which could have a material adverse effect on our business, financial condition, results of operations and cash flows.

We may hold the loans and debt securities of leveraged companies that may, due to the significant operating volatility typical of such companies, enter into bankruptcy proceedings, and we could lose all or part of our investment, which would harm our operating results.

Investment in leveraged companies involves a number of significant risks. Leveraged companies in which we invest may have limited financial resources and may be unable to meet their obligations under their loans and debt securities that we hold. Such developments may be accompanied by a deterioration in the value of any collateral and a reduction in the likelihood of our realizing any guarantees that we may have obtained in connection with our investment. Smaller leveraged companies also may have less predictable operating results and may require substantial additional capital to support their operations, finance their expansion or maintain their competitive position.

Leveraged companies may also 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 adversarial proceedings and are beyond the control of the creditors. A bankruptcy filing by a portfolio company may adversely and permanently affect that company. If the proceeding is converted to a liquidation, the value of the portfolio company may not equal the liquidation value that was believed to exist at the time of the investment. The duration of a bankruptcy proceeding is also difficult to predict, and a creditor's return on investment can be adversely affected by delays until the plan of reorganization or liquidation ultimately becomes effective. The administrative costs in connection with a bankruptcy proceeding are frequently high and would be paid out of the debtor's estate prior to any return to creditors. Because the standards for classification of claims under bankruptcy law are vague, our influence with respect to the class of securities or other obligations 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.

A portfolio company's failure to satisfy financial or operating covenants imposed by us or other lenders could lead to defaults and, potentially, termination of its loans and foreclosure on its assets. This could trigger cross-defaults under other agreements and jeopardize such portfolio company's ability to meet its obligations under the loans or 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.

Credit risk is the potential loss we may incur from a failure of a company to make payments according to the terms of a contract. We are subject to credit risk because of our strategy of investing in the debt of leveraged companies and our involvement in derivative instruments. Our exposure to credit risk on our investments is limited to the fair value of the investments. Our derivative contracts are executed pursuant to an International Swaps and Derivatives Association master agreement. Any material exposure due to counter-party risk under the Capital One Revolving Financing, generally, could have a material adverse effect on our operating results.

There may be circumstances where our debt investments could be subordinated to claims of other creditors or we could be subject to lender liability claims.

If one of our portfolio companies were to go bankrupt, even though we may have structured our interest as senior debt, depending on the facts and circumstances, including the extent to which we may have actually provided managerial assistance to that portfolio company, a bankruptcy court might re-characterize our debt holding and subordinate all or a portion of our claim to that of other creditors. In addition, lenders can be subject to lender liability claims for actions taken by them where they become too involved in the borrower's business or exercise control over the borrower. It is possible that we could become subject to a lender's liability claim, including as a result of actions taken if we actually render significant managerial assistance.

Our investments in private and middle-market portfolio companies are risky, and we could lose all or part of our investment.

Investment in private and middle-market companies involves a number of significant risks. Generally, little public information exists about these companies, and we will rely on the ability of the Adviser's investment professionals to obtain adequate information

to evaluate the potential returns and risks from investing in these companies. If we are unable to uncover all material information about these companies, we may not make a fully informed investment decision, and we may lose money on our investments. Middle-market companies may have limited financial resources and may be unable to meet their obligations under their loans and debt securities that we hold, which may be accompanied by a deterioration in the value of any collateral and a reduction in the likelihood of our realizing any guarantees 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 one or more of the portfolio companies we invest in and, in turn, on us. Middle-market companies also may be parties to litigation and may be engaged in rapidly changing businesses with products subject to a substantial risk of obsolescence. In addition, our executive officers, directors and investment adviser may, in the ordinary course of business, be named as defendants in litigation arising from our investments in portfolio companies.

Our investments may include PIK interest.

To the extent that we invest in loans with a PIK interest component and the accretion of PIK interest constitutes a portion of our income, we will be exposed to risks associated with the requirement to include such non-cash income in taxable and accounting income prior to receipt of cash, including the following:

- loans with a PIK interest component may have higher interest rates that reflect the payment deferral and increased credit risk associated with these instruments, and PIK instruments generally represent a significantly higher credit risk than coupon loans;
- loans with a PIK interest component may have unreliable valuations because their continuing accruals require continuing judgments about the collectability of the deferred payments and the value of any associated collateral;
- the deferral of PIK interest increases the loan-to-value ratio, which is a fundamental measure of loan risk; and
- even if the accounting conditions for PIK interest accrual are met, the borrower could still default when the borrower's actual payment is due at the maturity of the loan.

We may expose ourselves to risks if we engage in hedging transactions.

If we engage in hedging transactions, we may expose ourselves to risks associated with such transactions. We may utilize instruments such as forward contracts, currency options and interest rate swaps, caps, collars and floors to seek to hedge against fluctuations in the relative values of our portfolio positions from changes in currency exchange rates and market interest rates. Hedging against a decline in the values of our portfolio positions does not eliminate the possibility of fluctuations in the values of such positions or prevent losses if the values of such positions decline. However, such hedging can establish other positions designed to gain from those same developments, thereby offsetting the decline in the value of such portfolio positions. Such hedging transactions may also limit the opportunity for gain if the values of the underlying portfolio positions should increase. Moreover, it may not be possible to hedge against an exchange rate or interest rate fluctuation that is so generally anticipated that we are not able to enter into a hedging transaction at an acceptable price.

The success of our hedging transactions will depend on our ability to correctly predict movements in currencies and interest rates. Therefore, while we may enter into such transactions to seek to reduce currency exchange rate and interest rate risks, unanticipated changes in currency exchange rates or interest rates may 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 may vary. Moreover, for a variety of reasons, we may not seek to establish a perfect correlation between such hedging instruments and the portfolio holdings being hedged. Any such imperfect correlation may prevent us from achieving the intended hedge and expose us to risk of loss. In addition, it may 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.

We are a non-diversified investment company within the meaning of the 1940 Act, and therefore we are not limited with respect to the proportion of our assets that may be invested in securities of a single issuer.

We are classified as a non-diversified investment company within the meaning of the 1940 Act, which means that we are not limited by the 1940 Act with respect to the proportion of our assets that we may invest in securities of a single issuer. Beyond the asset diversification requirements associated with our qualification as a RIC under the Code, we do not have fixed guidelines for diversification. To the extent that we assume large positions in the securities of a small number of issuers or our investments are

concentrated in relatively few 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. We may also be more susceptible to any single economic or regulatory occurrence than a diversified investment company.

Our portfolio may be concentrated in a limited number of industries, which may subject us to a risk of significant loss if there is a downturn in a particular industry in which a number of our investments are concentrated.

Our portfolio may be concentrated in a limited number of industries. A downturn in any particular industry in which we are invested could significantly impact the aggregate returns we realize.

As of June 30, 2023, our investments in the trading companies & distributors industry represented approximately 15.98% of the fair value of our portfolio, our investments in the professional services industry represented approximately 12.83% of the fair value of our portfolio, and our investments in the IT services industry represented approximately 10.71% of the fair value of our portfolio. If an industry in which we have significant investments suffers from adverse business or economic conditions, as these industries have to varying degrees, a material portion of our investment portfolio could be affected adversely, which, in turn, could adversely affect our financial position and results of operations.

Our investments in the trading companies & distributors industry face considerable uncertainties including significant regulatory challenges.

Our investments in portfolio companies that operate in the trading companies & distributors industry represent approximately 15.98% of our total portfolio as of June 30, 2023. Portfolio companies in the trading companies & distributors sector are subject to many risks, including the negative impact of regulation, a competitive marketplace, decreased consumer demand and supply-chain disruptions. Adverse economic, business, or regulatory developments affecting the trading companies & distributors sector, including trade policies, treaties and tariffs between the United States and other countries, could have a negative impact on the value of our investments in portfolio companies operating in this industry, and therefore could negatively impact our business and results of operations.

Our investments in the professional services industry face considerable uncertainties including significant regulatory challenges.

Our investments in portfolio companies that operate in the professional services industry represent approximately 12.83% of our total portfolio as of June 30, 2023. Our investments in portfolio companies in the professional services sector include those that provide services related to data and information, building, cleaning and maintenance services, and energy efficiency services. Portfolio companies in the professional services sector are subject to many risks, including the negative impact of regulation, changing technology, a competitive marketplace and difficulty in obtaining financing. Portfolio companies in the professional services industry must respond quickly to technological changes and understand the impact of these changes on customers' preferences. Adverse economic, business, or regulatory developments affecting the professional services sector could have a negative impact on the value of our investments in portfolio companies operating in this industry, and therefore could negatively impact our business and results of operations.

Our investments in the IT Services industries face considerable uncertainties including substantial regulatory challenges.

Our investments in portfolio companies that operate in the IT Services industry represented approximately 10.71% in the aggregate, of our total portfolio as of June 30, 2023. The value of our investments in information technology companies may decline if they are not able to commercialize their technology, products, business concepts or services. Additionally, although some of our portfolio companies may already have a commercially successful product or product line at the time of our investment, information technology, e-commerce, life science, and energy technology-related products and services often have a more limited market or life span than products in other industries. The ultimate success of these companies often depends on their ability to continually innovate in increasingly competitive markets. If they are unable to do so, our investment returns could be adversely affected and their ability to service their debt obligations to us could be impaired. Our portfolio companies may be unable to successfully acquire or develop any new products, and the intellectual property they currently hold may not remain viable. Even if our portfolio companies are able to develop commercially viable products, the market for new products and services is highly competitive and rapidly changing. Neither our portfolio companies nor we will have any control over the pace of technology development. Commercial success is difficult to predict, and the marketing efforts of our portfolio companies may not be successful.

Our failure to make follow-on investments in our portfolio companies could impair the value of our portfolio.

Following an initial investment in a portfolio company, we may make additional investments in that portfolio company as "follow-on" investments, including exercising warrants, options or convertible securities that were acquired in the original or subsequent financing; in seeking to:

- increase or maintain in whole or in part our position as a creditor or our equity ownership percentage in a portfolio company;
- preserve or enhance the value of our investment.

We have discretion to make follow-on investments, subject to the availability of capital resources. Failure on our part to make follow-on investments may, in some circumstances, jeopardize the continued viability of a portfolio company and our initial investment, or may result in a missed opportunity for us to increase our participation in a successful operation. Even if we have sufficient capital to make a desired follow-on investment, we may elect not to make a follow-on investment because we may not want to increase our level of risk, because we prefer other opportunities or because we are inhibited by compliance with BDC requirements of the 1940 Act or the desire to maintain our qualification as a RIC.

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.

We do not hold controlling equity positions in any of the portfolio companies included in our portfolio and, although we may do so in the future, we do not currently intend to hold controlling equity positions in our portfolio companies. As a result, we will be subject to the risk that a portfolio company may make business decisions with which we disagree, and that the management and/or stockholders of a portfolio company may take risks or otherwise act in ways that are adverse to our interests. Due to the lack of liquidity of the debt and equity investments that we expect to hold in our portfolio companies, we may not be able to dispose of our investments in the event we disagree with the actions of a portfolio company and may therefore suffer a decrease in the value of our investments.

Prepayments of our debt investments by our portfolio companies could adversely impact our results of operations and ability to make stockholder distributions and result in a decline in the market price of our shares.

We are subject to the risk that the debt investments we make in portfolio companies may be repaid prior to maturity. We expect that our investments will generally allow for repayment at any time subject to certain penalties. When this occurs, we intend to generally reinvest these proceeds in temporary investments, pending their future investment in accordance with our investment strategy. These temporary investments will typically have substantially lower yields than the debt being prepaid, and we could experience significant delays in reinvesting these amounts. Any future investment may also be at lower yields than the debt that was repaid. As a result, our results of operations could be materially adversely affected if one or more of our portfolio companies elects to prepay amounts owed to us. Additionally, prepayments could negatively impact our ability to make, or the amount of, stockholder distributions with respect to our common stock, which could result in a decline in the market price of our shares.

Our portfolio companies may incur debt that ranks equally with, or senior to, our investments in such companies.

We intend to invest a portion of our capital in second lien and subordinated loans issued by our portfolio companies. The portfolio companies usually have, or may be permitted to incur, other debt that ranks equally with, or senior to, the loans in which we invest. 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 loans in which we invest. Also, in the event of insolvency, liquidation, dissolution, reorganization or bankruptcy of a portfolio company, holders of debt instruments ranking senior to our investment in that portfolio company would typically be entitled to receive payment in full before we receive any distribution in respect of our investment. After repaying senior creditors, a portfolio company may not have any remaining assets to use for repaying its obligation to us. In the case of debt ranking equally with loans 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 may make to portfolio companies may be secured on a second priority basis by the same collateral securing senior secured debt of such companies. The first priority liens on the collateral will secure the portfolio company's obligations under any outstanding senior debt and may secure certain other future debt that may be permitted to be incurred by the portfolio company under the agreements governing the loans. The holders of obligations secured by first priority liens on the collateral will generally control the liquidation of, and be entitled to receive proceeds from, any realization of the collateral to repay their

obligations in full before us. In addition, the value of the collateral in the event of liquidation will depend on market and economic conditions, the availability of buyers and other factors. There can be no assurance that the proceeds, if any, from sales of all of the collateral would be sufficient to satisfy the loan obligations secured by the second priority liens after payment in full of all obligations secured by the first priority liens on the collateral. If such proceeds were not sufficient to repay amounts outstanding under the loan obligations secured by the second priority liens, then we, to the extent not repaid from the proceeds of the sale of the collateral, will only have an unsecured claim against the portfolio company's remaining assets, if any.

We may also make unsecured loans to portfolio companies, meaning that such loans will not benefit from any interest in collateral of such companies. Liens on such portfolio companies' collateral, if any, will secure the portfolio company's obligations under its outstanding secured debt and may secure certain future debt that is permitted to be incurred by the portfolio company under its secured loan agreements. The holders of obligations secured by such liens will generally control the liquidation of, and be entitled to receive proceeds from, any realization of such collateral to repay their obligations in full before us. In addition, the value of such collateral in the event of liquidation will depend on market and economic conditions, the availability of buyers and other factors. There can be no assurance that the proceeds, if any, from sales of such collateral would be sufficient to satisfy our unsecured loan obligations after payment in full of all secured loan obligations. If such proceeds were not sufficient to repay the outstanding secured loan obligations, then our unsecured claims would rank equally with the unpaid portion of such secured creditors' claims against the portfolio company's remaining assets, if any.

The rights we may have with respect to the collateral securing the loans we make to our portfolio companies with senior debt outstanding may also be limited pursuant to the terms of one or more intercreditor agreements that we enter into with the holders of such senior debt. Under a typical intercreditor agreement, at any time that obligations that have the benefit of the first priority liens are outstanding, any of the following actions that may be taken in respect of the collateral will be at the direction of the holders of the obligations secured by the first priority liens:

- the ability to cause the commencement of enforcement proceedings against the collateral;
- the ability to control the conduct of such proceedings;
- the approval of amendments to collateral documents;
- releases of liens on the collateral; and
- waivers of past defaults under collateral documents.

We may not have the ability to control or direct such actions, even if our rights are adversely affected.

The disposition of our investments may result in contingent liabilities.

We currently expect that substantially all of our investments will involve loans and private securities. In connection with the disposition of such an investment, we may be required to make representations about the business and financial affairs of the portfolio company typical of those made in connection with the sale of a business. We may also be required to indemnify the purchasers of such investment to the extent that any such representations turn out to be inaccurate or with respect to potential liabilities. These arrangements may result in contingent liabilities that ultimately result in funding obligations that we must satisfy through our return of distributions previously made to us.

Risks related to the transition away from LIBOR.

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 July 29, 2021, the U.S. Federal Reserve System, in conjunction with the Alternative Reference Rates Committee, a steering committee comprised of large U.S. financial institutions, formally recommended replacing U.S.-dollar LIBOR with SOFR, a new index calculated by short-term repurchase agreements, backed by Treasury securities. In April 2018, the Bank of England began publishing its proposed alternative rate, the Sterling Overnight Index Average ("SONIA"). Each of SOFR and SONIA significantly differ from LIBOR, both in the actual rate and how it is calculated. Further, on March 15, 2022, the Consolidation Appropriations Act of 2022, which includes the Adjustable Interest Rate (LIBOR) Act ("LIBOR Act"), was signed into law in the United States. This legislation establishes a uniform benchmark replacement process for certain financial contracts that mature after June 30, 2023 that do not contain clearly defined or practicable LIBOR fallback provisions. 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 ("FCA"), which regulates the publisher of LIBOR (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 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 the end of this period. Although the transition process away from LIBOR has become increasingly well-defined (e.g. the LIBOR Act now provides a uniform benchmark replacement for certain LIBOR-based instruments in the United States), the transition process is complex and it could cause a disruption in the credit markets generally and could have adverse impacts on our business financial condition and results of operations, including, among other things, increased volatility or illiquidity in markets for instruments that continue to rely on LIBOR or which have been transitioned away from LIBOR to a different rate like SOFR and, in any case, could result in a reduction in the value of certain investments held by the Company.

We may not realize gains from our equity investments.

When we invest in loans and debt securities, we may acquire warrants or other equity securities of portfolio companies as well. We may also invest in equity securities directly. To the extent we hold equity investments, we will attempt to dispose of them and realize gains upon 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.

Risks Relating to an Investment in Our Common Stock

We cannot assure you that the market price of shares of our common stock will not decline.

Shares of closed-end investment companies, including BDCs, frequently trade at a discount from their net asset value and our stock may also be discounted in the market. This characteristic of closed-end investment companies is separate and distinct from the risk that our net asset value per share of common stock may decline. In the past, shares of BDCs, including at times shares of our common stock, have traded at prices per share below net asset value per share. We cannot predict whether our common stock will trade at a price per share above, at or below net asset value per share. In addition, if our common stock trades below its net asset value per share, we will generally not be able to sell additional shares of our common stock to the public at its market price without first obtaining the approval of a majority of our shareholders (including a majority of our unaffiliated shareholders) and our independent directors for such issuance.

There is a risk that you may not receive distributions or that our distributions may not grow over time or a portion of your distributions may be a return of capital.

We intend to make distributions on a quarterly basis to our stockholders out of assets legally available for distribution. We cannot assure you that we will achieve investment results that will allow us to make a specified level of cash distributions or year-to-year increases in cash distributions. Our ability to pay distributions might be adversely affected by the impact of one or more of the risk factors described in this annual report on Form 10-K. 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. If we violate certain covenants under our existing or future borrowing or financing arrangements or other leverage, we may be limited in our ability to make distributions. If we declare a distribution and because more of our stockholders have opted to receive cash distributions rather than participate in our dividend reinvestment plan, we may be forced to sell some of our investments in order to make cash distribution payments. 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 would generally decrease a stockholder's basis in our common stock and may therefore increase such stockholder's tax liability for capital gains upon the future sale of such 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. All distributions will be made at the discretion of our board of directors and will depend on our earnings, financial condition, maintenance of RIC status, compliance with applicable BDC regulations, and such other factors as our board of directors may deem relative from time to time. We cannot assure you that we will make distributions to our stockholders in the future.

We may in the future choose to pay dividends in our own stock, in which case you may be required to pay tax in excess of the cash you receive.

We may distribute taxable dividends that are payable in part in our stock. Under certain applicable provisions of the Code and the Treasury regulations, distributions payable in cash or in shares of stock at the election of stockholders are treated as taxable dividends. The Internal Revenue Service has issued a revenue procedure indicating that this rule will apply if the total amount of cash to be distributed is not less than 20% of the total distribution. Under this revenue procedure, if too many stockholders elect to receive their distributions in cash, each such stockholder would receive a pro rata share of the total cash to be distributed and would receive the remainder of their distribution in shares of stock. If we decide to make any distributions consistent with this revenue procedure that are payable in part in our stock, taxable stockholders receiving such dividends will be required to include the full amount of the

dividend (whether received in cash, our stock, or combination thereof) as ordinary income (or as long-term capital gain to the extent such distribution is properly designated as a capital gain dividend) to the extent of our current and accumulated earnings and profits for U.S. federal income tax purposes. As a result, a U.S. stockholder may be required to pay tax with respect to such dividends in excess of any cash received. If a U.S. stockholder sells the stock it receives as a dividend in order to pay this tax, the sales proceeds may be less than the amount included in income with respect to the dividend, depending on the market price of our stock at the time of the sale. Furthermore, with respect to non-U.S. stockholders, we may be required to withhold U.S. tax with respect to such dividends, including in respect of all or a portion of such dividend that is payable in stock. If a significant number of our stockholders determine to sell shares of our stock in order to pay taxes owed on dividends, it may put downward pressure on the trading price of our stock.

Stockholders may experience dilution in their ownership percentage if they do not participate in our dividend reinvestment plan.

All distributions declared in cash payable to stockholders that are participants in our dividend reinvestment plan are generally automatically reinvested in shares of our common stock. As a result, stockholders that do not participate in the dividend reinvestment plan may experience dilution over time. Stockholders who receive distributions in shares of common stock may experience accretion to the net asset value of their shares if our shares are trading at a premium and dilution if our shares are trading at a discount. The level of accretion or discount would depend on various factors, including the proportion of our stockholders who participate in the plan, the level of premium or discount at which our shares are trading and the amount of the distribution payable to a stockholder.

Our shares might trade at premiums that are unsustainable or at discounts from net asset value.

Shares of BDCs like us may, during some periods, trade at prices higher than their net asset value per share and, during other periods, as frequently occurs with closed-end investment companies, trade at prices lower than their net asset value per share. The perceived value of our investment portfolio may be affected by a number of factors including perceived prospects for individual companies we invest in, market conditions for common stock generally, for initial public offerings and other exit events for venture capital backed companies, and the mix of companies in our investment portfolio over time. Negative or unforeseen developments affecting the perceived value of companies in our investment portfolio could result in a decline in the trading price of our common stock relative to our net asset value per share.

The possibility that our shares will trade at a discount from net asset value or at premiums that are unsustainable are risks separate and distinct from the risk that our net asset value per share will decrease. The risk of purchasing shares of a BDC that might trade at a discount or unsustainable premium is more pronounced for investors who wish to sell their shares in a relatively short period of time because, for those investors, realization of a gain or loss on their investments is likely to be more dependent upon changes in premium or discount levels than upon increases or decreases in net asset value per share.

Investing in our common stock may involve an above average degree of risk.

The investments we make in accordance with our investment objective may result in a higher amount of risk, and higher volatility or loss of principal, than alternative investment options. Our investments in portfolio companies may be speculative and, therefore, an investment in our common stock may not be suitable for someone with lower risk tolerance.

The market price of our common stock may fluctuate significantly.

The market price and liquidity of the market for our securities 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:

- price and volume fluctuations in the overall stock market from time to time;
- investor demand for our shares;
- significant volatility in the market price and trading volume of securities of BDCs or other companies in our sector, which is not necessarily related to the operating performance of these companies;
- changes in regulatory policies or tax guidelines, particularly with respect to RICs or BDCs;
- loss of our qualification as a RIC or BDC;
- changes in earnings or variations in operating results;
- changes in the value of our portfolio of investments;
- increases in the interest rates we pay;
- changes in accounting guidelines governing valuation of our investments;

- any shortfall in revenue or net income or any increase in losses from levels expected by investors or securities analysts;
- departure of the Adviser's key personnel;
- change in the Adviser's relationship with Investcorp under the Investcorp Services Agreement;
- operating performance of companies comparable to us; and
- general economic trends and other external factors.

In the past, following periods of volatility in the market price of a company's securities, securities class action litigation has often been brought against that company. Due to the potential volatility of our stock price, we may become the target of securities litigation in the future. Securities litigation could result in substantial costs and divert management's attention and resources from our business.

Sales of substantial amounts of our common stock in the public market may have an adverse effect on the market price of our common stock.

Our two largest investors are Investcorp and Stifel. Investcorp owns approximately 25% and Stifel owns approximately 15% of our total outstanding common stock. The shares held by Investcorp and Stifel are generally freely tradable in the public market, subject to the volume limitations, applicable holding periods and other provisions of Rule 144 under the Securities Act. Sales of substantial amounts of our common stock, the availability of such common stock for sale or the registration of such common stock for sale and the ability of our stockholders, including Investcorp and Stifel to sell their respective shares at a price per share that is below our then current net asset value per share could adversely affect the prevailing market prices for our common stock. If this occurs and continues it could impair our ability to raise additional capital through the sale of securities should we desire to do so and negatively impact the market of our common stock.

Our board of directors is authorized to reclassify any unissued shares of common stock into one or more classes of preferred stock, which could convey special rights and privileges to its owners.

Under Maryland General Corporation Law and our charter, our board of directors is authorized to classify and reclassify any authorized but unissued shares of stock into one or more classes of stock, including preferred stock. Prior to issuance of shares of each class or series, the board of directors will be required by Maryland law and our charter to set the terms, preferences, conversion or other rights, voting powers, restrictions, limitations as to stockholder distributions, qualifications and terms or conditions of redemption for each class or series. Thus, the board of directors could authorize the issuance of shares of preferred stock with terms and conditions that could have the effect of delaying, deferring or preventing a transaction or a change in control that might involve a premium price for holders of our common stock or that otherwise might be in their best interest. The cost of any such reclassification would be borne by our common stockholders. The issuance of preferred shares convertible into shares of common stock may also reduce the net income and net asset value per share of our common stock upon conversion, provided, that we will only be permitted to issue such convertible preferred stock to the extent we comply with the requirements of Section 61 of the 1940 Act, including obtaining common stockholder approval. These effects, among others, could have an adverse effect on your investment in our common stock.

Certain matters under the 1940 Act require the separate vote of the holders of any issued and outstanding preferred stock. For example, the 1940 Act provides that holders of preferred stock are entitled to vote separately from holders of common stock to elect two preferred stock directors. We currently have no plans to issue preferred stock

Risks Relating to an Investment in Our Notes

The 2026 Notes are unsecured and therefore are effectively subordinated to any secured indebtedness we have currently incurred or may incur in the future and rank pari passu with, or equal to, all outstanding and future unsecured indebtedness issued by us and our general liabilities.

The 2026 Notes are not secured by any of our assets or any of the assets of any of our subsidiaries. As a result, the 2026 Notes are effectively subordinated to any secured indebtedness we or our subsidiaries have outstanding (including the Capital One Revolving Financing) or that we or our subsidiaries may incur in the future (or any indebtedness that is initially unsecured as to which we subsequently grant a security interest) to the extent of the value of the assets securing such indebtedness. In any liquidation, dissolution, bankruptcy or other similar proceeding, the holders of any of our secured indebtedness or secured indebtedness of our subsidiaries may assert rights against the assets pledged to secure that indebtedness in order to receive full payment of their indebtedness before the assets may be used to pay other creditors, including the holders of the 2026 Notes.

As of June 30, 2023, we had, through SPV LLC, $71.9 million in outstanding indebtedness under the Capital One Revolving Financing, which are secured by the assets held at SPV LLC. The indebtedness under the Capital One Revolving Financing is effectively senior to the 2026 Notes to the extent of the value of the assets securing such indebtedness. The 2026 Notes also rank pari passu with, or equal to, our general liabilities, which consist of trade and other payables, including any outstanding dividend payable, base and incentive management fees payable, interest and debt fees payable, vendor payables and accrued expenses such as auditor fees, legal fees, director fees, etc. In total, these general liabilities were $8.6 million as of June 30, 2023.

The 2026 Notes are structurally subordinated to the indebtedness and other liabilities of our subsidiaries.

The 2026 Notes are obligations exclusively of Investcorp Credit Management BDC, Inc., and not of any of our subsidiaries. None of our subsidiaries is a guarantor of the 2026 Notes, and the 2026 Notes will not be required to be guaranteed by any subsidiary we may acquire or create in the future. Any assets of our subsidiaries will not be directly available to satisfy the claims of our creditors, including holders of the 2026 Notes. Except to the extent we are a creditor with recognized claims against our subsidiaries, all claims of creditors of our subsidiaries will have priority over our equity interests in such entities (and therefore the claims of our creditors, including holders of the 2026 Notes) with respect to the assets of such entities. Even if we are recognized as a creditor of one or more of these entities, our claims would still be effectively subordinated to any security interests in the assets of any such current or future subsidiary and to any indebtedness or other liabilities of any such current or future subsidiary senior to our claims, including under the Capital One Revolving Financing. Consequently, the 2026 Notes are structurally subordinated to all indebtedness and other liabilities, including trade payables, of any of our existing or future subsidiaries.

The indenture under which the 2026 Notes are issued contains limited protection for holders of the 2026 Notes.

The Indenture offers limited protection to holders of the 2026 Notes. The terms of the Indenture and the 2026 Notes do not restrict our or any of our subsidiaries' ability to engage in, or otherwise be a party to, a variety of corporate transactions, circumstances or events that could have a material adverse impact on your investment in the 2026 Notes. In particular, the terms of the Indenture and the 2026 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 2026 Notes, (2) any indebtedness or other obligations that would be secured and therefore rank effectively senior in right of payment to the 2026 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 2026 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 2026 Notes with respect to the assets of our subsidiaries, in each case other than an incurrence of indebtedness or other obligation that would cause a violation of Section 18(a)(1)(A) as modified by Section 61(a)(2) of the 1940 Act or any successor provisions, whether or not we continue to be subject to such provisions of the 1940 Act, but giving effect, in either case, to any exemptive relief granted to us by the SEC, which generally prohibit us from incurring additional indebtedness, including through the issuance of additional debt securities, unless our asset coverage, as defined in the 1940 Act, equals at least 150% after such incurrence or issuance. See "*—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 may expose us to risks, including the typical risks associated with leverage*."
- 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 2026 Notes, including subordinated indebtedness, in each case other than dividends, purchases, redemptions or payments that would cause a violation of Section 18(a)(1)(B) as modified by Section 61(a)(2) of the 1940 Act or any successor provisions, giving effect to any no-action relief granted by the SEC to another BDC and upon which we may reasonably rely (or to us if we determine to seek such similar SEC no-action or other relief) permitting the BDC to declare any cash dividend or distribution notwithstanding the prohibition contained in Section 18(a)(1)(B) as modified by Section 61(a)(2) of the 1940 Act in order to maintain the BDC's status as a RIC under Subchapter M of the Code;
- 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.

Furthermore, the terms of the Indenture and the 2026 Notes do not protect holders of the 2026 Notes in the event that we experience changes (including significant adverse changes) in our financial condition, results of operations or credit ratings, if any, as they do not require that we or our subsidiaries adhere to any financial tests or ratios or specified levels of net worth, revenues, income, cash flow or liquidity.

Our ability to recapitalize, incur additional debt (including additional debt that matures prior to the maturity of the 2026 Notes) and take a number of other actions that are not limited by the terms of the 2026 Notes may have important consequences for you as a holder of the 2026 Notes, including making it more difficult for us to satisfy our obligations with respect to the 2026 Notes or negatively affecting the market value of the 2026 Notes.

Other debt we issue or incur in the future could contain more protections for its holders than the Indenture and the 2026 Notes, including additional covenants and events of default. The issuance or incurrence of any such debt with incremental protections could affect the market for trading levels and prices of the 2026 Notes.

There is no active trading market for the 2026 Notes. If an active trading market does not develop for the 2026 Notes, you may not be able to sell them.

The 2026 Notes are not listed on any securities exchange or for quotation on any automated dealer quotation system. As such, there currently is no trading market. If the 2026 Notes are traded in the future, they may trade at a discount to their initial offering price depending on prevailing interest rates, the market for similar securities, our credit ratings, our financial condition, performance and prospects, general economic conditions, or other relevant factors. Although the underwriter has informed us that it intends to make a market in the 2026 Notes, it is not obligated to do so, and the underwriter may discontinue any market-making activities in the 2026 Notes without notice at any time in its sole discretion. Accordingly, there is no assurance that a liquid trading market will develop or be maintained for the 2026 Notes, that holders will be able to sell the 2026 Notes at a particular time or that the price holders of the 2026 Notes receive when they sell will be favorable. To the extent an active trading market does not develop, the liquidity and trading price for the 2026 Notes may be harmed. Accordingly, holders may be required to bear the financial risk of an investment in the 2026 Notes for an indefinite period of time.

If we default on our obligations to pay our other indebtedness, we may not be able to make payments on the 2026 Notes.

Any default under the agreements governing our indebtedness, including a default under the Capital One Revolving Financing or other indebtedness to which we may be a party that is not waived by the required lenders, and the remedies sought by lenders or the holders of such indebtedness could make us unable to pay principal, premium, if any, and interest on the 2026 Notes and substantially decrease the market value of the 2026 Notes. If we are unable to generate sufficient cash flow and are otherwise unable to obtain funds necessary to meet required payments of principal, premium, if any, and interest on our indebtedness, or if we otherwise fail to comply with the various covenants, including financial and operating covenants, in the instruments governing our indebtedness (including the Capital One Revolving Financing), we could be in default under the terms of the agreements governing such indebtedness, including the 2026 Notes. In the event of such default, the holders of such indebtedness could elect to declare all the funds borrowed thereunder to be due and payable, together with accrued and unpaid interest, the lenders under the Capital One Revolving Financing or other debt we may incur in the future could elect to terminate their commitment, cease making further loans and institute foreclosure proceedings against our assets, and we could be forced into bankruptcy or liquidation.

Our ability to generate sufficient cash flow in the future is, to some extent, subject to general economic, financial, competitive, legislative and regulatory factors as well as other factors that are beyond our control. We cannot assure you that our business will generate cash flow from investment activities, or that future borrowings will be available to us under the Capital One Revolving Financing or otherwise, in an amount sufficient to enable us to meet our payment obligations under the 2026 Notes, our other debt, and to fund other liquidity needs.

If our operating performance declines and we are not able to generate sufficient cash flow to service our debt obligations, we may in the future need to refinance or restructure our debt, including any 2026 Notes sold, sell assets, reduce or delay capital investments, seek to raise additional capital or seek to obtain waivers from the lenders under the Capital One Revolving Financing or other debt that we may incur in the future to avoid being in default. If we are unable to implement one or more of these alternatives, we may not be able to meet our payment obligations under the 2026 Notes and our other debt. If we breach our covenants under the Capital One Revolving Financing or any of our other debt and seek a waiver, we may not be able to obtain a waiver from the required lenders or holders thereof. If this occurs, we would be in default under the Capital One Revolving Financing or other debt, the lenders or holders could exercise rights as described above, and we could be forced into bankruptcy or liquidation. If we are unable to repay debt, lenders having secured obligations could proceed against the collateral securing the debt, including the Capital One Revolving Financing. Because the Capital One Revolving Financing has, and any future borrowing or financing arrangements will likely have, customary cross-default provisions, if we have a default under the terms of the 2026 Notes, the obligations under the Capital One Revolving Financing or any future credit facility may be accelerated and we may be unable to repay or finance the amounts due.

We may choose to redeem the 2026 Notes when prevailing interest rates are relatively low.

The 2026 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 2026 Notes from time to time, especially if prevailing interest rates are lower than the rate borne by the 2026 Notes. If prevailing rates are lower at the time of redemption, and we redeem the 2026 Notes, you likely would not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as the interest rate on the 2026 Notes being redeemed.

We may not be able to repurchase the 2026 Notes upon a Change of Control Repurchase Event.

We may not be able to repurchase the 2026 Notes upon a Change of Control Repurchase Event (as defined in the Indenture) because we may not have sufficient funds. We would not be able to borrow under the Capital One Revolving Financing to finance such a repurchase of the 2026 Notes, and we expect that any future credit facility would have similar limitations. Upon a Change of Control Repurchase Event, holders of the 2026 Notes may require us to repurchase for cash some or all of the 2026 Notes at a repurchase price equal to 100% of the aggregate principal amount of the 2026 Notes being repurchased, plus accrued and unpaid interest to, but not including, the repurchase date. The terms of the Capital One Revolving Financing also provide that certain change of control events will constitute an event of default thereunder entitling the lenders to accelerate any indebtedness outstanding under the Capital One Revolving Financing at that time and to terminate the Capital One Revolving Financing. Our and our subsidiaries' future financing facilities may contain similar restrictions and provisions. 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 2026 Notes and a cross-default under the agreements governing the Capital One Revolving Financing, which may result in the acceleration of such indebtedness requiring us to repay that indebtedness immediately. If the holders of the 2026 Notes exercise their right to require us to repurchase 2026 Notes upon a Change of Control Repurchase Event, the financial effect of this repurchase could cause a default under our current and future debt instruments, and we may not have sufficient funds to repay any such accelerated indebtedness.

Risks Related to U.S. Federal Income Tax

We will be subject to corporate-level U.S. federal income tax if we are unable to maintain our qualification as a RIC under Subchapter M of the Code.

To maintain our qualification as a RIC under Subchapter M of the Code, we must meet certain source-of-income, asset diversification and distribution requirements. The source-of-income requirement will be satisfied if we obtain at least 90% of our income for each year from dividends, interest, gains from the sale of stock or securities or similar sources. The distribution requirement for a RIC is satisfied if we distribute at least 90% of our net ordinary income and net short-term capital gains in excess of net long-term capital losses, if any, to our stockholders on an annual basis. Because we incur debt, we will be subject 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 maintain our qualification as a RIC. If we are unable to obtain cash from other sources, we may fail to maintain our qualification as a RIC and, thus, may be subject to corporate-level U.S. federal income tax. To maintain our qualification as a RIC, we must also meet certain asset diversification requirements at the end of each calendar quarter. Failure to meet these tests may result in our having to dispose of certain investments quickly in order to prevent the loss of our qualification as a RIC. Because most of our investments are in private or thinly traded public companies, any such dispositions may be made at disadvantageous prices and may result in substantial losses. No certainty can be provided that we will satisfy the asset diversification requirements of the other requirements necessary to maintain our qualification as a RIC. If we fail to maintain our qualification as a RIC for any reason and become subject to corporate-level U.S. federal income tax, the resulting taxes could substantially reduce our net assets, the amount of income available for distributions to our stockholders and the amount of funds available for new investments. Such a failure would have a material adverse effect on us and our stockholders. See "Business — Taxation as a Regulated Investment Company."

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 will include in income certain amounts that we have not yet received in cash, such as the accrual 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 and increases in loan balances as a result of contracted PIK arrangements will be included in income before we receive any corresponding cash payments. We also may be required to include in income certain other amounts that we will not receive in cash.

Since in certain cases we may recognize income before or without receiving cash representing such income, we may have difficulty meeting the requirement to distribute at least 90% of our net ordinary income and net short-term capital gains in excess of net long-term capital losses, if any, to maintain our qualification as a RIC. In such a case, we may have to sell some of our investments at times we would not consider advantageous or 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 maintain our qualification as a RIC and thus be subject to corporate-level U.S. federal income tax. See "Business — Taxation as a Regulated Investment Company."

We cannot predict how tax reform legislation will affect us, our investments, or our stockholders, and any such legislation could adversely affect our business.

Legislative or other actions relating to taxes could have a negative effect on us. The rules dealing with U.S. federal income taxation are constantly under review by persons involved in the legislative process and by the IRS and the U.S. Treasury Department. Recent legislation has made many changes to the Code, including significant changes to the taxation of business entities, the deductibility of interest expense, and the tax treatment of capital investment. We cannot predict with certainty how any changes in the tax laws might affect us, our stockholders, or our portfolio investments. 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. Investors are urged to consult with their tax adviser regarding tax legislative, regulatory or administrative developments and proposals and their potential effect on an investment in our securities.

Risks Relating to the Current Environment

The COVID-19 pandemic has caused severe disruptions in the U.S. economy and has disrupted financial activity in the areas in which we or our portfolio companies operate.

The COVID-19 pandemic has resulted in adverse consequences for us and our portfolio companies. While many countries, including the United States, have relaxed or eliminated the early public health restrictions adopted in response to the COVID-19 pandemic, the outbreak of new, worsening strains of COVID-19 may result in a resurgence in the number of reported cases and hospitalizations. Such increases in cases could lead to the re-introduction of restrictions and business shutdowns in certain states, counties and cities in the United States and globally.

While these developments have had adverse consequences for our portfolio companies, the adverse effects of the COVID-19 pandemic on our operations and the operations of the Adviser, including with respect to us, have been reduced since the height of the pandemic. The Adviser continues to monitor the COVID-19 situation globally and is prepared to adapt office working patterns as required to ensure the safety of its employees and clients who visit the Adviser's office locations. In addition, Adviser's cybersecurity policies are applied consistently when working remotely or in the office. These potential impacts, while uncertain, could adversely affect our and our portfolio companies' operating results.

Political, social and economic uncertainty creates and exacerbates risks.

Social, political, economic and other conditions and events (such as natural disasters, epidemics and pandemics, terrorism, conflicts and social unrest) will occur that create uncertainty and have significant impacts on issuers, industries, governments and other systems, including the financial markets, to which companies and their investments are exposed. As global systems, economies and financial markets are increasingly interconnected, events that once had only local impact are now more likely to have regional or even global effects. Events that occur in one country, region or financial market will, more frequently, adversely impact issuers in other countries, regions or markets, including in established markets such as the United States. These impacts can be exacerbated by failures of governments and societies to adequately respond to an emerging event or threat.

Uncertainty can result in or coincide with, among other things: increased volatility in the financial markets for securities, derivatives, loans, credit and currency; a decrease in the reliability of market prices and difficulty in valuing assets (including portfolio company assets); greater fluctuations in spreads on debt investments and currency exchange rates; increased risk of default (by both government and private obligors and issuers); further social, economic, and political instability; nationalization of private enterprise; greater governmental involvement in the economy or in social factors that impact the economy; changes to governmental regulation and supervision of the loan, securities, derivatives and currency markets and market participants and decreased or revised monitoring of such markets by governments or self-regulatory organizations and reduced enforcement of regulations; limitations on the activities of investors in such markets; controls or restrictions on foreign investment, capital controls and limitations on repatriation of invested capital; the significant loss of liquidity and the inability to purchase, sell and otherwise fund investments or settle transactions (including, but not limited to, a market freeze); unavailability of currency hedging techniques; substantial, and in some periods

extremely high, rates of inflation, which can last many years and have substantial negative effects on credit and securities markets as well as the economy as a whole; recessions; and difficulties in obtaining and/or enforcing legal judgments.

The effects of a public health emergency may materially and adversely impact (i) the value and performance of us and our portfolio companies, (ii) the ability of our borrowers to continue to meet loan covenants or repay loans provided by us on a timely basis or at all, which may require us to restructure our investments or write down the value of our investments, (iii) our ability to repay debt obligations, on a timely basis or at all, or (iv) our ability to source, manage and divest investments and achieve our investment objectives, all of which could result in significant losses to us. We will also be negatively affected if the operations and effectiveness of the Adviser or a portfolio company (or any of the key personnel or service providers of the foregoing) is compromised or if necessary or beneficial systems and processes are disrupted.

Any public health emergency or any outbreak of other existing or new epidemic diseases, or the threat thereof, and the resulting financial and economic market uncertainty could have a significant adverse impact on us and the fair value of our investments and our portfolio companies.

The extent of the impact of any public health emergency on our and our portfolio companies' operational and financial performance will depend on many factors, including the duration and scope of such public health emergency, the actions taken by governmental authorities to contain its financial and economic impact, the extent of any related travel advisories and restrictions implemented, the impact of such public health emergency on overall supply and demand, goods and services, investor liquidity, consumer confidence and levels of economic activity and the extent of its disruption to important global, regional and local supply chains and economic markets, all of which are highly uncertain and cannot be predicted. In addition, our and our portfolio companies' operations may be significantly impacted, or even temporarily or permanently halted, as a result of government quarantine measures, voluntary and precautionary restrictions on travel or meetings and other factors related to a public health emergency, including its potential adverse impact on the health of any of our or our portfolio companies' personnel. This could create widespread business continuity issues for us and our portfolio companies.

These factors may also cause the valuation of our investments to differ materially from the values that we may ultimately realize. Any public health emergency or the threat thereof, and the resulting financial and economic market uncertainty could have a significant adverse impact on us and the fair value of our investments and our portfolio companies.

Adverse developments in the credit markets may impair our ability to secure debt financing.

In past economic downturns, such as the financial crisis in the United States that began in mid-2007 and during other times of extreme market volatility, many commercial banks and other financial institutions stopped lending or significantly curtailed their lending activity. In addition, in an effort to stem losses and reduce their exposure to segments of the economy deemed to be high risk, some financial institutions limited routine refinancing and loan modification transactions and even reviewed the terms of existing facilities to identify bases for accelerating the maturity of existing lending facilities. As a result, it may be difficult for us to obtain desired financing to finance the growth of our investments on acceptable economic terms, or at all, during such periods of market volatility.

If we are unable to consummate borrowing or financing arrangements on commercially reasonable terms, our liquidity may be reduced significantly. If we are unable to repay amounts outstanding under any facility we may enter into and are declared in default or are unable to renew or refinance any such facility, it would limit our ability to initiate significant originations or to operate our business in the normal course. These situations may arise due to circumstances that we may be unable to control, such as inaccessibility of the credit markets, a severe decline in the value of the U.S. dollar, a further economic downturn or an operational problem that affects third parties or us and could materially damage our business.

Further downgrades of the U.S. credit rating, impending automatic spending cuts or another government shutdown could negatively impact our liquidity, financial condition and earnings.

U.S. debt ceiling and budget deficit concerns have increased the possibility of additional credit-rating downgrades and economic slowdowns, or a recession in the United States. Although U.S. lawmakers passed legislation to raise the federal debt ceiling on multiple occasions, including a suspension of the federal debt ceiling in June 2023, ratings agencies have lowered or threatened to lower the long-term sovereign credit rating on the United States.

The impact of this or any further downgrades to the U.S. government's sovereign credit rating or its perceived creditworthiness could adversely affect the U.S. and global financial markets and economic conditions. Absent further quantitative easing by the Federal Reserve, these developments could cause interest rates and borrowing costs to rise, which may negatively impact our ability to access the debt markets on favorable terms. In addition, disagreement over the federal budget has caused the U.S. federal government

to shut down for periods of time. Continued adverse political and economic conditions could have a material adverse effect on our business, financial condition and results of operations.

Global economic, regulatory and market conditions may adversely affect our business, results of operations and financial condition, including our revenue growth and profitability.

From time to time, social and political tensions in the United States and around the world, may contribute to increased market volatility, may have long-term effects on the U.S. and worldwide financial markets, and may cause economic uncertainties or deterioration in the United States and worldwide. For example, U.S. and global capital markets experienced extreme volatility and disruption during the economic downturn that began in mid-2007, and the U.S. economy was in a recession for several consecutive calendar quarters during the same period.

Volatility in the global financial markets resulting from relapse of the Eurozone crisis, geopolitical developments in Eastern Europe, turbulence in the Chinese stock markets and global commodity markets, the United Kingdom's departure from the European Union (the "EU") or otherwise could have a material adverse effect on our business, financial condition and results of operations.

Volatility in the global financial markets could have an adverse effect on the United States and could result from a number of causes, including a relapse in the Eurozone crisis, geopolitical developments in Eastern Europe, turbulence in the Chinese stock markets and global commodity markets or otherwise. In 2010, a financial crisis emerged in Europe, triggered by high budget deficits and rising direct and contingent sovereign debt in Greece, Ireland, Italy, Portugal and Spain, which created concerns about the ability of these nations to continue to service their sovereign debt obligations. While the financial stability of many of such countries has improved significantly, risks resulting from any future debt crisis in Europe or any similar crisis could have a detrimental impact on the global economic recovery, sovereign and non-sovereign debt in these countries and the financial condition of European financial institutions.

Market and economic disruptions have affected, and may in the future affect, consumer confidence levels and spending, personal bankruptcy rates, levels of incurrence and default on consumer debt and home prices, among other factors. Uncertainty between the United States and other countries with respect to trade policies, treaties and tariffs, among other factors, have caused disruptions in the global markets, including markets in which we participate. We cannot assure you that these market conditions will not continue or worsen in the future. Furthermore, we cannot assure you that market disruptions in Europe, including the increased cost of funding for certain governments and financial institutions, will not impact the global economy, and we cannot assure you that assistance packages will be available, or if available, be sufficient to stabilize countries and markets in Europe or elsewhere affected by a financial crisis. To the extent uncertainty regarding any economic recovery in Europe negatively impacts consumer confidence and consumer credit factors, our business, financial condition and results of operations could be significantly and adversely affected.

The occurrence of events similar to those in recent years, such as the aftermath of the war in Iraq, instability in Afghanistan, Pakistan, Egypt, Libya, Syria, Russia, Ukraine and the Middle East, ongoing epidemics of infectious diseases in certain parts of the world, such as the COVID-19 outbreak, terrorist attacks in the U.S. and around the world, social and political discord, debt crises, sovereign debt downgrades, continued tensions between North Korea and the United States and the international community generally, new and continued political unrest in various countries, such as Venezuela, the exit or potential exit of one or more countries from the EU or the Economic and Monetary Union, the change in the U.S. president and the new administration, among others, may result in market volatility, may have long term effects on the U.S. and worldwide financial markets, and may cause further economic uncertainties in the U.S. and worldwide.

In addition, the foreign and fiscal policies of foreign nations, such as Russia and China, may have a severe impact on the worldwide and U.S. financial markets.

Capital markets disruption and economic uncertainty may make it difficult to extend the maturity of, or refinance, our existing indebtedness or obtain new indebtedness and any failure to do so could have a material adverse effect on our business, financial condition or results of operations.

Capital markets disruptions and economic uncertainty may make it difficult to extend the maturity of or refinance our existing indebtedness or obtain new indebtedness with similar terms and any failure to do so could have a material adverse effect on our business. The debt capital that will be available to us in the future, if at all, may be at a higher cost and on less favorable terms and conditions than what we currently experience, including being at a higher cost in rising rate environments. If we are unable to raise or refinance debt, then our equity investors 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. An inability to extend the maturity of, or refinance, our existing indebtedness or obtain new indebtedness could have a material adverse effect on our business, financial condition or results of operations.

General Risks

We are subject to risks related to corporate social responsibility.

Our business faces increasing public scrutiny related to environmental, social and governance ("ESG") activities. We risk damage to our brand and reputation if we fail to act responsibly in a number of areas, such as environmental stewardship, corporate governance and transparency and considering ESG factors in our investment processes. Adverse incidents with respect to ESG activities could impact the value of our brand, the cost of our operations and relationships with investors, all of which could adversely affect our business and results of operations. The consideration of ESG factors as part of the Adviser's investment process and the exclusion of certain investments due to ESG considerations may reduce the types and number of investment opportunities available to us. As a result, we may underperform compared to other funds that do not consider ESG factors or exclude investments due to ESG considerations. However, the Adviser will likely not make investment decisions for us solely on the basis of ESG considerations. In evaluating an investment that may have scored less favorably on ESG factors initially, the Adviser will consider other factors in its investment decision. Additionally, new regulatory initiatives related to ESG could adversely affect our business.

The failure in cyber security systems, as well as the occurrence of events unanticipated in our disaster recovery systems and management continuity planning could impair our ability to conduct business effectively.

The occurrence of a disaster such as a cyber-attack against us or against a third-party that has access to our data or networks, a natural catastrophe, an industrial accident, a terrorist attack or war, disease pandemics, events unanticipated in our disaster recovery systems, or a support failure from external providers, could have an adverse effect on our ability to conduct business and on our results of operations and financial condition, particularly if those events affect our computer-based data processing, transmission, storage, and retrieval systems or destroy data.

We depend heavily upon computer systems to perform necessary business functions. Despite our implementation of a variety of security measures, our computers, networks, and data, like those of other companies, could be subject to cyber-attacks and unauthorized access, use, alteration, or destruction, such as from physical and electronic break-ins or unauthorized tampering. If one or more of these events occurs, it could potentially jeopardize the confidential, proprietary and other information processed, stored in, and transmitted through our computer systems and networks. Such an attack could cause interruptions or malfunctions in our operations, which could result in financial losses, litigation, regulatory penalties, client dissatisfaction or loss, reputational damage, and increased costs associated with mitigation of damages and remediation.

Third parties with which we do business may also be sources of cybersecurity or other technological risk. We outsource certain functions and these relationships allow for the storage and processing of our information, as well as client, counterparty, employee, and borrower information. While we engage in actions to reduce our exposure resulting from outsourcing, ongoing threats may result in unauthorized access, loss, exposure, destruction, or other cybersecurity incident that affects our data, resulting in increased costs and other consequences as described above.

In addition, cybersecurity has become a top priority for regulators around the world, and some jurisdictions have enacted laws requiring companies to notify individuals of data security breaches involving certain types of personal data. If we fail to comply with the relevant laws and regulations, we could suffer financial losses, a disruption of our businesses, liability to investors, regulatory intervention or reputational damage.

Additionally, remote working environments may be less secure and more susceptible to cyber-attacks, including phishing and social engineering attempts.

We are dependent on information systems and systems failures could significantly disrupt our business, which may, in turn, negatively affect the market price of our common stock and our ability to pay dividends.

Our business is highly dependent on the communications and information systems of the Adviser, which are provided to us on behalf of the Adviser by Investcorp pursuant to the Investcorp Services Agreement directly or through third party service providers. Any failure or interruption of those systems, including as a result of the termination of the Investcorp Services Agreement or an agreement with any third-party service providers, could cause delays or other problems in our activities. Our financial, accounting, data processing, backup or other operating systems and facilities may fail to operate properly or become disabled or damaged as a result of a number of factors including events that are wholly or partially beyond our control and adversely affect our business. There could be:

- sudden electrical or telecommunications outages;
- natural disasters such as earthquakes, tornadoes and hurricanes;

- disease pandemics;
- events arising from local or larger scale political or social matters, including terrorist acts; and
- cyber-attacks.

These events, in turn, could have a material adverse effect on our operating results and negatively affect the market price of our common stock and our ability to pay dividends to our stockholders.

Increased geopolitical unrest, terrorist attacks, or acts of war may affect any market for our common stock, impact the businesses in which we invest, and harm our business, operating results, and financial conditions.

Terrorist activity and the continued threat of terrorism and acts of civil or international hostility, both within the United States and abroad, as well as ongoing military and other actions and heightened security measures in response to these types of threats, may cause significant volatility and declines in the global markets, loss of life, property damage, disruptions to commerce and reduced economic activity, which may negatively impact the businesses in which we invest directly or indirectly and, in turn, could have a material adverse impact on our business, operating results, and financial condition. Losses from terrorist attacks are generally uninsurable.

Changes to United States tariff and import/export regulations may have a negative effect on our portfolio companies and, in turn, harm us.

There has been ongoing discussion and commentary regarding potential significant changes to United States trade policies, treaties and tariffs. There is significant uncertainty about the future relationship between the United States and other countries with respect to the trade policies, treaties and tariffs. These developments, or the perception that any of them could occur, may have a material adverse effect on global economic conditions and the stability of global financial markets, and may significantly reduce global trade and, in particular, trade between the impacted nations and the United States. Any of these factors could depress economic activity and restrict our portfolio companies' access to suppliers or customers and have a material adverse effect on their business, financial condition and results of operations, which in turn would negatively impact us.

Economic sanction laws in the United States and other jurisdictions may prohibit us and our affiliates from transacting with certain countries, individuals and companies.

Economic sanction laws in the United States and other jurisdictions may prohibit us or our affiliates from transacting with certain countries, individuals and companies. In the United States, the U.S. Department of the Treasury's Office of Foreign Assets Control administers and enforces laws, executive orders and regulations establishing U.S. economic and trade sanctions, which prohibit, among other things, transactions with, and the provision of services to, certain non-U.S. countries, territories, entities and individuals. These types of sanctions may significantly restrict or completely prohibit investment activities in certain jurisdictions, and if we, our portfolio companies or other issuers in which we invest were to violate any such laws or regulations, we may face significant legal and monetary penalties.

The Foreign Corrupt Practices Act, or FCPA, and other anti-corruption laws and regulations, as well as anti-boycott regulations, may also apply to and restrict our activities, our portfolio companies and other issuers of our investments. If an issuer or we were to violate any such laws or regulations, such issuer or we may face significant legal and monetary penalties. The U.S. government has indicated that it is particularly focused on FCPA enforcement, which may increase the risk that an issuer or us becomes the subject of such actual or threatened enforcement. In addition, certain commentators have suggested that private investment firms and the funds that they manage may face increased scrutiny and/or liability with respect to the activities of their underlying portfolio companies. As such, a violation of the FCPA or other applicable regulations by us or an issuer of our portfolio investments could have a material adverse effect on us. We are committed to complying with the FCPA and other anti-corruption laws and regulations, as well as anti-boycott regulations, to which it is subject. As a result, we may be adversely affected because of our unwillingness to enter into transactions that violate any such laws or regulations.

Impact of Russian Invasion of Ukraine

The Russian invasion of Ukraine has negatively affected the global economy and has resulted in significant disruptions in financial markets and increased macroeconomic uncertainty. In addition, governments around the world have responded to Russia's invasion by imposing economic sanctions and export controls on certain industry sectors, companies and individuals in or associated with Russia. Russia has imposed its own restrictions against investors and countries outside Russia and has proposed additional measures aimed at non-Russian-owned businesses. Businesses in the U.S. and globally have experienced shortages in materials and increased costs for transportation, energy and raw materials due, in part, to the negative effects of the war on the global economy. The

escalation or continuation of the war between Russia and Ukraine or other hostilities presents heightened risks relating to cyber-attacks, the frequency and volume of failures to settle securities transactions, supply chain disruptions, inflation, as well as the potential for increased volatility in commodity, currency and other financial markets. The extent and duration of the war, sanctions and resulting market disruptions, as well as the potential adverse consequences for our portfolio companies are difficult to predict.

The effect of global climate change may impact the operations of our portfolio companies.

There may be evidence of global climate change. Climate change creates physical and financial risk and some of our portfolio companies may be adversely affected by climate change. For example, the needs of customers of energy companies vary with weather conditions, primarily temperature and humidity. To the extent weather conditions are affected by climate change, energy use could increase or decrease depending on the duration and magnitude of any changes. Increases in the cost of energy could adversely affect the cost of operations of our portfolio companies if the use of energy products or services is material to their business. A decrease in energy use due to weather changes may affect some of our portfolio companies' financial condition, through decreased revenues. Extreme weather conditions in general require more system backup, adding to costs, and can contribute to increased system stresses, including service interruptions. Energy companies could also be affected by the potential for lawsuits against or taxes or other regulatory costs imposed on greenhouse gas emitters, based on links drawn between greenhouse gas emissions and climate change.

We may experience fluctuations in our quarterly operating results.

We could experience fluctuations in our quarterly operating results due to a number of factors, including the interest rate payable on the loans and debt securities we acquire, the default rate on such loans and securities, the level of our expenses, variations in and the timing of the recognition of realized and unrealized gains or losses, the degree to which we encounter competition in our markets and general economic conditions. In light of these factors, results for any period should not be relied upon as being indicative of performance in future periods.

New or amended laws or regulations governing our operations may adversely affect our business.

We and our portfolio companies will be 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, and new laws, regulations and interpretations may also come into effect. Any such new or changed laws or regulations could have a material adverse effect on our business.

Additionally, changes to the laws and regulations governing our operations related to permitted investments may cause us to alter our investment strategy in order to avail ourselves of new or different opportunities. Such changes could result in material differences to the strategies and plans set forth in this annual report on Form 10-K and our filings with the SEC, 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.

We, the Adviser, and our portfolio companies may maintain cash balances at financial institutions that exceed federally insured limits and may otherwise be materially affected by adverse developments affecting the financial services industry, such as actual events or concerns involving liquidity, defaults or non-performance by financial institutions or transactional counterparties.

Our cash and our Adviser's cash is held in accounts at U.S. banking institutions that we believe are of high quality. Cash held by us, our Adviser and by our portfolio companies in non-interest-bearing and interest-bearing operating accounts may exceed the Federal Deposit Insurance Corporation ("FDIC") insurance limits. If such banking institutions were to fail, we, our Adviser, or our portfolio companies could lose all or a portion of those amounts held in excess of such insurance limitations. In addition, actual events involving limited liquidity, defaults, non-performance or other adverse developments that affect financial institutions, transactional counterparties or other companies in the financial services industry or the financial services industry generally, or concerns or rumors about any events of these kinds or other similar risks, have in the past and may in the future lead to market-wide liquidity problems, which could adversely affect our, our Adviser's and our portfolio companies' business, financial condition, results of operations, or prospects.

Although we and our Adviser 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 significantly impaired by factors that affect us, our Adviser or our portfolio companies, the financial institutions with which we, our Adviser 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, our Adviser 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 and tighter financial and operating covenants, or systemic limitations on access to credit and liquidity sources, thereby making it more difficult for us, our Adviser, or our portfolio companies to acquire financing on acceptable terms or at all.

Item 1B. Unresolved Staff Comments

Not applicable.

Item 2. Properties

We do not own any real estate. Our principal executive offices are currently located at 280 Park Avenue 39h Floor, New York, New York 10017. All locations are provided to us by the Adviser pursuant to the Administration Agreement. We believe that our office facilities are and will be suitable and adequate for our business as we contemplate conducting it.

Item 3. Legal Proceedings

We are not currently subject to any material legal proceedings, nor, to our knowledge, is any material legal proceeding threatened against us. From time to time, we may be a party to certain legal proceedings in the ordinary course of business, including proceedings relating to the enforcement of our rights under contracts with our portfolio companies. While the outcome of these legal proceedings cannot be predicted with certainty, we do not expect that these proceedings will have a material effect upon our financial condition or results of operations.

Item 4. Mine Safety Disclosures

Not applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Price Range of Common Stock

Our common stock is traded on the NASDAQ Global Select Market under the symbol "ICMB." The following table sets forth, for the periods indicated, the range of high and low sales prices of our common stock, as reported on the NASDAQ Global Select Market:

Fiscal Year Ended	NAV Per Share(1)	Closing Sales Price(2)		Premium or Discount of High Sales to NAV(3)	Premium or Discount of Low Sales to NAV(3)	Distributions Per Share(4)
		High	Low			
June 30, 2024						
First quarter (through September 15, 2023)	$ *	$4.35	$3.68	* %	* %	$0.15
June 30, 2023						
Fourth quarter	6.12	3.98	3.24	(34.97)%	(46.99)%	0.18
Third quarter	6.13	4.23	3.39	(31.00)%	(44.70)%	0.15
Second quarter	6.36	4.32	3.42	(32.08)%	(46.23)%	0.15
First quarter	6.47	4.85	3.52	(25.04)%	(45.60)%	0.15
June 30, 2022						
Fourth quarter	6.50	5.35	3.75	(17.69)%	(42.31)%	0.15
Third quarter	6.93	5.72	5.08	(17.46)%	(26.70)%	0.15
Second quarter	7.09	5.70	4.87	(19.61)%	(31.38)%	0.15
First quarter	7.00	6.42	5.30	(8.29)%	(24.29)%	0.15
June 30, 2021						
Fourth quarter	6.92	6.04	5.40	(12.72)%	(21.97)%	0.15
Third quarter	7.93	6.05	4.62	(23.71)%	(41.74)%	0.18
Second quarter	7.84	5.45	2.99	(30.48)%	(61.86)%	0.18
First quarter	7.81	4.38	3.09	(43.92)%	(60.44)%	0.18

(1) NAV is determined as of the last date in the relevant quarter and therefore may not reflect the NAV per share on the date of the high and low sales prices. The NAVs shown are based on outstanding shares at the end of each period.

(2) Closing sales price is determined as the high or low closing sales price noted within the respective quarter, not adjusted for dividends.

(3) Calculated as of the respective high or low sales price divided by the quarter end NAV.

(4) Represents the regular and special, if applicable, distribution declared in the specified quarter. We have adopted an "opt out" dividend reinvestment plan for our common stockholders. As a result, if we declare a distribution, stockholders' cash distributions will be automatically reinvested in additional shares of our common stock, unless they specifically "opt out" of the dividend reinvestment plan so as to receive cash distributions. See "Dividend Reinvestment Plan."

* The last reported sale price for our common stock on the NASDAQ Global Select Market on September 15, 2023 was $4.05 per share. As of September 15, 2023, we had 31 stockholders of record, which did not include stockholders for whom shares are held in nominee or "street" name.

Shares of BDCs may trade at a market price that is less than the net asset value of those shares. The possibilities that our shares of common stock will trade at a discount from net asset value or at premiums that are unsustainable over the long term are separate and distinct from the risk that our net asset value will decrease. It is not possible to predict whether any common stock offered pursuant to this prospectus will trade at, above, or below net asset value. As of September 15, 2023, our shares of common stock traded at a discount equal to approximately 33.50% of the net assets attributable to those shares based upon our $6.09 net asset value per share as of June 30, 2023. It is not possible to predict whether the shares offered hereby will trade at, above, or below net asset value.

Dividends

Our dividends, if any, are determined by our board of directors. We intend each taxable year to be treated for U.S. federal income tax purposes as a RIC under Subchapter M of the Code. If we qualify as a RIC, we will not be taxed on our investment

company taxable income or realized net capital gains, to the extent that such taxable income or gains are distributed, or deemed to be distributed, to stockholders on a timely basis.

To qualify for RIC tax treatment, we must, among other things, distribute at least 90% of our net ordinary income and realized net short-term capital gains in excess of realized net long-term capital losses, if any.

Depending on the level of taxable income earned in a tax year, we may choose to carry forward taxable income in excess of current year distributions into the next tax year and pay a 4% U.S. federal excise tax on such income. Any such carryover taxable income must be distributed through a dividend declared prior to filing the final tax return related to the year which generated such taxable income. We may, in the future, make actual distributions to our stockholders of our net capital gains. We can offer no assurance that we will achieve results that will permit the payment of any cash distributions and, if we issue senior securities, we may be prohibited from making distributions if doing so causes us to fail to maintain the asset coverage ratios stipulated by the 1940 Act or if distributions are limited by the terms of any of our borrowings.

We have adopted an “opt out” dividend reinvestment plan (“DRIP”) for our common stockholders. As a result, if we make cash distributions, then stockholders’ cash distributions will be automatically reinvested in additional shares of our common stock, unless they specifically “opt out” of the dividend reinvestment plan so as to receive cash distributions.

The following table reflects, for the periods indicated, the distributions per share that our board of directors has declared on our common stock:

Fiscal Year Ended	Distribution	Date Declared	Record Date	Pay Date	Amount Per Share
June 30, 2024					
First Quarter	Base	September 14, 2023	October 12, 2023	November 2, 2023	$0.12
First Quarter	Supplemental	September 14, 2023	October 12, 2023	November 2, 2023	$0.03
June 30, 2023					
Fourth Quarter	Base	May 4, 2023	June 16, 2023	July 7, 2023	$0.13
Fourth Quarter	Supplemental	May 4, 2023	June 16, 2023	July 7, 2023	$0.05
Third Quarter	Base	February 2, 2023	March 10, 2023	March 30, 2023	$0.13
Third Quarter	Supplemental	February 2, 2023	March 10, 2023	March 30, 2023	$0.02
Second Quarter	Base	November 11, 2022	December 16, 2022	January 10, 2023	$0.13
Second Quarter	Supplemental	November 11, 2022	December 16, 2022	January 10, 2023	$0.02
First Quarter	Base	August 25, 2022	September 23, 2022	October 14, 2022	$0.15
June 30, 2022					
Fourth Quarter	Base	May 5, 2022	June 17, 2022	July 8, 2022	$0.15
Third Quarter	Base	February 3, 2022	March 11, 2022	March 31, 2022	$0.15
Second Quarter	Base	November 3, 2021	December 10, 2021	January 4, 2022	$0.15
First Quarter	Base	August 25, 2021	September 24, 2021	October 14, 2021	$0.15
June 30, 2021					
Fourth Quarter	Base	May 6, 2021	June 18, 2021	July 9, 2021	$0.15
Third Quarter	Base	February 3, 2021	March 12, 2021	April 1, 2021	$0.15
Third Quarter	Supplemental	February 3, 2021	March 12, 2021	April 1, 2021	$0.03
Second Quarter	Base	November 3, 2020	December 10, 2020	January 4, 2021	$0.15
Second Quarter	Supplemental	November 3, 2020	December 10, 2020	January 4, 2021	$0.03
First Quarter	Base	August 26, 2020	September 25, 2020	October 15, 2020	$0.15
First Quarter	Supplemental	August 26, 2020	September 25, 2020	October 15, 2020	$0.03
Total					$2.07

Sales of Unregistered Securities

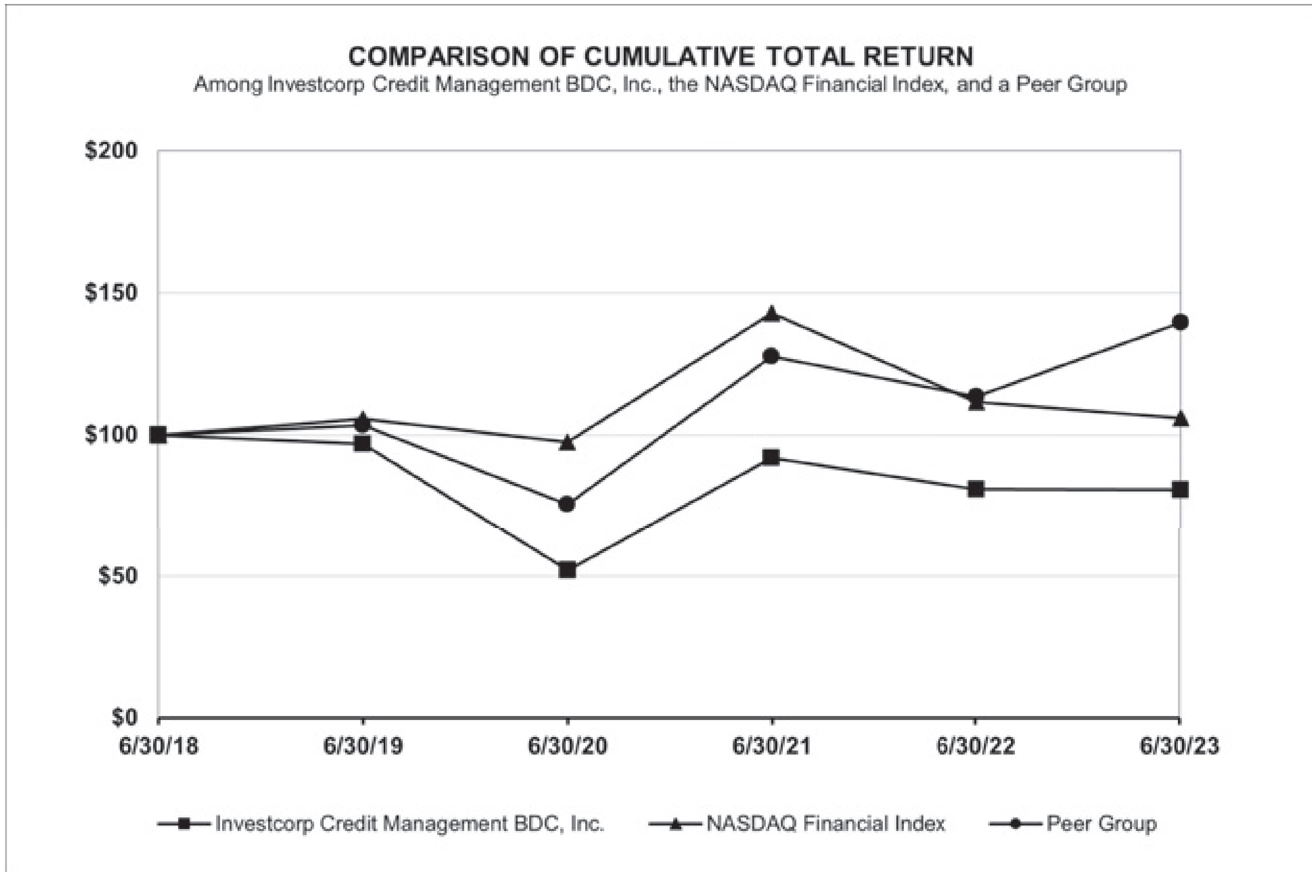
Except as previously reported by the Company on its current reports on Form 8-K, the Company did not engage in any sales of unregistered securities during the fiscal year ended June 30, 2023.

Purchases of Equity Securities

None.

Stock Performance Graph

This graph compares the return on our common stock with that of the NASDAQ Financial Index and a customized peer group of six companies that includes Crescent Capital BDC, Inc., Stellus Capital Investment Corporation, First Eagle Alternative Capital BDC, Inc., Monroe Capital Corporation, CION Investment Corporation, and WhiteHorse Finance Inc., for the period from June 30, 2018 through June 30, 2023. The graph assumes that, on June 30, 2018 an investment of $100 (with reinvestment of all dividends) was made in our common stock (at the initial public offering price of $15.00 per share), in each index and in the peer group. The graph measures total stockholder return, which takes into account both changes in stock price and dividends. It assumes that dividends paid are invested in like securities.



The graph and other information furnished under this Part II Item 5 of this Form 10-K shall not be deemed to be “soliciting material” or to be “filed” with the SEC or subject to Regulation 14A or 14C, or to the liabilities of Section 18 of the 1934 Act. The stock price performance included in the above graph is not necessarily indicative of future stock price performance.

Item 6. [Reserved]

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

Some of the statements in this annual report on Form 10-K constitute forward-looking statements, which relate to future events or our future performance or financial condition. The forward-looking statements contained in this annual report on Form 10-K involve risks and uncertainties, including statements as to:

- our, or our portfolio companies', future business, operations, operating results or prospects;
- our business prospects and the prospects of our portfolio companies;
- the return or impact of current and future investments;
- the impact of global health pandemics, such as the coronavirus pandemic or other large scale events, on our or our portfolio companies' business and the global economy;
- our contractual arrangements and relationships with Investcorp and its affiliates;
- our contractual arrangements and relationships with lenders and other third parties;
- actual and potential conflicts of interest with the Adviser;
- the dependence of our future success on the general economy, interest rates and the effects of each on the industries in which we invest;
- the impact of fluctuations in interest rates on our business;
- elevating levels of inflation, and its impact on us, on our portfolio companies and on the industries in which we invest;
- the ability of our portfolio companies to achieve their objectives or service their debt obligations to us;
- the use of borrowed money to finance a portion of our investments;
- the adequacy of our financing sources and working capital;
- the timing of cash flows, if any, from the operations of our portfolio companies;
- the ability of the Adviser to locate suitable investments for us and to monitor and administer our investments;
- the ability of the Adviser to attract and retain highly talented professionals;
- our ability to qualify and maintain our qualification as a RIC and as a BDC;
- our ability to obtain exemptive relief from the Securities and Exchange Commission ("SEC");
- the effect of changes to tax legislation and our tax position and other legislative and regulatory changes; and
- the effect of new or modified laws or regulations governing our operations.

Such forward-looking statements may include statements preceded by, followed by or that otherwise include the words "may," "might," "will," "intend," "should," "could," "can," "would," "expect," "believe," "estimate," "anticipate," "predict," "potential," "plan" or similar words.

We have based the forward-looking statements included in this annual report on Form 10-K on information available to us on the date of this report on Form 10-K. Actual results could differ materially from those anticipated in our forward-looking statements, and future results could differ materially from historical performance. We undertake no obligation to revise or update any forward-looking statements, whether as a result of new information, future events or otherwise, unless required by law or SEC rule or regulation. You are advised to consult any additional disclosures that we may make directly to you or through reports that we in the future may file with the SEC, including annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K.

Overview

We are a closed-end, externally managed, non-diversified management investment company that has elected to be regulated as a BDC under the 1940 Act. In addition, for U.S. federal income tax purposes, we intend to continue to qualify to be treated as a RIC under Subchapter M of the Code.

Our primary investment objective is to maximize total return to stockholders in the form of current income and capital appreciation by investing directly in debt and related equity of privately held middle-market companies to help these companies fund

acquisitions, growth or refinancing. We invest primarily in middle-market companies in the form of standalone first and second lien, unitranche loans, and mezzanine loans. We may also invest in unsecured debt, bonds and in the equity of portfolio companies through warrants and other instruments.

On February 5, 2014, we priced our initial public offering, selling 7,666,666 shares of our common stock, par value $0.001, including the underwriters' over-allotment, at a price of $15.00 per share with net proceeds of approximately $111.5 million.

CM Finance LLC, a Maryland limited liability company, commenced operations in March 2012. Immediately prior to our initial public offering, CM Finance LLC merged with and into us (the "Merger"). In connection with the Merger, we issued 6,000,000 shares of common stock and $39.8 million in debt to the pre-existing CM Finance LLC investors, consisting of certain funds (the "Cyrus Funds") managed by Cyrus Capital. CM Finance Inc had no assets or operations prior to completion of the Merger and, as a result, the books and records of CM Finance LLC became our books and records, as the surviving entity. Immediately after the Merger, we issued 2,181,818 shares of our common stock to Stifel Venture Corp. ("Stifel") in exchange for $32.7 million in cash. We used all of the proceeds of the sale of shares to Stifel to repurchase 2,181,818 shares of common stock from the Cyrus Funds. Immediately after the completion of the initial public offering, we had 13,666,666 shares outstanding. We also used a portion of the net proceeds of the initial public offering to repay 100% of the debt issued to the Cyrus Funds in connection with the Merger.

On August 30, 2019, Investcorp Credit Management ("Investcorp") acquired an approximate 76% ownership interest in the Adviser through the acquisition of the interests held by the Cyrus Funds and Stifel and through a direct purchase of equity from the Adviser (the "Investcorp Transaction"). Investcorp is a leading global credit investment platform with assets under management of $48.0 billion as of June 30, 2023. Investcorp manages funds that invest primarily in senior secured corporate debt issued by mid and large-cap corporations in Western Europe and the United States.

In connection with the Investcorp Transaction, on June 26, 2019, our board of directors, including all of the directors who are not "interested persons" of the Company, as defined in Section 2(a)(19) of the 1940 Act (each, an "Independent Director"), unanimously approved a new investment advisory agreement (the "Advisory Agreement") and recommended that the Advisory Agreement be submitted to our stockholders for approval, which our stockholders approved at the Special Meeting of Stockholders held on August 28, 2019.

In addition, on June 26, 2019, we entered into a definitive stock purchase and transaction agreement with Investcorp BDC Holdings Limited ("Investcorp BDC"), an affiliate of Investcorp (the "Stock Purchase Agreement"), pursuant to which, following the initial closing under the Stock Purchase Agreement on August 30, 2019 (the "Closing") and prior to the second anniversary of the date of the Closing, Investcorp BDC was required to purchase (i) 680,985 newly issued shares of our common stock, par value $0.001 per share, at the most recently determined net asset value per share of our common stock at the time of such purchase, as adjusted as necessary to comply with Section 23 of the 1940 Act, and (ii) 680,985 shares of our common stock in open-market or secondary transactions. Investcorp BDC has completed all required purchases under the Stock Purchase Agreement.

At the Closing, we entered into the Advisory Agreement with the Adviser, pursuant to which we have agreed to pay the Adviser a fee for investment advisory and management services consisting of two components — a base management fee (the "Base Management Fee") and an incentive fee (the "Incentive Fee"). The Base Management Fee is equal to 1.75% of our gross assets, payable in arrears on a quarterly basis. The Incentive Fee, which provides the Adviser with a share of the income that it generates for the Company, has two components, ordinary income (the "Income-Based Fee") and capital gains (the "Capital Gains Fee"). The Income-Based Fee is equal to 20.0% of pre-incentive fee net investment income, subject to an annualized hurdle rate of 8.0% with a "catch up" fee for returns between the 8.0% hurdle and 10.0%. The Capital Gains Fee is determined and payable in arrears as of the end of each fiscal year (or upon termination of the Advisory Agreement, as of the termination date), commencing with the fiscal year ended June 30, 2021, and is equal to 20.0% of the Company's cumulative aggregate realized capital gains from the Commencement Date through the end of each fiscal year, computed net of the Company's aggregate cumulative realized capital losses and the Company's aggregate cumulative unrealized capital depreciation through the end of such year, less the aggregate amount of any previously paid Capital Gains Fees.

At the Closing, we entered into a new administration agreement with the Adviser (the "Administration Agreement"). Under the Administration Agreement, the Adviser provides us with our chief financial officer, accounting and back-office professionals, equipment and clerical, bookkeeping, recordkeeping and other administrative services. The terms of the Administration Agreement, including the reimbursement of expenses by the Company to the Adviser, are identical to those contained in the Company's prior administration agreement with the Adviser.

From time to time, we may form certain taxable subsidiaries (the "Taxable Subsidiaries") that are taxed as corporations for U.S. federal income tax purposes. At June 30, 2023 and June 30, 2022, we had no Taxable Subsidiaries. The Taxable Subsidiaries, if any, allow the Company to hold equity securities of portfolio companies organized as pass-through entities while continuing to satisfy the requirements applicable to a RIC under the Code.

Market Developments

The current inflationary environment and uncertainty as to the probability of, and length and depth of a global recession could affect our portfolio companies. Government spending, government policies, including recent increases in certain interest rates by the U.S. Federal Reserve and other global central banks, the failures of certain regional banks earlier this year and the potential for disruptions in the availability of credit in the United States and elsewhere, in conjunction with other factors, including those described elsewhere in this Annual Report and in other filings we have made with the SEC, could affect our portfolio companies, our financial condition and our results of operations. We will continue to monitor the evolving market environment. In these circumstances, developments outside our control could require us to adjust our plan of operations and could impact our financial condition, results of operations or cash flows in the future. Despite these factors, we believe we and our portfolio are well positioned to manage the current environment. For additional information, see Part I, Item 1A. Risk Factors in this Annual Report on Form 10-K.

Critical accounting policies

Our discussion and analysis of our financial condition and results of operations are based upon our financial statements, which have been prepared in accordance with U.S. generally accepted accounting principles ("GAAP"). The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. Changes in the economic environment, financial markets and any other parameters used in determining such estimates could cause actual results to differ. Management considers the following critical accounting policies important to understanding the financial statements. In addition to the discussion below, our critical accounting policies are further described in the notes to our consolidated financial statements.

Valuation of portfolio investments

We value our portfolio investments at fair value based upon the principles and methods of valuation set forth in policies adopted by our board of directors. Fair value is defined as the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. Market participants are buyers and sellers in the principal (or most advantageous) market for the asset that (a) are independent of us, (b) are knowledgeable, having a reasonable understanding about the asset based on all available information (including information that might be obtained through due diligence efforts that are usual and customary), (c) are able to transact for the asset, and (d) are willing to transact for the asset or liability (that is, they are motivated but not forced or otherwise compelled to do so).

Investments for which market quotations are readily available are valued at such market quotations unless the quotations are deemed not to represent fair value. We generally obtain market quotations from recognized exchanges, market quotation systems, independent pricing services or one or more broker dealers or market makers.

Debt and equity securities for which market quotations are not readily available or for which market quotations are deemed not to represent fair value are valued at fair value as determined in good faith by our board of directors. Because a readily available market value for many of the investments in our portfolio is often not available, we value many of our portfolio investments at fair value as determined in good faith by our board of directors using a consistently applied valuation process in accordance with a documented valuation policy that has been reviewed and approved by our board of directors. Due to the inherent uncertainty and subjectivity of determining the fair value of investments that do not have a readily available market revalue, the fair value of our investments may differ significantly from the values that would have been used had a readily available market value existed for such investments and may differ materially from the values that we may ultimately realize. In addition, changes in the market environment and other events may have differing impacts on the market quotations used to value some of our investments than on the fair values of our investments for which market quotations are not readily available. Market quotations may also be deemed not to represent fair value in certain circumstances where we believe that facts and circumstances applicable to an issuer, a seller or purchaser, or the market for a particular security causes current market quotations not to reflect the fair value of the security. Examples of these events could include cases where a security trades infrequently, causing a quoted purchase or sale price to become stale, where there is a "forced" sale by a distressed seller, where market quotations vary substantially among market makers, or where there is a wide bid- ask spread or significant increase in the bid ask spread.

Those investments for which market quotations are not readily available or for which market quotations are deemed not to represent fair value are valued utilizing a market approach, an income approach, or both approaches, as appropriate. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities (including a business). The income approach uses valuation techniques to convert future amounts (for example, cash flows or earnings) to a single present amount (discounted). The measurement is based on the value indicated by current market expectations about those future amounts. In following these approaches, the types of factors that we may take into account in determining the fair value of our investments include, as relevant and among other factors: available current market data, including relevant and applicable market trading and transaction comparables, applicable market yields and multiples, security covenants, call protection provisions,

information rights, the nature and realizable value of any collateral, the portfolio company's ability to make payments, its earnings and discounted cash flows, the markets in which the portfolio company does business, comparisons of financial ratios of peer companies that are public, merger and acquisition comparables, our principal market (as the reporting entity) and enterprise values.

With respect to investments for which market quotations are not readily available, our board of directors undertakes a multi-step valuation process each quarter, as described below:

- our quarterly valuation process begins with each portfolio company or investment being initially valued by the members of the Investment Team responsible for the portfolio investment;
- preliminary valuation conclusions are then documented and discussed by senior management and the Adviser;
- on a periodic basis, at least once annually, the valuation for each portfolio investment is reviewed by an independent valuation firm engaged by our board of directors;
- the valuation committee of our board of directors then reviews these preliminary valuations and makes a recommendation to our board of directors regarding the fair value of each investment; and
- the board of directors then reviews and discusses these preliminary valuations and determines the fair value of each investment in our portfolio in good faith, based on the input of the Adviser, the independent valuation firm and the valuation committee.

When valuing all of our investments, we strive to maximize the use of observable inputs and minimize the use of unobservable inputs. Inputs refer broadly to the assumptions that market participants would use in pricing an asset, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing an asset or liability developed based on market data obtained from sources independent of us. Unobservable inputs are inputs that reflect our assumptions about the assumptions market participants would use in pricing an asset or liability developed based on the best information available under the circumstances.

Our investments are categorized based on the types of inputs used in their valuation. The level in the GAAP valuation hierarchy in which an investment falls is based on the lowest level input that is significant to the valuation of the investment in its entirety. Investments are classified by GAAP into the three broad levels as follows:

Level 1 — valuation is based on unadjusted quoted prices in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date.

Level 2 — valuation is based on inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, such as (a) quoted prices for similar assets or liabilities in active markets; (b) quoted prices for identical or similar assets or liabilities in markets that are not active, that is, markets in which there are few transactions for the asset or liability, the prices are not current, or price quotations vary substantially either over time or among market makers, or in which little information is released publicly; (c) inputs other than quoted prices that are observable for the asset or liability; or (d) inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 — valuation is based on unobservable inputs for the asset or liability. Unobservable inputs are used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. However, the fair value measurement objective remains the same, that is, an exit price from the perspective of a market participant that holds the asset or owes the liability. Therefore, unobservable inputs reflect the Company's own assumptions about the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Unobservable inputs are developed based on the best information available under the circumstances, which might include the Company's own data. The Company's own data used to develop unobservable inputs is adjusted if information is reasonably available without undue cost and effort that indicates that market participants would use different assumptions.

As of June 30, 2023, and June 30, 2022 all of our investments were classified as Level 3 investments, determined based on valuations by our board of directors.

Determination of fair value involves subjective judgments and estimates. Accordingly, the notes to our financial statements express the uncertainty with respect to the possible effect of such valuations, and any change in such valuations, on the consolidated financial statements.

Rule 2a-5 under the 1940 Act was adopted in December 2020 by the SEC and establishes requirements for determining fair value in good faith for purposes of the 1940 Act. Our board of directors has adopted valuation policies and procedures that are intended to comply with Rule 2a-5.

Revenue recognition

Our revenue recognition policies are as follows:

Net realized gains (losses) on investments: Gains or losses on the sale of investments are calculated using the specific identification method.

Interest Income: Interest income, adjusted for amortization of premium and accretion of discount, is recorded on an accrual basis. Origination, closing, commitment, and amendment fees, purchase and original issue discounts associated with loans to portfolio companies are accreted into interest income over the respective terms of the applicable loans. Accretion of discounts or premiums is calculated by the effective interest or straight-line method, as applicable, as of the purchase date and adjusted only for material amendments or prepayments. Upon the prepayment of a loan or debt security, any prepayment penalties and unamortized fees and discounts are recorded as interest income and are non-recurring in nature.

Structuring fees and similar fees are recognized as income as earned, usually when received. Structuring fees, excess deal deposits, net profits interests and overriding royalty interests are included in other fee income.

We may hold debt investments in our portfolio that contain a PIK interest provision. The PIK interest, which represents contractually deferred interest added to the investment balance that is generally due at maturity, is recorded on the accrual basis to the extent such amounts are expected to be collected.

Non-accrual: Loans are placed on non-accrual status when principal or interest payments are past due 90 days or more or when there is reasonable doubt that principal or interest will be collected. Accrued interest is generally reversed when a loan is placed on non-accrual status. Interest payments received on non-accrual loans may be recognized as income or applied to principal depending upon management's judgment about ultimate collectability of principal. Non-accrual loans are restored to accrual status when past due principal and interest is paid and, in management's judgment, are likely to remain current. PIK interest is not accrued if we do not expect the issuer to be able to pay all principal and interest when due. As of June 30, 2023, we had six investments on non-accrual status, which represented approximately 4.08% of our portfolio at fair value. As of June 30, 2022, we had six investments on non-accrual, which represented approximately 1.08% of our portfolio at fair value.

Financing Facilities

We previously, through CM Finance SPV Ltd. ("CM SPV"), our wholly owned subsidiary, entered into a $102.0 million term secured financing facility (the "Term Financing"), due December 5, 2021 with UBS AG, London Branch (together with its affiliates "UBS"). The Term Financing was collateralized by a portion of the debt investments in our portfolio. On June 21, 2019, we amended the Term Financing to increase the Term Financing by $20.0 million from $102.0 million to $122.0 million. We subsequently repaid $20.0 million of the Term Financing on April 15, 2020. Borrowings under the Term Financing, as amended, bore interest with respect to the $102.0 million (i) at a rate per annum equal to one-month London Interbank Offered Rate ("LIBOR") plus 3.55% from December 5, 2019 through December 4, 2020, and (ii) at a rate per annum equal to one-month LIBOR plus 3.15% from December 5, 2020 through December 4, 2021. On November 19, 2021, the Company repaid the Term Financing in full in accordance with the terms of the Term Financing and the agreement was terminated.

As of June 30, 2023 and June 30, 2022, there were no borrowings outstanding under the Term Financing, respectively.

On November 20, 2017, as subsequently amended, we entered into a $50 million revolving financing facility with UBS, which was subsequently amended on June 21, 2019 to reduce the size to $30.0 million and extend the maturity date (as amended, the "Revolving Financing"). On September 30, 2020, we amended the Revolving Financing to reduce the size of the Revolving Financing to $20.0 million and extend the maturity date to December 5, 2021. We paid a fee on any undrawn amounts of 0.75% per annum. On November 19, 2021, we satisfied all obligations under the Revolving Financing and the agreement was terminated.

As of June 30, 2023 and June 30, 2022, there were no borrowings outstanding under the Revolving Financing.

On August 23, 2021, we, through Investcorp Credit Management BDC SPV, LLC, our wholly-owned subsidiary, entered into a five-year, $115 million senior secured revolving credit facility (the "Capital One Revolving Financing") with Capital One, N.A. ("Capital One"), which is secured by collateral consisting primarily of loans in our investment portfolio. On June 14, 2023, we amended the Capital One Revolving Financing to decrease the facility size from $115 million to $100 million. The Capital One

Revolving Financing, which will expire on August 22, 2026 (the "Maturity Date"), features a three-year reinvestment period and a two-year amortization period.

Effective November 18, 2022, borrowings under the Capital One Revolving Financing generally bear interest at a rate per annum equal to Secured Overnight Financing Rate ("SOFR") plus 2.50%. The default interest rate will be equal to the interest rate then in effect plus 2.00%. The Capital One Revolving Financing required the payment of an upfront fee of 1.125% ($1.3 million) of the available borrowings under the Capital One Revolving Financing at the closing, and requires the payment of an unused fee of (i) 0.75% annually for any undrawn amounts below 50% of the Capital One Revolving Financing, (ii) 0.50% annually for any undrawn amounts between 50% and 75% of the Capital One Revolving Financing, and (iii) 0.25% annually for any undrawn amounts above 75% of the Capital One Revolving Financing. Borrowings under the Capital One Revolving Financing are based on a borrowing base. The Capital One Revolving Financing generally requires payment of interest and fees on a quarterly basis. All outstanding principal is due on the Maturity Date. The Capital One Revolving Financing also requires mandatory prepayment of interest and principal upon certain events.

As of June 30, 2023 and June 30, 2022, there were $71.9 million and $84.0 million in borrowings outstanding under the Capital One Revolving Financing, respectively.

Notes due 2023

In July 2018, we issued an aggregate of $34.5 million in aggregate principal amount of 6.125% notes due 2023 (the "2023 Notes") for total net proceeds, after deducting underwriting discounts and commissions and estimated offering expenses, of approximately $33.2 million.

In October 2019 and November 2019, we issued an additional $16.875 million in aggregate principal amount of the 2023 Notes, which constituted a further issuance of, ranked equally in right of payment with, and formed a single series with the $34.5 million in aggregate principal amount of 2023 Notes that we initially issued in July 2018. The total net proceeds received by us from the sale of the 2023 Notes in October 2019 and November 2019 was approximately $16.4 million, based on the purchase price paid by the underwriters and after deducting underwriting discounts and commissions and estimated offering expenses. The 2023 Notes were listed on the NASDAQ Global Select Market under the trading symbol "CMFNL," were scheduled to mature on July 1, 2023 and bore interest at a rate of 6.125%. Pursuant to the terms of the indenture governing the 2023 Notes, the 2023 Notes could be redeemed in whole or in part at any time or from time to time at our option on or after July 1, 2020.

On March 26, 2021, we caused notice to be issued to the holders of the 2023 Notes regarding our exercise of the option to redeem in full all $51,375,000 in aggregate principal amount of the 2023 Notes at 100% of their principal amount ($25 per Note), plus the accrued and unpaid interest thereon from April 1, 2021, through, but excluding, the redemption date, April 25, 2021. On April 25, 2021, we redeemed in full all $51,375,000 in aggregate principal amount of the 2023 Notes at 100% of their principal amount ($25 per Note), plus the accrued and unpaid interest thereon from April 1, 2021, through, but excluding, April 25, 2021.

Notes due 2026

On March 31, 2021, we closed the public offering of $65 million in aggregate principal amount of 4.875% notes due 2026 (the "2026 Notes"). The total net proceeds to us from the 2026 Notes after deducting underwriting discounts and commissions of approximately $1.3 million and estimated offering expenses of approximately $215,000, were approximately $63.1 million.

The 2026 Notes will mature on April 1, 2026, unless previously redeemed or repurchased in accordance with their terms, and bear interest at a rate of 4.875%. The 2026 Notes are our direct unsecured obligations and rank pari passu, which means equal in right of payment, with all of our outstanding and future unsecured, unsubordinated indebtedness. Because the 2026 Notes are not secured by any of our assets, they are effectively subordinated to all of our existing and future secured indebtedness (including indebtedness that is initially unsecured as to which we subsequently grant a security interest), to the extent of the value of the assets securing such indebtedness. The 2026 Notes are structurally subordinated to all existing and future indebtedness and other obligations of any of our existing and future subsidiaries and financing vehicles, including, without limitation, borrowings under the Capital One Financing. The 2026 Notes are exclusively our obligations and not of any of our subsidiaries. None of our subsidiaries is a guarantor of the 2026 Notes and the 2026 Notes will not be required to be guaranteed by any subsidiary we may acquire or create in the future.

The 2026 Notes may be redeemed in whole or in part at any time or from time to time at our option, upon not less than 30 days nor more than 60 days written notice by mail prior to the date fixed for redemption thereof, at a redemption price (as determined by us) equal to the greater of the following amounts, plus, in each case, accrued and unpaid interest to, but excluding, the redemption date: (1) 100% of the principal amount of the 2026 Notes to be redeemed or (2) the sum of the present values of the remaining scheduled payments of principal and interest (exclusive of accrued and unpaid interest to the date of redemption) on the 2026 Notes to be redeemed, discounted to the redemption date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months)

using the applicable Treasury Rate (as defined in the 2026 Notes Indenture (as defined below)) plus 50 basis points; provided, however, that if we redeem any 2026 Notes on or after January 1, 2026 (the date falling three months prior to the maturity date of the 2026 Notes), the redemption price for the 2026 Notes will be equal to 100% of the principal amount of the 2026 Notes to be redeemed, plus accrued and unpaid interest, if any, to, but excluding, the date of redemption; provided, further, that no such partial redemption shall reduce the portion of the principal amount of a 2026 Note not redeemed to less than $2,000. Interest on the 2026 Notes is payable semi-annually on April 1 and October 1 of each year, commencing October 1, 2021. We may from time to time repurchase 2026 Notes in accordance with the 1940 Act and the rules promulgated thereunder. As of June 30, 2023 and June 30, 2022, the outstanding principal balance of the 2026 Notes was approximately $65.0 million and $65.0 million, respectively.

The indenture under which the 2026 Notes are issued (the "2026 Notes Indenture") contains certain covenants, including covenants requiring us to comply with Section 18(a)(1)(A) as modified by Section 61(a)(2) of 1940 Act, or any successor provisions, to comply with Section 18(a)(1)(B) as modified by Section 61(a)(2) of the 1940 Act, or any successor provisions but giving effect to any no-action relief granted by the SEC to another BDC and upon which we may reasonably rely (or to us if we determine to seek such similar no-action or other relief), and to provide financial information to the holders of the 2026 Notes and the Trustee if we should no longer be subject to the reporting requirements under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). These covenants are subject to important limitations and exceptions that are set forth in the 2026 Notes Indenture.

Investments

Our level of investment activity can and does vary substantially from period to period depending on many factors, including the amount we have available to invest as well as the amount of debt and equity capital available to middle-market companies, the level of merger and acquisition activity, the general economic environment and the competitive environment for the types of investments we make.

As a BDC, we are required to comply with certain regulatory requirements. For instance, as a BDC, we may not acquire any assets other than "qualifying assets" specified in the 1940 Act unless, at the time the acquisition is made, at least 70% of our total assets are qualifying assets (with certain limited exceptions). Qualifying assets include investments in "eligible portfolio companies." Under the relevant SEC rules, the term "eligible portfolio company" includes all private companies, companies whose securities are not listed on a national securities exchange, and certain public companies that have listed their securities on a national securities exchange and have a market capitalization of less than $250 million. In each case, the company must be organized in the United States. As of June 30, 2023, approximately 2.23% of our total assets were non-qualifying assets.

To qualify as a RIC, we must, among other things, meet certain source-of-income and asset diversification requirements. As a RIC, we generally will not have to pay corporate-level U.S. federal income taxes on any income we distribute to our stockholders.

Revenues

We generate revenues primarily in the form of interest on the debt we hold. We also generate revenue from royalty income, dividends on our equity interests and capital gains on the sale of warrants and other debt or equity interests that we acquire. Our investments in fixed income instruments generally have an expected maturity of three to five years, although we have no lower or upper constraint on maturity. Interest on our debt investments is generally payable quarterly or semi-annually. Payments of principal of our debt investments may be amortized over the stated term of the investment, deferred for several years or due entirely at maturity. In some cases, our debt investments and preferred stock investments may defer payments of cash interest or dividends or PIK interest. Any outstanding principal amount of our debt investments and any accrued but unpaid interest will generally become due at the maturity date. In addition, we may generate revenue in the form of prepayment fees, commitment, origination, structuring or due diligence fees, fees for providing significant managerial assistance, consulting fees and other investment related income.

Expenses

Our primary operating expenses include the payment of the base management fee and, depending on our operating results, the incentive fees under the Advisory Agreement, as well as the payment of reimbursable expenses to the Adviser for the costs and expenses incurred by the Adviser in performing its obligations and providing personnel and facilities under the Administration Agreement, such as our allocable portion of overhead expenses, including rent and the allocable portion of the cost of our chief financial officer and chief compliance officer and their respective staffs. The base management fee and incentive fee compensation under the Advisory Agreement remunerates the Adviser for work in identifying, evaluating, negotiating, closing and monitoring our investments. We bear all other out-of-pocket costs and expenses of our operations and transactions, including, without limitation, those relating to:

- our organization and our offering;

- valuing our assets and calculating our net asset value per share (including the cost and expenses of any independent valuation firm(s));
- fees and expenses incurred by the Adviser or payable to third parties, including agents, consultants or other advisors, in monitoring financial and legal affairs for us and in monitoring our investments and performing due diligence on our prospective portfolio companies or otherwise relating to, or associated with, evaluating and making investments;
- interest payable on debt, if any, incurred to finance our investments and expenses related to unsuccessful portfolio acquisition efforts;
- offerings of our common stock and other securities;
- administration fees and expenses, if any, payable under the Administration Agreement (including our allocable portion of the Adviser's overhead in performing its obligations under the Administration Agreement, including rent, equipment and the allocable portion of the cost of our chief compliance officer, chief financial officer and his staffs' compensation and compensation-related expenses);
- transfer agent and custody fees and expenses;
- federal and state registration fees;
- costs of registration and listing our shares on any securities exchange;
- federal, state and local taxes;
- independent directors' fees and expenses;
- costs of preparing and filing reports or other documents required by the SEC or other regulators;
- costs of any reports, proxy statements or other notices to stockholders including printing costs;
- costs associated with individual or group stockholders;
- our allocable portion of the costs and fees associated with any fidelity bond, directors and officers/errors and omissions liability insurance, and any other insurance premiums;
- direct costs and expenses of administration and operation, including printing, mailing, long distance telephone, copying, secretarial and other staff, independent auditors and outside legal costs; and
- all other non-investment advisory expenses incurred by us or the Adviser in connection with administering our business.

Portfolio and investment activity

Portfolio composition

We invest primarily in middle-market companies in the form of standalone first and second lien loans and unitranche loans. We may also invest in unsecured debt, bonds and in the equity of portfolio companies through warrants and other instruments.

As of June 30, 2023, our investment portfolio of $220.1 million (at fair value) consisted of debt and equity investments in 36 portfolio companies, of which 89.21% were first lien investments, 0% were second lien investments, and 10.79% were in equities, warrants and other positions. At June 30, 2023, our average and largest portfolio company investment at fair value was $6.1 million and $13.0 million, respectively.

As of June 30, 2022, our investment portfolio of $233.7 million (at fair value) consisted of debt and equity investments in 35 portfolio companies, of which 91.94% were first lien investments, 0% were second lien investments, and 8.06% were in equities, warrants and other positions. At June 30, 2022, our average and largest portfolio company investment at fair value was $6.7 million and $13.2 million, respectively.

As of June 30, 2023, and June 30, 2022, our weighted average total yield of debt and income producing securities at amortized cost (which includes interest income and amortization of fees and discounts) was 12.46% and 10.09%, respectively. As of June 30, 2023, and June 30, 2022, our weighted average total yield on investments at amortized cost (which includes interest income and amortization of fees and discounts) was 11.32% and 9.37%, respectively. The weighted average total yield was computed using an internal rate of return calculation of our debt investments based on contractual cash flows, including interest and amortization payments, and, for floating rate investments, the spot LIBOR or SOFR, as applicable, as of June 30, 2023 of all of our debt investments. The weighted average total yield of our debt investments is not the same as a return on investment for our stockholders but, rather, relates to a portion of our investment portfolio and is calculated before payment of all of our fees and expenses, including

any sales load paid in connection with an offering of our securities. There can be no assurance that the weighted average total yield will remain at its current level.

We use Global Industry Classification Standard ("GICS") codes to identify the industry groupings. At June 30, 2023 and June 30, 2022, respectively, the industry composition of our portfolio in accordance with GICS at fair value, as a percentage of our total portfolio, was as follows:

	Percentage of Total Portfolio at June 30,	
	2023	2022
Trading Companies & Distributors	15.98%	6.72%
Professional Services	12.83	11.55
IT Services	10.71	9.25
Commercial Services & Supplies	6.51	6.62
Software	6.26	3.77
Containers & Packaging	5.89	3.10
Machinery	4.36	—
Internet & Direct Marketing Retail	4.08	9.02
Entertainment	3.47	3.40
Household Durables	3.46	7.42
Chemicals	3.44	6.00
Diversified Consumer Services	3.30	2.88
Automobile Components	3.30	3.39
Hotels, Restaurants and Leisure	2.85	—
Consumer Staples Distribution & Retail	2.75	—
Specialty Retail	2.34	2.54
Building Products	2.05	2.02
Food Products	1.95	1.95
Automotive Retail	1.76	—
Electronic Equipment, Instruments & Components	1.48	1.26
Energy Equipment & Services	1.23	5.59
Distributors	—	5.26
Consumer Finance	—	4.87
Food & Staples Retailing	—	3.39
	100.00%	100.00%

During the year ended June 30, 2023, we made investments in eight new portfolio companies and four existing portfolio companies. These investments totaled approximately $41.3 million. Of these new investments, 98.25% consisted of first lien investments and 1.75% were in equity, warrants, and other investments.

During the year ended June 30, 2022, we made investments in 14 new portfolio companies and eight existing portfolio companies. These investments totaled approximately $137.1 million. Of these new investments, 93.4% consisted of first lien investments and 6.6% were in equity, warrants, and other investments.

At June 30, 2023, 99.6% of our debt investments bore interest based on floating rates based on indices such as LIBOR, SOFR, the Euro Interbank Offered Rate, the Federal Funds Rate or the Prime Rate (in certain cases, subject to interest rate floors), and 0.4% bore interest at fixed rates. At June 30, 2022, 99.6% of our debt investments bore interest based on floating rates based on indices such as LIBOR (in certain cases, subject to interest rate floors), and 0.4% bore interest at fixed rates.

Our investment portfolio may contain loans that are in the form of lines of credit or revolving credit facilities, which require us to provide funding when requested by portfolio companies in accordance with the terms of the underlying loan agreements. As of June 30, 2023, we had eleven such investments with aggregate unfunded commitments of $5,990,579. As of June 30, 2022, we had nine such investments with aggregate unfunded commitments of $13,899,529. We maintain sufficient liquidity to fund such unfunded loan commitments should the need arise.

Asset Quality

In addition to various risk management and monitoring tools, we use the Adviser's investment rating system to characterize and monitor the credit profile and expected level of returns on each investment in our portfolio. This investment rating system uses a five-level numeric rating scale. The following is a description of the conditions associated with each investment rating:

Investment Rating 1	Investments that are performing above expectations, and whose risks remain favorable compared to the expected risk at the time of the original investment.
Investment Rating 2	Investments that are performing within expectations and whose risks remain neutral compared to the expected risk at the time of the original investment. All new loans will initially be rated 2.
Investment Rating 3	Investments that are performing below expectations and that require closer monitoring, but where no loss of return or principal is expected. Portfolio companies with a rating of 3 may be out of compliance with their financial covenants.
Investment Rating 4	Investments that are performing substantially below expectations and whose risks have increased substantially since the original investment. These investments are often in workout. Investments with a rating of 4 will be those for which some loss of return but no loss of principal is expected.
Investment Rating 5	Investments that are performing substantially below expectations and whose risks have increased substantially since the original investment. These investments are almost always in workout. Investments with a rating of 5 will be those for which some loss of return and principal is expected.

If the Adviser determines that an investment is underperforming, or circumstances suggest that the risk associated with a particular investment has significantly increased, the Adviser will increase its monitoring intensity and prepare regular updates for the Investment Committee, summarizing current operating results and material impending events and suggesting recommended actions. While the investment rating system identifies the relative risk for each investment, the rating alone does not dictate the scope and/or frequency of any monitoring that will be performed. The frequency of the Adviser's monitoring of an investment will be determined by a number of factors, including, but not limited to, the trends in the financial performance of the portfolio company, the investment structure and the type of collateral securing the investment.

The following table shows the investment rankings of the debt investments in our portfolio:

	As of June 30, 2023			As of June 30, 2022		
Investment Rating	Fair Value	% of Portfolio	Number of Investments	Fair Value	% of Portfolio	Number of Investments
1	$ 16,538,345	7.5%	3	$ 35,059,097	15.0%	5
2	114,979,324	52.2	32	172,732,804	73.9	44
3	62,588,392	28.4	19	23,364,583	10.0	4
4	13,067,850	6.0	5	—	—	—
5	12,937,418	5.9	6	2,527,502	1.1	7
Total	$ 220,111,329	100.0%	65	$ 233,683,986	100.0%	60

Results of Operations

Comparison of the years ended June 30, 2023 and June 30, 2022

Investment income

Investment income, attributable primarily to dividends, interest and fees on our debt investments, for the year ended June 30, 2023 increased to $26.7 million from $24.4 million for the year ended June 30, 2022, primarily due to an increase in the SOFR and LIBOR rates and payment-in-kind income.

Expenses

Total (net) expenses for the year ended June 30, 2023 increased to $17.3 million from $15.5 million for the year ended June 30, 2022, primarily due to the increase in SOFR and LIBOR Rates.

Net investment income

Net investment income increased to $9.4 million for the year ended June 30, 2023 from $8.9 million for the year ended June 30, 2022, primarily due to an increase in interest and payment-in-kind income offset by an increase in expenses related to an increase in borrowing costs.

Net realized gain or loss

The net realized loss on investments totaled $26.9 million for the year ended June 30, 2023, primarily due to the write off of our investments in the American Teleconferencing Services, Ltd. (d/b/a Premiere Global Services, Inc.) 1st and 2nd lien term loans.

The net realized loss on investments totaled $14.4 million for the year ended June 30, 2022, primarily due to the restructure of 1888 Industrial Services, LLC –Term B and Fusion Connect Inc. –Take-Back Term Loan.

Net change in unrealized (depreciation) appreciation on investments

We recorded a net change in unrealized appreciation of $20.7 million for the year ended June 30, 2023, primarily due to the reversal of depreciation related to the write off of our investments in the American Teleconferencing Services, Ltd. (d/b/a Premiere Global Services, Inc.) 1st and 2nd lien term loans.

We recorded a net change in unrealized appreciation of $8.1 million for the year ended June 30, 2022, primarily due to the restructure of 1888 Industrial Services, LLC –Term B and Fusion Connect Inc. –Take-Back Term Loan offset by the decrease in fair value of Techniplas Foreign Holdco LP common stock.

Comparison of the years ended June 30, 2022 and June 30, 2021

Investment income

Investment income, attributable primarily to dividends, interest and fees on our debt investments, for the year ended June 30, 2022 decreased to $24.4 million from $26.7 million for the year ended June 30, 2021, primarily due to a decrease in assets under management and decrease in payment-in-kind income from non-accrual investments.

Expenses

Total (net) expenses for the year ended June 30, 2022 decreased to $15.5 million from $17.6 million for the year ended June 30, 2021, primarily due to a decrease in interest expenses related to decreased borrowings under our credit facilities, a decrease in base management fees (including waiver) related to a decrease in total assets and no income-based incentive fees.

Net investment income

Net investment income decreased to $8.9 million for the year ended June 30, 2022 from $9.1 million for the year ended June 30, 2021, primarily due to a decrease in payment-in-kind income from our investments on non-accrual offset by a decrease in interest expenses related to decreased borrowings under our credit facilities.

Net realized gain or loss

The net realized loss on investments totaled $14.4 million for the year ended June 30, 2022, primarily due to the restructure of 1888 Industrial Services, LLC –Term B and Fusion Connect Inc. –Take-Back Term Loan.

The net realized loss on investments totaled $5.8 million for the year ended June 30, 2021, primarily due to the restructure of Bioplan USA, Inc. and the termination of PR Wireless, Inc., $0.01 strike (warrants) offset by the sale of BW Gas and Convenience during the period.

Net change in unrealized (depreciation) appreciation on investments

We recorded a net change in unrealized appreciation of $8.1 million for the year ended June 30, 2022, primarily due to the restructure of 1888 Industrial Services, LLC –Term B and Fusion Connect Inc. –Take-Back Term Loan offset by the decrease in fair value of Techniplas Foreign Holdco LP common stock.

We recorded a net change in unrealized depreciation of $5.6 million for the year ended June 30, 2021, primarily due to a decrease in fair value of our investments in 1888 Industrial Services, LLC and American Teleconferencing Services, Ltd. (d/b/a Premiere Global Services, Inc.) during the period.

Liquidity and capital resources

Cash flows

For the year ended June 30, 2023, our cash balance decreased by $3,861. During that period, $20.7 million in cash was provided by operating activities, primarily due to investments of $51.3 million in portfolio companies, offset by proceeds from repayment and sale of investments in portfolio companies of $61.9 million. During the same period, cash from financing activities decreased by $20.7 million, resulting primarily from proceeds of $46.9 million from borrowings under the Capital One Revolving Financing, offset by repayments of $59.0 million of borrowing under the Capital One Revolving Financing, and distributions of $8.6 million to our stockholders.

Capital Resources

As of June 30, 2023, we had $1.1 million of cash as well as $8.1 million in restricted cash and $28.1 million of capacity under the Capital One Revolving Financing. As of June 30, 2023, we had approximately $135.7 million of senior securities outstanding and our asset coverage ratio was 164.1%. We intend to generate additional cash primarily from future offerings of securities, future borrowings under our Capital One Revolving Financing as well as cash flows from operations, including income earned from investments in our portfolio companies and, to a lesser extent, from the temporary investment of cash in U.S. government securities and other high-quality debt investments that mature in one year or less. Our primary liquidity needs include interest and principal repayments on our Capital One Revolving Financing, interest payments on the 2026 Notes, our unfunded loan commitments (if any), investments in portfolio companies, dividend distributions to our stockholders and operating expenses.

As discussed below in further detail, we have elected to be treated as a RIC under the Code. To maintain our RIC status, we generally must distribute substantially all of our net taxable income to stockholders in the form of dividends. Our net taxable income does not necessarily equal our net income as calculated in accordance with U.S. GAAP.

Senior Securities

Information about our senior securities is shown in the following table as of each of the fiscal years ended June 30, 2023, 2022, 2021, 2020, 2019, 2018, 2017, 2016, 2015, 2014 and 2013, respectively.

Class and Year	Total Amount Outstanding Exclusive of Treasury Securities[(1)]	Asset Coverage per Unit[(2)]	Involuntary Liquidating Preference per Unit[(3)]	Average Market Value per Unit[(4)]
Capital One Revolving Financing				
Fiscal Year ended June 30, 2023	$71,900,000[(5)]	$3,133	—	N/A
Fiscal Year ended June 30, 2022	$84,000,000[(5)]	$2,864	—	N/A
UBS Financing Facility				
Fiscal Year ended June 30, 2021	$102,000,000[(6)]	$2,567	—	N/A
Fiscal Year ended June 30, 2020	$132,000,000[(6)]	$2,200	—	N/A
Fiscal Year ended June 30, 2019	$133,026,670[(6)]	$2,329	—	N/A
Fiscal Year ended June 30, 2018	$119,823,000[(6)]	$2,431	—	N/A
Fiscal Year ended June 30, 2017	$102,000,000	$2,666	—	N/A
Fiscal Year ended June 30, 2016	$132,478,329[(7)]	$2,229	—	N/A
Fiscal Year ended June 30, 2015	$150,847,459[(7)]	$2,306	—	N/A
Fiscal Year ended June 30, 2014	$85,591,314[(7)]	$3,339	—	N/A
Fiscal Year ended June 30, 2013	$76,500,000	$1,860	—	N/A
Citi Revolving Financing[(8)]				
Fiscal Year ended June 30, 2021	$—	N/A	—	N/A
Fiscal Year ended June 30, 2020	$—	N/A	—	N/A
Fiscal Year ended June 30, 2019	$—	N/A	—	N/A
Fiscal Year ended June 30, 2018	$—	N/A	—	N/A
Fiscal Year ended June 30, 2017	$—	N/A	—	N/A
6.125% notes due 2023[(9)]				
Fiscal Year ended June 30, 2021	$—	$—	—	$—
Fiscal Year ended June 30, 2020	$51,375,000	$5,674	—	$926
Fiscal Year ended June 30, 2019	$34,500,000	$8,969	—	$1,012
4.875% notes due 2026[(10)]				
Fiscal Year ended June 30, 2023	$65,000,000	$3,466	—	N/A
Fiscal Year ended June 30, 2022	$65,000,000	$3,701	—	N/A
Fiscal Year ended June 30, 2021	$65,000,000	$4,027	—	N/A

(1) Total amount of senior securities outstanding at the end of the period presented.

(2) Asset coverage per unit is the ratio of the carrying value of our total assets, less all liabilities and indebtedness not represented by senior securities, in relation to the aggregate amount of senior securities representing indebtedness. Asset coverage per unit is expressed in terms of dollar amounts per $1,000 of indebtedness.

(3) The amount to which such class of senior security would be entitled upon the involuntary liquidation of the issuer in preference to any security junior to it. The "—" indicates information which the SEC expressly does not require to be disclosed for certain types of senior securities.

(4) Not applicable, except for the 6.125% notes due 2023 (the "2023 Notes"), which were publicly traded. The Average Market Value Per Unit is calculated by taking the daily average closing price during the period and dividing it by twenty-five dollars per share and multiplying the result by one thousand to determine a unit price per thousand consistent with Asset Coverage Per Unit.

(5) Includes senior securities outstanding under the Capital One Revolving Financing.

(6) On November 19, 2021, we satisfied all obligations under the 2017 UBS Revolving Financing and the agreement was terminated. On November 19, 2021, we repaid the Term Financing in full in accordance with the terms of the Term Financing.

(7) Includes senior securities under the 2013 UBS Revolving Financing and the Term Financing. In connection with the expiration of the 2013 UBS Revolving Financing in accordance with its terms on December 5, 2016, we repaid in full all indebtedness, liabilities and other obligations thereunder.

(8) On December 8, 2017, we repaid in full all indebtedness, liabilities and other obligations under, and terminated, the Citi Revolving Financing.

(9) On March 26, 2021, we caused notice to be issued to the holders of the 2023 Notes regarding our exercise of the option to redeem in full all $51,375,000 in aggregate principal amount of the 2023 Notes at 100% of their principal amount ($25 per

Note), plus the accrued and unpaid interest thereon from April 1, 2021, through, but excluding, the redemption date, April 25, 2021. The 2023 Notes were redeemed on April 25, 2021.

(10) On March 31, 2021, we closed the public offering of $65,000,000 in aggregate principal amount of 4.875% notes due 2026 (the "2026 Notes"). The total net proceeds to us from the 2026 Notes after deducting underwriting discounts and commissions of approximately $1.3 million and estimated offering expenses of approximately $215,000, were approximately $63.1 million.

Regulated Investment Company Status and Distributions

We have elected to be treated as a RIC under Subchapter M of the Code. If we qualify as a RIC for a taxable year, we will not be subject to corporate-level U.S. federal income tax on our investment company taxable income or realized net capital gains, to the extent that such taxable income or gains are distributed, or deemed to be distributed, to stockholders on a timely basis.

Taxable income generally differs from net income for financial reporting purposes due to temporary and permanent differences in the recognition of income and expenses, and generally excludes net unrealized appreciation or depreciation until realized. Dividends declared and paid by us in a year may differ from taxable income for that year as such dividends may include the distribution of current year taxable income or the distribution of prior year taxable income carried forward into and distributed in the current year. Distributions also may include returns of capital.

To continue to qualify for RIC tax treatment, we must, among other things, distribute to our stockholders, with respect to each taxable year, at least 90% of our investment company net taxable income (i.e., our net ordinary income and our realized net short-term capital gains in excess of realized net long-term capital losses, if any). We will also be subject to a federal excise tax, based on distributive requirements of our taxable income on a calendar year basis.

We intend to distribute to our stockholders between 90% and 100% of our annual taxable income (which includes our taxable interest and fee income). However, the covenants contained in the Capital One Revolving Financing and any other borrowing or financing arrangement we or our subsidiaries may have may prohibit us from making distributions to our stockholders, and, as a result, could hinder our ability to satisfy the distribution requirement. In addition, we may retain for investment some or all of our net taxable capital gains (i.e., realized net long-term capital gains in excess of realized net short-term capital losses) and treat such amounts as deemed distributions to our stockholders. If we do this, our stockholders will be treated as if they received actual distributions of the capital gains we retained and then reinvested the net after-tax proceeds in our common stock. Our stockholders also may be eligible to claim tax credits (or, in certain circumstances, tax refunds) equal to their allocable share of the tax we paid on the capital gains deemed distributed to them. To the extent our taxable earnings for a fiscal taxable year fall below the total amount of our dividends for that fiscal year, a portion of those dividend distributions may be deemed a return of capital to our stockholders.

We may not be able to achieve operating results that will allow us to make distributions at a specific level or to increase the amount of these distributions from time to time. In addition, we may be limited in our ability to make distributions due to the asset coverage test for borrowings applicable to us as a BDC under the 1940 Act and due to provisions in the agreements governing our borrowing or financial arrangements. We cannot assure stockholders that they will receive any distributions or distributions at a particular level.

In accordance with certain applicable U.S. Department of Treasury ("Treasury") regulations and a revenue procedure issued by the Internal Revenue Service, a RIC may treat a distribution of its own stock as fulfilling its RIC distribution requirements if each stockholder elects to receive his or her entire distribution in either cash or stock of the RIC, subject to a limitation that the aggregate amount of cash to be distributed to all stockholders must be at least 20% (10% for distributions made on or after November 1, 2021, and on or before June 30, 2023) of the aggregate declared distribution. If too many stockholders elect to receive cash, each stockholder electing to receive cash must receive a pro rata amount of cash (with the balance of the distribution paid in stock). In no event will any stockholder, electing to receive cash, receive less than 20% (or 10% if applicable) of his or her entire distribution in cash. If these and certain other requirements are met, for U.S. federal income tax purposes, the amount of the dividend paid in stock will be equal to the amount of cash that could have been received instead of stock. We have no current intention of paying dividends in shares of our stock in accordance with these Treasury regulations or the revenue procedure.

Advisory Agreement

The Company is party to the Advisory Agreement with the Adviser. Under the Advisory Agreement, the Base Management Fee is calculated at an annual rate of 1.75% of the Company's gross assets, including assets purchased with borrowed funds or other forms of leverage and excluding cash and cash equivalents (such amount, "Gross Assets").

For the year ended June 30, 2023, $4,201,394 in Base Management Fees were earned by the Adviser, of which $387,311 was waived and $906,218 was payable at June 30, 2023. For the year ended June 30, 2022, $4,594,588 in Base Management Fees were earned by the Adviser, of which $480,032 was waived and $1,054,063 was payable at June 30, 2022. For the year ended June 30,

2021, $4,716,233 in Base Management Fees were earned by the Adviser, of which $366,951 was waived and $1,070,580 was payable at June 30, 2021.

The Base Management Fee is calculated based on the average value of the Company's Gross Assets at the end of the two most recently completed fiscal quarters. The Base Management Fee is payable quarterly in arrears and the Base Management Fees for any partial month or quarter will be appropriately pro-rated.

Under the Advisory Agreement, the Income-Based Fee is calculated and payable quarterly in arrears based on our Pre-Incentive Fee Net Investment Income (as defined below) for the immediately preceding fiscal quarter, subject to a total return requirement (the "Total Return Requirement") and deferral of non-cash amounts, and is 20.0% of the amount, if any, by which our Pre-Incentive Fee Net Investment Income, expressed as a rate of return on the value of our net assets attributable to its common stock, for the immediately preceding fiscal quarter, exceeds a 2.0% (which is 8.0% annualized) hurdle rate and a "catch-up" provision measured as of the end of each fiscal quarter. Under this provision, in any fiscal quarter, the Adviser receives no Incentive Fee until our Pre-Incentive Fee Net Investment Income equals the hurdle rate of 2.0%, but then receives, as a "catch-up," 100% of our Pre-Incentive Fee Net Investment Income with respect to that portion of such Pre-Incentive Fee Net Investment Income, if any, that exceeds the hurdle rate but is less than 2.5% (which is 10.0% annualized). The effect of the "catch-up" provision is that, subject to the Total Return Requirement and deferral provisions discussed below, if Pre-Incentive Fee Net Investment Income exceeds 2.5% in any fiscal quarter, the Adviser receives 20.0% of our Pre-Incentive Fee Net Investment Income as if a hurdle rate did not apply.

"Pre-Incentive Fee Net Investment Income" means interest income, dividend income and any other income (including any other fees, such as commitment, origination, structuring, diligence, managerial assistance and consulting fees or other fees that we receive from portfolio companies) accrued during the fiscal quarter, minus our operating expenses for the quarter (including the Base Management Fee, expenses payable under the Administration Agreement and any interest expense and any distributions paid on any issued and outstanding preferred stock, but excluding the Incentive Fee). Pre-incentive fee net investment income includes, in the case of investments with a deferred interest feature (such as original issue discount ("OID"), debt instruments with payment-in-kind ("PIK") interest and zero coupon securities), accrued income that we have not yet received in cash.

Pre-Incentive Fee Net Investment Income does not include any realized capital gains, realized capital losses or unrealized capital appreciation or depreciation.

No Income-Based Fee is payable under the Advisory Agreement except to the extent 20.0% of the cumulative net increase in net assets resulting from operations over the fiscal quarter for which fees are being calculated and the Lookback Period exceeds the cumulative Incentive Fees accrued and/or paid for the Lookback Period. For the foregoing purpose, the "cumulative net increase in net assets resulting from operations" is the amount, if positive, of the sum of Pre-Incentive Fee Net Investment Income, realized gains and losses and unrealized appreciation and depreciation of the Company for the then current fiscal quarter and the Lookback Period. The "Lookback Period" means (1) through June 30, 2023, the period that commences on the last day of the fiscal quarter in which the Commencement Date occurs and ends on the last day of the fiscal quarter immediately preceding the fiscal quarter for which the Income-Based Fee is being calculated, and (2) after June 30, 2023, the eleven fiscal quarters immediately preceding the fiscal quarter for which the Income-Based Fee is being calculated.

For the year ended June 30, 2023, the Company incurred $401,597 of Income-Based Fees. As of June 30, 2023, $576,023 of Income-Based Fees are currently payable to the Adviser and $201,817 in incentive fees related to Income-Based Fees incurred by the Company were generated from deferred interest (i.e. PIK and certain discount accretion) and are not payable until such amounts are received in cash. For the year ended June 30, 2022, the Company wrote off $348,670 in previously deferred Income-Based incentive fees and incurred no Income-Based Fees. As of June 30, 2022, $182,095 of Income-Based Fees are currently payable to the Adviser and were generated from deferred interest (i.e. PIK and certain discount accretion) and are not payable until such amounts are received in cash. For the year ended June 30, 2021, we incurred no Income-Based Fees. As of June 30, 2021, $647,885 of Income-Based Fees are currently payable to the Adviser and were generated from deferred interest (i.e. PIK and certain discount accretion) and are not payable until such amounts are received in cash. Any voluntary waivers of the incentive fee in no way implies that the Adviser will agree to waive any incentive fee in any future period. Any portion of the incentive fees waived are not subject to recapture.

Under the Advisory Agreement, the Capital Gains Fee is determined and payable in arrears as of the end of each fiscal year (or upon termination of the Advisory Agreement, as of the termination date), commencing with the fiscal year ended June 30, 2021, and is equal to 20.0% of our cumulative aggregate realized capital gains from the Commencement Date through the end of each fiscal year, computed net of our aggregate cumulative realized capital losses and our aggregate cumulative unrealized capital depreciation through the end of such year, less the aggregate amount of any previously paid Capital Gains Fees. If such amount is negative, then no Capital Gains Fee will be payable for such year. Additionally, if the Advisory Agreement is terminated as of a date that is not a fiscal year end, the termination date will be treated as though it were a fiscal year end for purposes of calculating and paying the Capital Gains Fee. Under the Advisory Agreement, the Capital Gains Fee was not charged until the fiscal year ending June 30, 2023.

Under U.S. GAAP, the Company calculate the Capital Gains Fee as if it had realized all assets at their fair values as of the reporting date. Accordingly, the Company accrues a provisional Capital Gains Fee taking into account any unrealized gains or losses. As the provisional Capital Gains Fee is subject to the performance of investments until there is a realization event, the amount of the provisional Capital Gains Fee accrued at a reporting date may vary from the Capital Gains Fee that is ultimately realized and the differences could be material.

As of June 30, 2023, June 30, 2022 and June 30, 2021, there was no Capital Gains Fee accrued, earned or payable to the Adviser under the Advisory Agreement.

The Advisory Agreement provides that, absent willful misfeasance, bad faith or gross negligence in the performance of its duties or by reason of the reckless disregard of its duties and obligations under the Advisory Agreement, the Adviser and its officers, managers, partners, agents, employees, controlling persons and members, and any other person or entity affiliated with it, are entitled to indemnification from us for any damages, liabilities, costs and expenses (including reasonable attorneys' fees and amounts reasonably paid in settlement) arising from the rendering of the Adviser's services under the Advisory Agreement or otherwise as the Adviser.

Off-Balance Sheet Arrangements

We may be a party to financial instruments with off-balance sheet risk in the normal course of business to meet the financial needs of our portfolio companies. As of June 30, 2023, our off-balance sheet arrangements consisted of $6.0 million in unfunded commitments to ten of our portfolio companies. As of June 30, 2022, our off-balance sheet arrangements consisted of $13.9 million in unfunded commitments to eight of our portfolio companies. We maintain sufficient liquidity (through cash and borrowings under our Capital One Revolving Financing) to fund such unfunded loan commitments should the need arise.

Recent Developments

The Company has evaluated the need for disclosures and/or adjustments resulting from subsequent events through the date the consolidated financial statements were issued.

Subsequent to June 30, 2023 and through September 15, 2023, the Company invested a total of $4.1 million, which included investments in one new portfolio company and one existing portfolio company. As of September 15, 2023, the Company had investments in 37 portfolio companies.

On September 14, 2023, the Company's board of directors declared a distribution for the quarter ended September 30, 2023 of $0.13 per share payable on November 2, 2023 to stockholders of record as of October 12, 2023 and a supplemental distribution of $0.02 per share payable on November 2, 2023 to stockholders of record as of October 12, 2023.

Item 7A. Quantitative and Qualitative Disclosure about Market Risk

We are subject to financial market risks, including changes in interest rates. At June 30, 2023, 99.6% of our debt investments bore interest based on floating rates, such as LIBOR, SOFR, the Euro Interbank Offered Rate, the Federal Funds Rate or the Prime Rate. The interest rates on such investments generally reset by reference to the current market index after one to six months. Floating rate investments subject to a floor generally reset by reference to the current market index after one to six months only if the index exceeds the floor.

Generally, we believe higher yielding assets such as those in our investment portfolio do not necessarily follow a linear interest rate relationship and are less sensitive in price to interest rate changes than many other debt investments. Our investments in fixed rate assets are generally exposed to changes in value due to interest rate fluctuations, and our floating rate assets are generally exposed to cash flow variability from fluctuation in rates. Consequently, our net interest income (interest income less interest expense) is exposed to risks related to interest rate fluctuations. Based on our in-place portfolio with certain interest rate floors and our financing at June 30, 2023, a 1.00% increase in interest rates would increase our net interest income by approximately 5.4% and a 2.00% increase in interest rates would increase our net interest income by approximately 13.4%. Variable-rate instruments subject to a floor generally reset periodically to the applicable floor and, in the case of investments in our portfolio, quarterly to a floor based on LIBOR or SOFR, as applicable, only if the floor exceeds the index. Under these loans, we do not benefit from increases in interest rates until such rates exceed the floor and thereafter benefit from market rates above any such floor.

Although management believes that this analysis is indicative of our existing sensitivity to interest rate changes, it does not adjust for changes in the credit markets, the size, credit quality or composition of the assets in our portfolio and other business developments, including borrowing, that could affect the net increase in net assets resulting from operations, or net income. It also

does not adjust for the effect of the time lag between a change in the relevant interest rate index and the rate adjustment under the applicable loan. Accordingly, we can offer no assurances that actual results would not differ materially from the statement above.

Item 8. Financial Statements and Supplementary Data

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM (PCAOB ID: 49)	77
CONSOLIDATED STATEMENTS OF ASSETS AND LIABILITIES AS OF JUNE 30, 2023 AND JUNE 30, 2022	79
CONSOLIDATED STATEMENTS OF OPERATIONS FOR THE YEARS ENDED JUNE 30, 2023, JUNE 30, 2022, AND JUNE 30, 2021	80
CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS FOR THE YEARS ENDED JUNE 30, 2023, JUNE 30, 2022, AND JUNE 30, 2021	81
CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED JUNE 30, 2023, JUNE 30, 2022, AND JUNE 30, 2021	82
CONSOLIDATED SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2023	83
CONSOLIDATED SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2022	88
CONSOLIDATED NOTES TO FINANCIAL STATEMENTS	92

Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of
Investcorp Credit Management BDC, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated statements of assets and liabilities of Investcorp Credit Management BDC, Inc. and Subsidiaries (the Company), including the consolidated schedules of investments, as of June 30, 2023 and 2022, the related consolidated statements of operations, changes in net assets, and cash flows for each of the three years in the period ended June 30, 2023, and the related notes to the consolidated financial statements (collectively, the financial statements). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of June 30, 2023 and 2022, and the results of its operations, changes in net assets, and cash flows for each of the three years in the period ended June 30, 2023, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our procedures included confirmation of investments owned as of June 30, 2023 and 2022, by correspondence with the custodian or the agents of the underlying investments or management of the underlying investments themselves or by other appropriate auditing procedures where replies from the custodian or agents were not received. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Valuation of investments

As of June 30, 2023, the fair value of the Company's investments classified as Level 3 measurements in the fair value hierarchy was approximately $220.1 million. As discussed in Notes 2i and 4d in the financial statements, the Company invests in senior secured debt, including first lien loans, second lien loans and equity of private and thinly-traded U.S. middle-market companies. The Company's determination of fair value for these investments requires that management makes subjective judgments and estimates utilizing yield analysis, market comparable approach, recent transaction and recovery analysis, as appropriate. These approaches require management to make subjective judgments and estimates related to significant unobservable inputs including market yields, EBITDA multiples, revenue multiples, recent transaction and recovery amount.

We identified the fair value of the Company's investments classified as Level 3 measurements in the fair value hierarchy as a critical audit matter given the Company uses significant subjective judgments to estimate the fair value of such investments. Auditing management's selection of valuation techniques and the related unobservable inputs increased audit effort and included the use of a valuation specialist.

Our audit procedures related to the valuation techniques, unobservable inputs and assumptions used by management to estimate the fair value of the Company's investments classified as Level 3 measurements in the fair value hierarchy, included the following, among others:

- We obtained the valuation summary reports from the Company and tested the source information used to determine the valuation input and the mathematical accuracy of the calculation used to compute the input.

- We evaluated the appropriateness of the valuation techniques used for Level 3 investments and evaluated the reasonableness of any significant changes in valuation techniques since prior periods.

- We evaluated the reasonableness of the related significant unobservable inputs and the reasonableness of any significant changes in significant unobservable inputs from prior periods by comparing these inputs to external sources, including, but not limited to:
  - Historical operating results of the investment as obtained from the Company and, in certain instances, from the underlying investment entity, among other sources, the financial statements and the valuation committee materials of the investment.
  - Available market data for comparable companies.
  - Subsequent events and transactions, where available.

- With the assistance of a valuation specialists, we performed the following:
  - For a portion of Level 3 investments, evaluated the valuation techniques compared to those of a market participant, used market information to develop a range of market yield, comparable financial performance multiples and discount rate assumptions and compared them to the assumptions used by management.
  - For a portion of Level 3 investments, developed an independent estimate of the fair value and compared our estimates to management's estimates.

- We evaluated management's ability to reasonably estimate fair value by comparing management's historical estimates to transactions subsequent to the measurement date. We took into consideration changes in market or investment specific factors, where available.

/s/ RSM US LLP

We have served as the auditor to one or more of the investment companies advised by CM Investment Partners LLC since 2017.

New York, New York
September 21, 2023

Investcorp Credit Management BDC, Inc. and Subsidiaries

Consolidated Statements of Assets and Liabilities

	June 30, 2023	June 30, 2022
Assets		
Non-controlled, non-affiliated investments, at fair value (amortized cost of $219,319,251 and $254,172,763, respectively)	$ 210,150,018	$ 223,037,183
Affiliated investments, at fair value (amortized cost of $23,979,565 and $23,395,242, respectively)	9,961,311	10,646,803
Total investments, at fair value (amortized cost of $243,298,816 and $277,568,005, respectively)	220,111,329	233,683,986
Cash	1,093,758	2,550,021
Cash, restricted	8,057,458	6,605,056
Principal receivable	93,581	835,043
Interest receivable	2,041,877	2,298,443
Payment-in-kind interest receivable	46,088	2,137
Other receivables	1,050	—
Prepaid expenses and other assets	361,719	410,401
Total Assets	$ 231,806,860	$ 246,385,087
Liabilities		
Notes payable:		
Revolving credit facility	$ 71,900,000	$ 84,000,000
2026 Notes payable	65,000,000	65,000,000
Deferred debt issuance costs	(1,220,556)	(1,913,889)
Unamortized discount	(195,553)	(266,663)
Notes payable, net	135,483,891	146,819,448
Payable for investments purchased	1,795,297	246,984
Dividend payable	2,590,520	2,157,872
Income-based incentive fees payable	576,023	182,095
Base management fees payable	906,218	1,054,063
Interest payable	2,293,766	1,574,356
Directors' fees payable	15,755	20,780
Accrued expenses and other liabilities	445,082	820,097
Total Liabilities	144,106,552	152,875,695
Net Assets		
Common stock, par value $0.001 per share (100,000,000 shares authorized 14,391,775 and 14,385,810 shares issued and outstanding, respectively)	14,392	14,386
Additional paid-in capital	203,327,714	203,590,126
Distributable earnings (loss)	(115,641,798)	(110,095,120)
Total Net Assets	87,700,308	93,509,392
Total Liabilities and Net Assets	$ 231,806,860	$ 246,385,087
Net Asset Value Per Share	$ 6.09	$ 6.50

See notes to consolidated financial statements.

Investcorp Credit Management BDC, Inc. and Subsidiaries

Consolidated Statements of Operations

	For the Years Ended June 30,		
	2023	2022	2021
Investment Income:			
Interest income			
Non-controlled, non-affiliated investments	$ 23,822,181	$ 22,641,798	$ 22,716,304
Affiliated investments	(20,611)	29,813	97,293
Total interest income	23,801,570	22,671,611	22,813,597
Payment in-kind interest income			
Non-controlled, non-affiliated investments	1,250,169	102,720	2,334,246
Affiliated investments	70,070	208,470	155,780
Total payment-in-kind interest income	1,320,239	311,190	2,490,026
Dividend income			
Non-controlled, non-affiliated investments	101,755	—	—
Affiliated investments	—	296,126	—
Total dividend income	101,755	296,126	—
Payment in-kind dividend income			
Non-controlled, non-affiliated investments	691,972	282,952	—
Affiliated investments	—	—	—
Total payment-in-kind dividend income	691,972	282,952	—
Other fee income			
Non-controlled, non-affiliated investments	768,617	868,727	1,383,850
Affiliated investments	—	759	1,502
Total other fee income	768,617	869,486	1,385,352
Total investment income	26,684,153	24,431,365	26,688,975
Expenses:			
Interest expense	8,413,409	6,633,587	7,359,079
Base management fees	4,201,394	4,594,588	4,716,233
Income-based incentive fees	401,597	(348,670)	-
Provision for tax expense	294,330	270,618	268,992
Professional fees	984,290	1,302,513	1,514,186
Allocation of administrative costs from Adviser	966,045	1,247,205	1,397,069
Amortization of deferred debt issuance costs	693,333	621,111	1,107,497
Amortization of original issue discount - 2026 Notes	71,110	71,110	17,777
Insurance expense	506,963	512,347	454,324
Directors' fees	302,500	302,500	312,500
Custodian and administrator fees	292,267	334,214	333,168
Other expenses	516,160	446,330	473,385
Total expenses	17,643,398	15,987,453	17,954,210
Waiver of base management fees	(387,311)	(480,032)	(366,951)
Waiver of income-based incentive fees	—	—	—
Net expenses	17,256,087	15,507,421	17,587,259
Net investment income	9,428,066	8,923,944	9,101,716
Net realized and unrealized gain/(loss) on investments:			
Net realized gain (loss) from investments			
Non-controlled, non-affiliated investments	(26,890,095)	(6,198,762)	(5,776,334)
Affiliated investments	—	(8,196,669)	—
Net realized gain (loss) from investments	(26,890,095)	(14,395,431)	(5,776,334)
Net change in unrealized appreciation (depreciation) in value of investments			
Non-controlled, non-affiliated investments	21,966,347	2,898,538	525,501
Affiliated investments	(1,269,815)	5,159,579	(6,164,708)
Net change in unrealized appreciation (depreciation) on investments	20,696,532	8,058,117	(5,639,207)
Total realized gain (loss) and change in unrealized appreciation (depreciation) on investments	(6,193,563)	(6,337,314)	(11,415,541)
Net increase (decrease) in net assets resulting from operations	$ 3,234,503	$ 2,586,630	$ (2,313,825)
Basic and diluted:			
Net investment income per share	$ 0.66	$ 0.62	$ 0.65
Earnings per share	$ 0.22	$ 0.18	$ (0.17)
Weighted average shares of common stock outstanding	14,389,163	14,304,641	13,908,612
Distributions paid per common share	$ 0.63	$ 0.60	$ 0.69

See notes to consolidated financial statements.

Investcorp Credit Management BDC, Inc. and Subsidiaries

Consolidated Statements of Changes in Net Assets

	For the Years Ended June 30,		
	2023	2022	2021
Net assets at beginning of period	$ 93,509,392	$ 96,355,849	$ 108,124,995
Increase (decrease) in net assets resulting from operations:			
Net investment income	9,428,066	8,923,944	9,101,716
Net realized gain (loss) from investments	(26,890,095)	(14,395,431)	(5,776,334)
Net change in unrealized appreciation (depreciation) on investments	20,696,532	8,058,117	(5,639,207)
Net increase (decrease) in net assets resulting from operations	3,234,503	2,586,630	(2,313,825)
Stockholder distributions:			
Distributions from net investment income	(9,065,336)	(8,630,756)	(9,597,248)
Distributions from capital gains	—	—	—
Net decrease in net assets resulting from stockholder distributions	(9,065,336)	(8,630,756)	(9,597,248)
Capital transactions:			
Issuance of common shares (0 and 453,985 and 0, respectively)	—	3,141,576	—
Reinvestments of stockholder distributions	21,749	56,093	141,927
Net increase (decrease) in net assets resulting from capital transactions	21,749	3,197,669	141,927
Net increase (decrease) in net assets	(5,809,084)	(2,846,457)	(11,769,146)
Net assets at end of period	$ 87,700,308	$ 93,509,392	$ 96,355,849

See notes to consolidated financial statements.

Investcorp Credit Management BDC, Inc. and Subsidiaries

Consolidated Statements of Cash Flows

	For the Years Ended June 30,		
	2023	2022	2021
Cash Flows from Operating Activities			
Net increase (decrease) in net assets resulting from operations	$ 3,234,503	$ 2,586,630	$ (2,313,825)
Adjustments to reconcile net increase (decrease) in net assets resulting from operations to net cash provided by (used in) operating activities:			
Origination and purchase of investments	(51,269,621)	(144,746,910)	(89,092,452)
Payment in-kind interest and dividends	(1,968,260)	(633,752)	(2,973,330)
Sales and repayments of investments	61,928,745	153,877,788	108,183,417
Net realized (gain) loss on investments	26,890,095	14,395,431	5,776,334
Net change in unrealized appreciation/depreciation on investments	(20,696,532)	(8,058,117)	5,639,207
Amortization of discount/premium on investments	(1,311,770)	(2,662,806)	(2,767,087)
Amortization of deferred debt issuance costs	693,333	621,111	1,107,497
Amortization of original issue discount	71,110	71,110	17,777
Net (increase) decrease in operating assets:			
Interest receivable	256,566	203,148	(199,950)
Payment-in-kind interest receivable	(43,951)	39,610	472,896
Principal receivable	741,462	5,040,250	(4,298,563)
Other receivables	(1,050)	427,208	708,355
Prepaid expenses and other assets	48,682	(34,204)	(25,536)
Net increase (decrease) in operating liabilities:			
Payable for investments purchased	1,548,313	246,984	—
Interest payable	719,410	624,996	(51,092)
Directors fees payable	(5,025)	(8,079)	4,300
Accrued expenses and other liabilities	(375,015)	(294,737)	206,927
Base management fees payable	(147,845)	(16,517)	(126,357)
Income-based incentive fees payable	393,928	(465,790)	(59,911)
Net cash (used in) provided by operating activities	20,707,078	21,213,354	20,208,607
Cash Flows from Financing Activities:			
Payment for deferred financing costs	—	(1,300,000)	(1,300,000)
Issuance of common shares	—	3,141,576	-
Distributions to stockholders	(8,610,939)	(8,505,056)	(9,866,416)
Repayments of Term loan	—	(102,000,000)	—
Proceeds from 2026 Notes, net	—	—	64,644,450
Repayments of 2023 Notes	—	—	(51,375,000)
Proceeds from borrowing on revolving financing facility	46,900,000	182,835,346	—
Repayments of borrowing on revolving financing facility	(59,000,000)	(98,835,346)	(30,000,000)
Net cash (used in) provided by financing activities	(20,710,939)	(24,663,480)	(27,896,966)
Net change in cash	(3,861)	(3,450,126)	(7,688,359)
Cash:			
Cash and restricted cash at beginning of year[1]	9,155,077	12,605,203	20,293,562
Cash and restricted cash at end of period[2]	$ 9,151,216	$ 9,155,077	$ 12,605,203
Supplemental and non-cash financing cash flow information:			
Cash paid for interest	$ 7,693,998	$ 6,008,590	$ 7,765,722
Cash paid for taxes	$ 294,330	$ 270,618	$ 268,992
Issuance of shares pursuant to Dividend Reinvestment Plan	$ 21,749	$ 56,093	$ 141,927
Non-cash purchase of investments	$ (16,865,488)	$ (2,903,400)	$ (10,401,686)
Non-cash sale of investments	$ 16,865,488	$ 2,903,400	$ 10,401,686

(1) Represents $2,550,021 and $5,845,249 of unrestricted cash as of June 30, 2023 and June 30, 2022, respectively, and $6,605,056 and $6,759,954 of restricted cash for the same periods.

(2) Represents $1,093,758 and $2,550,021 of unrestricted cash as of June 30, 2023 and June 30, 2022, respectively, and $8,057,458 and $6,605,056 of restricted cash for the same periods.

See notes to consolidated financial statements.

Consolidated Schedule of Investments
June 30, 2023

Investments*[(1)(2)]		Industry	Interest Rate	Initial Acquisition Date	Maturity Date	Principal Amount/ Shares[(3)]	Amortized Cost	Fair Value	% of Net Assets
Non-Controlled/Non-Affiliated Investments									
Senior Secured First Lien Debt Investments									
4L Technologies, Inc.		Electronic Equipment, Instruments & Components	3M S + 7.50% (1.00% Floor)	2/4/2020	6/30/2025	$ 1,132,352	$ 1,132,352	$ 1,132,352	1.29%
Advanced Solutions International	(10)	Software	3M S + 6.00% (1.00% Floor)	9/1/2020	9/16/2025	6,750,000	6,675,818	6,750,000	7.70%
AHF Parent Holding, Inc.	(10)	Building Products	3M S + 6.25% (0.75% Floor)	2/9/2022	2/1/2028	4,687,500	4,656,726	4,511,719	5.14%
ALCV Purchaser, Inc.	(10)	Specialty Retail	3M S + 6.75% (1.00% Floor)	3/1/2021	4/15/2026	5,200,000	5,152,059	5,148,000	5.87%
AMCP Clean Acquisition Company, LLC	(10)	Hotels, Restaurants, and Leisure	3M S + 4.25%	4/6/2023	7/10/2025	6,981,712	6,304,958	6,283,541	7.16%
Amerequip, LLC	(10)	Machinery	6M S + 7.40% (1.00% Floor)	9/1/2022	8/31/2027	4,994,516	4,950,906	4,994,516	5.69%
American Auto Auction Group, LLC	(10)	Automotive Retail	3M S + 5.00% (1.00% Floor)	4/12/2023	12/30/2027	4,239,241	3,888,170	3,878,905	4.42%
American Nuts Holdings, LLC - Term Loan A	(3)(9)(10)	Consumer Staples Distribution & Retail	3M S + 6.75% + 3.00% PIK (1.00% Floor)	4/4/2022	4/10/2026	3,788,372	3,760,262	3,030,698	3.46%
American Nuts Holdings, LLC - Term Loan B	(3)(9)(10)	Consumer Staples Distribution & Retail	3M S + 8.75% + 3.00% PIK (1.00% Floor)	4/4/2022	4/10/2026	3,788,372	3,759,975	3,030,698	3.46%
American Teleconferencing Services, Ltd. (d/b/a Premiere Global Services, Inc.) - Revolver	(6)(9)	Software	P + 5.50% (1.00% Floor)	5/6/2016	4/7/2023	1,736,618	1,718,794	217,077	0.25%
Arborworks Acquisition LLC	(6)(10)	Commercial Services & Supplies	3M L + 7.00% + 3.00% PIK (1.00% Floor)	11/24/2021	11/9/2026	8,033,532	7,976,037	6,025,149	6.87%
Arborworks Acquisition LLC - Revolver	(4)(6)	Commercial Services & Supplies	3M L + 7.00% (1.00% Floor)	11/24/2021	11/9/2026	1,308,407	1,308,407	981,305	1.12%
Archer Systems, LLC	(10)	Professional Services	3M S + 6.00% (1.00% Floor)	8/11/2022	8/11/2027	5,414,246	5,367,591	5,441,317	6.20%
Bioplan USA, Inc. - Take-Back Term Loan	(3)	Containers & Packaging	3M S + 3.25% + 5.00% PIK (4.00% Floor)	3/8/2023	3/8/2028	5,605,485	5,303,003	5,213,101	5.94%
Bioplan USA, Inc. - Priority Term Loan	(10)	Containers & Packaging	3M S + 10.00% (4.00% Floor)	2/28/2023	3/8/2027	3,367,275	3,435,421	3,602,984	4.11%
CareerBuilder, LLC	(10)	Professional Services	3M L + 6.75% (1.00% Floor)	7/27/2017	7/31/2026	6,017,119	6,008,781	2,572,318	2.93%
Cook & Boardman Group, LLC	(10)	Trading Companies & Distributors	3M S + 5.75% (1.00% Floor)	10/12/2018	10/17/2025	9,547,181	9,508,116	9,213,030	10.51%
Crafty Apes, LLC	(10)(13)	Entertainment	1M S + 7.06% (1.00% Floor)	12/23/2021	11/1/2024	8,000,000	7,959,319	7,640,000	8.71%
Easy Way Leisure Corporation	(10)	Household Durables	3M S + 7.00% (1.00% Floor)	8/2/2021	1/15/2026	7,805,376	7,735,660	7,610,242	8.68%
Empire Office Inc.	(10)	Trading Companies & Distributors	1M L + 6.75% (1.50% Floor)	3/28/2019	4/12/2024	11,976,967	11,923,473	11,947,025	13.62%
Evergreen North America Acquisitions, LLC	(10)	Machinery	3M S + 6.75% (1.00% Floor)	7/26/2022	8/13/2026	4,467,360	4,394,797	4,400,349	5.02%
Evergreen North America Acquisitions, LLC - Revolver	(4)	Machinery	3M S + 6.75% (1.00% Floor)	7/26/2022	8/13/2026	211,107	211,107	207,941	0.24%
Flatworld Intermediate Corporation	(10)	IT Services	3M S + 6.50% (1.00% Floor)	10/3/2022	10/1/2027	2,420,270	2,376,950	2,359,764	2.69%

See notes to consolidated financial statements.

Consolidated Schedule of Investments – (continued)
June 30, 2023

Investments*[(1)(2)]		Industry	Interest Rate	Initial Acquisition Date	Maturity Date	Principal Amount/ Shares[(3)]	Amortized Cost	Fair Value	% of Net Assets
Senior Secured First Lien Debt Investments, continued									
Fusion Connect, Inc. - 2022 Term Loan	(3)(10)	IT Services	3M S + 7.50% + 1.00% PIK (1.00% Floor)	1/12/2022	1/18/2027	$ 6,838,831	$ 6,684,667	$ 6,684,957	7.62%
INW Manufacturing, LLC	(10)	Food Products	3M S + 5.75% (0.75% Floor)	5/5/2021	3/25/2027	4,562,500	4,467,824	4,288,750	4.89%
Klein Hersh, LLC	(3)(10)(11)	Professional Services	3M S + 4.63% + 6.77% PIK (0.50% Floor)	4/21/2022	4/27/2027	10,390,813	10,275,044	8,078,857	9.21%
LaserAway Intermediate Holdings II, LLC	(10)	Diversified Consumer Services	3M S + 5.75% (0.75% Floor)	10/12/2021	10/14/2027	7,268,500	7,187,704	7,268,500	8.29%
NWN Parent Holdings LLC	(10)	IT Services	3M S + 8.00% (1.00% Floor)	5/5/2021	5/7/2026	8,402,893	8,350,223	8,423,901	9.61%
NWN Parent Holdings LLC - Revolver	(4)	IT Services	3M S + 8.00% (1.00% Floor)	5/5/2021	5/7/2026	400,000	400,000	401,000	0.46%
Potpourri Group, Inc.	(10)	Internet & Direct Marketing Retail	1M S + 8.25% (1.50% Floor)	6/27/2019	7/3/2024	8,969,729	8,942,153	8,969,729	10.23%
PVI Holdings, Inc.	(10)(12)	Trading Companies & Distributors	3M S + 5.94% (1.00% Floor)	7/29/2022	7/16/2027	3,970,000	3,935,901	3,970,000	4.53%
Retail Services WIS Corporation	(10)	Commercial Services & Supplies	3M S + 7.75% (1.00% Floor)	5/20/2021	5/20/2025	6,508,087	6,440,129	6,443,006	7.35%
Sandvine Corporation	(5)(7)(10)	Software	3M S + 4.50%	2/3/2023	10/31/2025	5,284,642	5,074,088	5,046,833	5.75%
South Coast Terminals, LLC	(10)	Chemicals	1M L + 5.75% (1.00% Floor)	12/21/2021	12/10/2026	7,606,650	7,550,110	7,568,617	8.63%
Work Genius Holdings, Inc	(10)	Professional Services	3M S + 7.50% (1.00% Floor)	6/6/2022	6/7/2027	9,901,923	9,819,740	9,629,620	10.98%
Work Genius Holdings, Inc - Revolver	(4)	Professional Services	3M S + 7.50% (1.00% Floor)	12/28/2022	6/7/2027	750,000	750,000	729,375	0.83%
Xenon Arc, Inc.	(10)	Trading Companies & Distributors	6M L + 5.25% (0.75% Floor)	12/27/2021	12/17/2027	8,895,000	8,818,485	8,895,000	10.14%
Xenon Arc, Inc. - Revolver	(4)	Trading Companies & Distributors	6M L + 5.25% (0.75% Floor)	12/27/2021	12/17/2026	253,333	253,333	253,333	0.29%
Total Senior Secured First Lien Debt Investments							204,458,083	192,843,509	219.89%

See notes to consolidated financial statements.

Consolidated Schedule of Investments – (continued)
June 30, 2023

Investments*[(1)(2)]		Industry	Interest Rate	Initial Acquisition Date	Maturity Date	Principal Amount/ Shares[(3)]	Amortized Cost	Fair Value	% of Net Assets
Equity, Warrants and Other Investments									
4L Technologies, Inc. Common Stock	(8)	Electronic Equipment, Instruments & Components				149,918	$ 2,171,581	$ 95,947	0.11%
4L Technologies, Inc. Preferred Stock	(8)	Electronic Equipment, Instruments & Components				2,289	209,004	2,037,299	2.33%
Advanced Solutions International Preferred Equity		Software				888,170	1,000,000	1,758,577	2.01%
Arborworks Acquisition LLC (Equity Interest)	(8)	Commercial Services & Supplies				62	62,112	—	—%
Bioplan USA, Inc. - Common Stock	(8)	Containers & Packaging				292,150	1,708,941	4,142,687	4.72%
CF Arch Holdings LLC (Equity Interest)	(8)	Professional Services				200,000	200,000	318,000	0.36%
Flatworld Intermediate Corporation - Equity Interest	(8)	IT Services				4,405	100,000	38,722	0.04%
Fusion Connect, Inc. - Backstop Warrants	(8)	IT Services				89,046	—	133,720	0.15%
Fusion Connect, Inc. - Common Stock	(8)	IT Services				230,209	1,184,606	575,914	0.66%
Fusion Connect, Inc - Equity Investor Warrants	(8)	IT Services				13,457	—	—	—%
Fusion Connect, Inc. - Investor Warrants	(8)	IT Services				89,046	—	133,720	0.15%
Fusion Connect, Inc. - Series A Preferred	(3)	IT Services	12.50% PIK			59,749	5,974,924	4,824,752	5.50%
Investcorp Transformer Aggregator LP	(8)	Commercial Services & Supplies				500,000	500,000	880,000	1.01%
Pegasus Aggregator Holdings LP	(8)	Trading Companies & Distributors				9	750,000	898,491	1.02%
Victors CCC Aggregator LP	(8)	Professional Services				500,000	500,000	635,000	0.72%
Work Genius Holdings, Inc (Equity Interest)	(8)	Professional Services				500	500,000	833,680	0.95%
Total Equity, Warrants and Other Investments							14,861,168	17,306,509	19.73%
Total Non-Controlled/Non-Affiliated Investments							**$ 219,319,251**	**$ 210,150,018**	**239.62%**
Affiliated Investments [(14)]									
Senior Secured First Lien Debt Investments									
1888 Industrial Services, LLC - Term A	(3)(9)	Energy Equipment & Services	3M L + 5.00% PIK (1.00% Floor)	9/30/2016	8/31/2024	$ 5,911,230	5,911,230	1,477,807	1.69%
1888 Industrial Services, LLC - Term C	(9)	Energy Equipment & Services	3M L + 5.00% (1.00% Floor)	6/25/2019	8/31/2024	$ 630,870	630,870	630,870	0.72%
1888 Industrial Services, LLC - Revolver	(4)(9)	Energy Equipment & Services	3M L + 5.00% (1.00% Floor)	10/11/2016	8/31/2024	$ 2,365,434	2,365,434	591,359	0.67%
Techniplas Foreign Holdco LP	(3)	Automobile Components	10.00% PIK	6/19/2020	6/18/2027	$ 735,240	735,240	827,410	0.94%
Total Senior Secured First Lien Debt Investments							9,642,774	3,527,446	4.02%
Equity, Warrants and Other Investments									
1888 Industrial Services, LLC (Equity Interest)	(8)	Energy Equipment & Services				11,881	—	—	—%
Techniplas Foreign Holdco LP Common Stock		Automobile Components				879,559	14,336,791	6,433,865	7.34%
Total Equity, Warrants and Other Investments							14,336,791	6,433,865	7.34%
Total Affiliated Investments							**$ 23,979,565**	**$ 9,961,311**	**11.36%**
Total Investments							**$ 243,298,816**	**$ 220,111,329**	**250.98%**
Liabilities in excess of other assets								**(132,411,021)**	**(150.98)%**
Net Assets								**$ 87,700,308**	**100.00%**

See notes to consolidated financial statements.

---

* All investments of the Company are in entities which are organized under the laws of the United States and have a principal place of business in the United States, unless otherwise noted.

(1) The Company's investments are generally acquired in private transactions exempt from registration under the Securities Act of 1933, as amended (the "Securities Act"). Unless otherwise indicated, all of the Company's portfolio company investments are subject to restrictions on sales. As of June 30, 2023, the Company's portfolio company investments that were subject to restrictions on sales totaled $220,111,329 at fair value and represented 250.98% of the Company's net assets.

(2) All investments were valued at fair value using Level 3 significant unobservable inputs as determined in good faith by the Company's board of directors.

(3) Principal amount includes capitalized PIK interest unless otherwise noted.

(4) Refer to Note 6 for more detail on the unfunded commitments.

(5) The investment is not a qualifying asset under Section 55(a) of the Investment Company Act of 1940, as amended (the "1940 Act"). The Company may not acquire any non-qualifying asset unless, at the time of acquisition, qualifying assets represent at least 70% of the Company's total assets. As of June 30, 2023, non-qualifying assets represented 2.12% of the Company's total assets, at fair value.

(6) Security in default.

(7) A portfolio company domiciled in Canada. The jurisdiction of the security issuer may be a different country than the domicile of the portfolio company.

(8) Securities are non-income producing.

(9) Classified as non-accrual asset.

(10) A portion or all is held by the Company indirectly through Investcorp Credit Management BDC SPV, LLC and pledged as collateral for the revolving credit facility held through Capital One, N.A.

(11) The Company has entered into an intercreditor agreement that entitles the Company to the "last out" tranche of the first lien secured loans, whereby the "first out" tranche will receive priority as to the "last out" tranche with respect to payments of principal, interest, and any other amounts due thereunder. Therefore, the Company receives a higher interest rate than the contractual stated interest rate of SOFR plus 4.63% (Floor 0.50%) per the credit agreement and the Consolidated Schedule of Investments above reflects such higher rate.

(12) The Company has entered into an intercreditor agreement that entitles the Company to the "last out" tranche of the first lien secured loans, whereby the "first out" tranche will receive priority as to the "last out" tranche with respect to payments of principal, interest, and any other amounts due thereunder. Therefore, the Company receives a higher interest rate than the contractual stated interest rate of SOFR plus 5.75% (Floor 1.00%) per the credit agreement and the Consolidated Schedule of Investments above reflects such higher rate.

(13) The Company has entered into an intercreditor agreement that entitles the Company to the "last out" tranche of the first lien secured loans, whereby the "first out" tranche will receive priority as to the "last out" tranche with respect to payments of principal, interest, and any other amounts due thereunder. Therefore, the Company receives a higher interest rate than the contractual stated interest rate of SOFR plus 6.25% (Floor 1.00%) per the credit agreement and the Consolidated Schedule of Investments above reflects such higher rate.

See notes to consolidated financial statements.

(14) As defined in the 1940 Act, the Company is deemed to be an "Affiliated Person" of this portfolio company because it owns 5% or more, up to 25% (inclusive), of the portfolio company's outstanding voting securities ("non-controlled affiliate"). As defined in the 1940 Act, the Company is deemed to be both an "affiliated person" and "control" a portfolio company if it owns more than 25% of the portfolio company's outstanding voting securities or has the power to exercise control over the management or policies of such portfolio company (including through a management agreement). As of June 30, 2023, the Company had no "Control Investments."

Transactions related to investments in non-controlled "Affiliate Investments" for the year ended June 30, 2023 were as follows:

Portfolio Company	Type of Investment[(a)]	June 30, 2022 Value	Gross Additions [(b)]	Gross Reductions [(c)]	Net Realized Gains (Losses)	Net Unrealized Gains (Losses)	June 30, 2023 Value	Amount of Interest or Dividends Credited to Income[(d)]
1888 Industrial Services, LLC	Senior Secured First Lien Term Loan A (3M LIBOR + 5.00% PIK)	$ 1,477,807	$ —	$ —	$ —	$ —	$ 1,477,807	$ —
	Senior Secured First Lien Term Loan C (3M LIBOR + 5.00%)	678,820	—	(47,950)	—	—	630,870	(20,611)
	Revolver (3M LIBOR + 5.00%)	556,152	140,826	—	—	(105,619)	591,359	—
	Common Equity Interest[(e)]	—	—	—	—	—	—	—
Techniplas Foreign Holdco LP	Senior Secured First Lien Term Loan (10.00% PIK)	931,265	70,051	—	—	(173,906)	827,410	70,070
	Common Stock[(e)]	7,002,759	421,396	—	—	(990,290)	6,433,865	—
		$ 10,646,803	$ 632,273	$ (47,950)	$ —	$ (1,269,815)	$ 9,961,311	$ 49,459

(a) The fair value of all investments were determined using significant unobservable inputs.

(b) Gross additions include increases in the cost basis of investments resulting from new investments and follow-on investments.

(c) Gross reductions include decreases in the total cost basis of investments resulting from principal repayments or sales.

(d) Represents the total amount of interest, fees or dividends credited to income for the portion of the period an investment was included in the Affiliate category.

(e) Investment is non-income producing.

1M L — 1-month LIBOR (5.22% as of June 30, 2023)

3M L — 3-month LIBOR (5.55% as of June 30, 2023)

6M L — 6-month LIBOR (5.76% as of June 30, 2023)

PRIME — 8.25% as of June 30, 2023

PIK — Payment-In-Kind

1M S — 1-month SOFR (5.14% as of June 30, 2023)

3M S — 3-month SOFR (5.27% as of June 30, 2023)

6M S — 3-month SOFR (5.39% as of June 30, 2023)

See notes to consolidated financial statements.

Investcorp Credit Management BDC, Inc. and Subsidiaries

Consolidated Schedule of Investments
June 30, 2022

Investments*[1][2]		Industry	Interest Rate	Initial Acquisition Date	Maturity Date	Principal Amount/ Shares[3]	Amortized Cost	Fair Value	% of Net Assets
Non-Controlled/Non-Affiliated Investments									
Senior Secured First Lien Debt Investments									
4L Technologies Inc		Electronic Equipment, Instruments & Components	3M L + 7.50% (1.00% Floor)	2/4/2020	2/2/2024	$1,179,426	$1,179,426	$1,161,735	1.24%
Advanced Solutions International	(10)	Software	3M L + 7.50% (1.00% Floor)	9/1/2020	9/16/2025	7,125,000	7,017,289	7,053,750	7.54%
Agrofresh Inc.	(10)	Chemicals	1M L + 6.25% (1.00% Floor)	8/31/2021	12/31/2024	5,194,422	5,210,912	5,155,464	5.51%
AHF Parent Holding, Inc.	(10)	Building Products	3M S + 6.25% (0.75% Floor)	2/9/2022	2/1/2028	4,968,750	4,931,102	4,720,312	5.05%
ALCV Purchaser, Inc.	(10)	Specialty Retail	1M L + 6.75% (1.00% Floor)	3/1/2021	4/15/2026	6,000,000	5,928,416	5,940,000	6.35%
Altern Marketing, LLC	(10)	Internet & Direct Marketing Retail	3M L + 6.00% (2.00% Floor)	10/7/2019	10/7/2024	10,380,373	10,294,072	10,224,667	10.94%
American Nuts Holdings, LLC	(10)	Food & Staples Retailing	3M S + 6.75% (1.00% Floor)	4/4/2022	4/10/2026	4,000,000	3,961,981	3,960,000	4.23%
American Nuts Holdings, LLC	(10)	Food & Staples Retailing	3M S + 8.25% (1.00% Floor)	4/4/2022	4/10/2026	4,000,000	3,961,901	3,960,000	4.23%
American Teleconferencing Services, Ltd. (d/b/a Premiere Global Services, Inc.) – Revolver	(4)(6)(9)	Software	P + 5.50% (1.00% Floor)	5/6/2016	6/8/2023	1,530,515	1,512,691	459,155	0.49%
American Teleconferencing Services, Ltd. (d/b/a Premiere Global Services, Inc.)	(6)(9)	Software	P + 5.50% (1.00% Floor)	5/6/2016	6/8/2023	8,372,778	8,140,989	—	0.00%
Arborworks Acquisition LLC	(10)	Commercial Services & Supplies	3M L + 7.00% (1.00% Floor)	11/24/2021	11/9/2026	7,953,416	7,881,743	7,595,512	8.12%
Arborworks Acquisition LLC	(10)	Commercial Services & Supplies	3M L + 7.00% (1.00% Floor)	11/24/2021	11/9/2026	745,342	745,342	711,801	0.76%
Barri Financial Group, LLC		Consumer Finance	1M L + 7.75% (1.00% Floor)	10/21/2019	6/30/2026	11,608,000	11,392,042	11,375,840	12.17%
Bioplan USA, Inc.	(3)	Containers & Packaging	3M L + 7.25% 0.50% PIK (1.00% Floor)	8/9/2018	12/22/2023	8,476,675	7,370,621	7,247,557	7.75%
CareerBuilder, LLC	(10)	Professional Services	3M L + 6.75% (1.00% Floor)	7/27/2017	7/31/2023	8,041,808	7,963,073	6,272,610	6.71%
Cook & Boardman Group LLC	(10)	Trading Companies & Distributors	3M S + 5.75% (1.00% Floor)	10/12/2018	10/17/2025	9,647,995	9,594,060	9,165,596	9.80%
Crafty Apes, LLC	(10)	Entertainment	1M S + 8.25% (1.00% Floor)	12/23/2021	11/1/2024	8,000,000	7,932,448	7,920,000	8.47%
DSG Entertainment Services, Inc.	(5)(6)(7)(9)	Entertainment	P + 6.50% (2.00% Floor)	6/29/2018	6/30/2021	797,857	799,037	34,388	0.04%
Easy Way Leisure Corporation	(10)	Household Durables	3M S + 7.00% (1.00% Floor)	8/2/2021	1/15/2026	7,955,054	7,861,014	7,955,053	8.51%
Empire Office Inc.	(10)	Distributors	1M L + 6.50% (1.50% Floor)	3/28/2019	4/12/2024	12,487,734	12,337,737	12,300,418	13.16%
Fusion Connect Inc. – 2022 Term Loan		IT Services	6M L + 7.50% (1.00% Floor)	1/12/2022	1/18/2027	6,965,000	6,771,109	6,764,756	7.23%
Horus Infrastructure IA LLC	(10)	Energy Equipment & Services	3M L + 4.50% (0.25% Floor)	11/8/2019	10/25/2022	4,375,000	4,350,685	4,309,375	4.61%
INW Manufacturing, LLC	(10)	Food Products	3M L + 5.75% (0.75% Floor)	5/5/2021	3/25/2027	4,812,500	4,691,507	4,547,812	4.86%
Klein Hersh LLC	(10)(11)	Professional Services	3M S + 8.62% (0.50% Floor)	4/21/2022	4/27/2027	9,960,999	9,816,901	9,811,584	10.50%
LaserAway Intermediate Holdings II, LLC	(10)	Diversified Consumer Services	3M L + 5.75% (0.75% Floor)	10/12/2021	10/14/2027	6,965,000	6,872,917	6,721,225	7.18%
LH Intermediate Corporation	(10)	Household Durables	3M L + 7.50% (1.00% Floor)	6/2/2021	6/2/2026	9,375,000	9,252,345	9,375,000	10.03%
Liberty Oilfield Services LLC	(5)(10)	Energy Equipment & Services	1M L + 7.63% (1.00% Floor)	9/19/2017	9/19/2024	6,033,750	5,982,165	6,033,750	6.45%
NWN Parent Holdings LLC	(10)	IT Services	3M L + 6.50% (1.00% Floor)	5/5/2021	5/7/2026	8,688,479	8,618,616	8,406,104	8.99%

See notes to consolidated financial statements.

Investcorp Credit Management BDC, Inc. and Subsidiaries

Consolidated Schedule of Investments – (continued)
June 30, 2022

Investments*(1)(2)		Industry	Interest Rate	Initial Acquisition Date	Maturity Date	Principal Amount/ Shares(3)	Amortized Cost	Fair Value	% of Net Assets
Senior Secured First Lien Debt Investments, continued									
Potpourri Group, Inc.	(10)	Internet & Direct Marketing Retail	6M L + 8.25% (1.50% Floor)	6/27/2019	7/3/2024	$10,845,627	$10,789,901	$10,845,627	11.60%
Retail Services WIS Corporation	(10)	Commercial Services & Supplies	3M L + 7.75% (1.00% Floor)	5/20/2021	5/20/2025	6,859,319	6,755,776	6,619,243	7.08%
South Coast Terminals, LLC	(10)	Chemicals	1M L +6.00% (1.00% Floor)	12/21/2021	12/10/2026	8,987,097	8,904,626	8,874,758	9.49%
Work Genius Holdings, Inc.	(10)	Professional Services	3M S + 7.00% (1.00% Floor)	6/6/2022	6/6/2027	10,000,000	9,901,039	9,900,000	10.59%
Xenon Arc, Inc.	(10)	Trading Companies & Distributors	6M L + 6.00% (0.75% Floor)	12/27/2021	12/17/2027	5,970,000	5,914,417	5,790,900	6.19%
Total Senior Secured First Lien Debt Investments							224,637,900	211,213,992	225.88%
Senior Secured Second Lien Debt Investments									
American Teleconferencing Services, Ltd. (d/b/a Premiere Global Services, Inc.)	(3)(6)(9)	Software	6M L + 9.50% PIK (1.00% Floor)	11/30/2016	6/6/2024	17,510,848	17,374,608	—	0.00%
Total Senior Secured Second Lien Debt Investments							17,374,608	—	0.00%
Equity, Warrants and Other Investments									
4L Technologies Inc Common Stock	(8)	Electronic Equipment, Instruments & Components				149,918	2,171,581	74,959	0.08%
4L Technologies Inc Preferred Stock	(8)	Electronic Equipment, Instruments & Components				2,289	209,004	1,716,825	1.84%
Advanced Solutions International Preferred Equity	(8)	Software				888,170	1,000,000	1,287,846	1.38%
Arborworks Acquisition LLC (Equity Interest)	(8)	Commercial Services & Supplies				62	62,112	55,899	0.06%
Fusion Connect Inc. – Backstop Warrants	(8)	IT Services				8,904,634	—	192,340	0.21%
Fusion Connect Inc. – Common Stock	(8)	IT Services				2,244	101	71	0.00%
Fusion Connect Inc. – Equity Investor Warrants	(8)	IT Services				1,345,747	—	—	0.00%
Fusion Connect Inc. – Investor Warrants	(8)	IT Services				8,904,634	—	192,340	0.21%
Fusion Connect Inc. – Series A Preferred	(8)	IT Services				52,830	5,282,952	5,282,952	5.65%
Fusion Connect Inc. – Series B Preferred	(8)	IT Services				24,365,787	1,184,505	769,959	0.82%
Investcorp Transformer Aggregator LP	(8)	Commercial Services & Supplies				500,000	500,000	500,000	0.53%
Pegasus Aggregator Holdings LP	(8)	Trading Companies & Distributors				9	750,000	750,000	0.80%
Victors CCC Aggregator LP	(8)	Professional Services				500,000	500,000	500,000	0.53%
Work Genius Holdings, Inc.(8)	(8)	Professional Services				500	500,000	500,000	0.53%
Total Equity, Warrants and Other Investments							12,160,255	11,823,191	12.64%
Total Non-Controlled/Non-Affiliates Investments							$254,172,763	$223,037,183	238.52%

See notes to consolidated financial statements.

Investcorp Credit Management BDC, Inc. and Subsidiaries

Consolidated Schedule of Investments – (continued)
June 30, 2022

Investments*(1)(2)		Industry	Interest Rate	Initial Acquisition Date	Maturity Date	Principal Amount/ Shares(3)	Amortized Cost	Fair Value	% of Net Assets
Affiliated Investments(12)									
Senior Secured First Lien Debt Investments									
1888 Industrial Services, LLC – Term A	(3)(9)	Energy Equipment & Services	3M L +5.00% PIK (1.00% Floor)	9/30/2016	5/1/2023	$5,911,230	$5,911,230	$1,477,807	1.59%
1888 Industrial Services, LLC – Term C		Energy Equipment & Services	3M L +5.00% (1.00% Floor)	6/25/2019	5/1/2023	678,820	678,820	678,820	0.72%
1888 Industrial Services, LLC – Revolver	(4)(9)	Energy Equipment & Services	3M L +5.00% (1.00% Floor)	6/25/2019	5/1/2023	2,224,607	2,224,607	556,152	0.59%
Techniplas Foreign Holdco LP	(3)	Auto Components	6M L + 6.00% 10.00% PIK	6/19/2020	6/18/2027	665,189	665,189	931,265	1.00%
Total Senior Secured First Lien Debt Investments							9,479,846	3,644,044	3.91%
Equity, Warrants and Other Investments									
1888 Industrial Services, LLC (Equity Interest)	(8)	Energy Equipment & Services				11,881	—	—	0.00%
Techniplas Foreign Holdco LP Common Stock	(8)	Auto Components				769,534	13,915,396	7,002,759	7.48%
Total Equity, Warrants and Other Investments							13,915,396	7,002,759	7.48%
Total Affiliated Investments							$23,395,242	$10,646,803	11.39%
Total Investments							$277,568,005	$233,683,986	249.91%
Liabilities in excess of other assets								(140,174,594)	(149.91)%
Net Assets								$93,509,392	100.00%

* All investments of the Company are in entities which are organized under the laws of the United States and have a principal place of business in the United States, unless otherwise noted.

(1) The Company's investments are generally acquired in private transactions exempt from registration under the Securities Act of 1933, as amended (the "Securities Act"). Unless otherwise indicated, all of the Company's portfolio company investments are subject to restrictions on sales. As of June 30, 2022, the Company's portfolio company investments that were subject to restrictions on sales totaled $233,683,986 at fair value and represented 248.77% of the Company's net assets.

(2) All investments were valued at fair value using Level 3 significant unobservable inputs as determined in good faith by the Company's board of directors.

(3) Principal amount includes capitalized PIK interest unless otherwise noted.

(4) Refer to Note 6 for more detail on the unfunded commitments.

(5) The investment is not a qualifying asset under Section 55(a) of the Investment Company Act of 1940, as amended (the "1940 Act"). The Company may not acquire any non-qualifying asset unless, at the time of acquisition, qualifying assets represent at least 70% of the Company's total assets. As of June 30, 2022, non-qualifying assets represented 2.33% of the Company's total assets, at fair value.

(6) Security in default.

(7) A portfolio company domiciled in Canada. The jurisdiction of the security issuer may be a different country than the domicile of the portfolio company.

(8) Securities are non-income producing.

(9) Classified as non-accrual asset.

(10) A portion or all is held by the Company indirectly through Investcorp Credit Management BDC SPV, LLC and pledged as collateral for the revolving credit facility held through Capital One, N.A.

(11) The Company has entered into an intercreditor agreement that entitles the Company to the "last out" tranche of the first lien secured loans, whereby the "first out" tranche will receive priority as to the "last out" tranche with respect to payments of principal, interest, and any other amounts due thereunder. Therefore, the Company receives a higher interest rate than the contractual stated interest rate of SOFR plus 7.50% (Floor 0.50%) per the credit agreement and the Consolidated Schedule of Investments above reflects such higher rate.

See notes to consolidated financial statements.

(12) As defined in the 1940 Act, the Company is deemed to be an "Affiliated Person" of this portfolio company because it owns 5% or more, up to 25% (inclusive), of the portfolio company's outstanding voting securities ("non-controlled affiliate"). As defined in the 1940 Act, the Company is deemed to be both an "affiliated person" and "control" a portfolio company if it owns more than 25% of the portfolio company's outstanding voting securities or has the power to exercise control over the management or policies of such portfolio company (including through a management agreement). As of June 30, 2022, the Company had no "Control Investments."

Transactions related to investments in non-controlled "Affiliate Investments" for the year ended June 30, 2022 were as follows:

Portfolio Company	Type of Investment[(a)]	June 30, 2021 Value	Gross Additions[(b)]	Gross Reductions[(c)]	Net Realized Gains (Losses)	Net Unrealized Gains (Losses)	June 30, 2022 Value	Amount of Interest or Dividends Credited to Income[(d)]
1888 Industrial Services, LLC	Senior Secured First Lien Term Loan A (3M LIBOR +5.00% PIK)	$ 1,433,509	$ 177,192	$ —	$ —	$ (132,894)	$ 1,477,807	$ 176,237
	Senior Secured First Lien Term Loan B (3M LIBOR +8.00% PIK)	—	—	—	(8,196,669)	8,196,669	—	—
	Senior Secured First Lien Term Loan C (3M LIBOR +5.00%)	678,820	—	—	—	—	678,820	30,907
	Revolver (3M LIBOR +5.00%)	489,591	297,029	(30,787)	—	(199,681)	556,152	(335)
	Common Equity Interest[(e)]	—	—	(170,691)	—	170,691	—	—
Techniplas Foreign Holdco LP	Senior Secured First Lien Term Loan C (10.00% PIK)	1,267,418	63,376	—	—	(399,529)	931,265	32,233
	Common Stock[(e)]	7,426,733	1,683,855	—	—	(2,107,829)	7,002,759	—
		$ 11,296,071	$ 2,221,452	$ (201,478)	$ (8,196,669)	$ 5,527,427	$ 10,646,803	$ 239,042

(a) The fair value of all investments were determined using significant unobservable inputs.

(b) Gross additions include increases in the cost basis of investments resulting from new investments and follow-on investments.

(c) Gross reductions include decreases in the total cost basis of investments resulting from principal repayments or sales.

(d) Represents the total amount of interest, fees or dividends credited to income for the portion of the period an investment was included in the Affiliate category.

(e) Investment is non-income producing.

1M L — 1-month LIBOR (1.79% as of June 30, 2022)
3M L — 3-month LIBOR (2.29% as of June 30, 2022)
6M L — 6-month LIBOR (2.94% as of June 30, 2022)
PRIME — 4.75% as of June 30, 2022
PIK — Payment-In-Kind
1M S — 1-month SOFR (1.69% as of June 30, 2022)
3M S — 3-month SOFR (2.12% as of June 30, 2022)

See notes to consolidated financial statements.

Note 1. Organization

Investcorp Credit Management BDC, Inc. ("ICMB" or the "Company"), a Maryland corporation formed in May 2013, is a closed-end, externally managed, non-diversified management investment company that has elected to be regulated as a business development company ("BDC") under the Investment Company Act of 1940, as amended (the "1940 Act"), and has elected to be treated as a regulated investment company ("RIC") under Subchapter M of the Internal Revenue Code (the "Code") for U.S. federal income tax purposes. The Company is an investment company and accordingly follows the investment company accounting and reporting guidance of the Financial Accounting Standards Board ("FASB") Accounting Standard Codification Topic 946 Financial Services — Investment Companies.

On February 11, 2014, the Company completed its initial public offering (the "Offering"), selling 7,666,666 shares of its common stock, par value $0.001, including the underwriters' over-allotment, at a price of $15.00 per share with net proceeds of approximately $111.5 million.

CM Finance LLC, a Maryland limited liability company, commenced operations in March 2012. Immediately prior to the Offering, CM Finance LLC was merged with and into the Company (the "Merger"). In connection with the Merger, the Company issued 6,000,000 shares of common stock and $39.8 million in debt to the pre-existing CM Finance LLC investors, consisting of funds managed by Cyrus Capital Partners, L.P. (the "Original Investors" or the "Cyrus Funds"). The Company had no assets or operations prior to completion of the Merger and, as a result, the books and records of CM Finance LLC became the books and records of the Company, as the surviving entity. Immediately after the Merger, the Company issued 2,181,818 shares of its common stock to Stifel Venture Corp. in exchange for $32.7 million in cash. The Company used all of the proceeds of the sale of shares to Stifel ("Stifel"), to repurchase 2,181,818 shares of common stock from the Original Investors. Immediately after the completion of the Offering, the Company had 13,666,666 shares outstanding. The Company used a portion of the net proceeds of the Offering to repay 100% of the debt issued to the Original Investors in connection with the Merger.

CM Investment Partners LLC (the "Adviser") serves as the Company's investment adviser. On August 30, 2019, Investcorp Credit Management US LLC ("Investcorp"), a subsidiary of Investcorp Bank Holdings B.S.C., acquired the interests in the Adviser, which were previously held by the Cyrus Funds and Stifel and paid off certain debt owed by the Adviser, resulting in Investcorp having a majority ownership interest in the Adviser (the "Investcorp Transaction"). On August 30, 2019, CM Finance, Inc. changed its name to Investcorp Credit Management BDC, Inc.

In connection with the Investcorp Transaction, on June 26, 2019, the Company entered into a definitive stock purchase and transaction agreement with Investcorp BDC Holdings Limited ("Investcorp BDC"), an affiliate of Investcorp (the "Stock Purchase Agreement"). Under the Stock Purchase Agreement, Investcorp BDC was required by August 30, 2021 to purchase (i) 680,985 newly issued shares of the Company's common stock, par value $0.001 per share, at the most recently determined net asset value per share of the Company's common stock at the time of such purchase, as adjusted as necessary to comply with Section 23 of the 1940 Act, and (ii) 680,985 shares of the Company's common stock in open-market or secondary transactions. Investcorp BDC has completed all required purchases under the Stock Purchase Agreement.

In connection with the Investcorp Transaction, on June 26, 2019, the Company's board of directors, including all of the directors who are not "interested persons" of the Company, as defined in Section 2(a)(19) of the 1940 Act (each, an "Independent Director"), unanimously approved a new investment advisory agreement (the "Advisory Agreement") which was subsequently approved by the Company's stockholders at a special meeting of stockholders held on August 28, 2019. In connection with the closing of the Investcorp Transaction, on August 30, 2019, the Company entered into the Advisory Agreement and a new administration agreement (the "Administration Agreement") with the Adviser as its investment adviser and administrator, respectively. The Advisory Agreement and the Administration Agreement are substantially similar to the Company's prior investment advisory agreement between the Company and the Adviser and the Company's prior administration agreement, respectively.

The Company's primary investment objective is to maximize total return to stockholders in the form of current income and capital appreciation by investing directly in debt and related equity of privately held middle-market companies to help these companies fund acquisitions, growth or refinancing. The Company invests primarily in middle-market companies in the form of standalone first and second lien, unitranche loans and mezzanine loans. The Company may also invest in unsecured debt, bonds and in the equity of portfolio companies through warrants and other instruments.

As a BDC, the Company is required to comply with certain regulatory requirements. For instance, as a BDC, the Company must not acquire any assets other than "qualifying assets" specified in the 1940 Act unless, at the time the acquisition is made, at least 70%

of total assets are qualifying assets. Qualifying assets include investments in "eligible portfolio companies." Under the relevant Securities and Exchange Commission ("SEC") rules, the term "eligible portfolio company" includes all private operating companies, operating companies whose securities are not listed on a national securities exchange, and certain public operating companies that have listed their securities on a national securities exchange and have a market capitalization of less than $250 million, in each case organized and with their principal of business in the United States.

From time-to-time, the Company may form taxable subsidiaries that are taxed as corporations for U.S. federal income tax purposes (the "Taxable Subsidiaries"). At June 30, 2023, 2022 and 2021, the Company had no taxable subsidiaries.

Note 2. Significant Accounting Policies

The following is a summary of significant accounting policies followed by the Company.

a. Basis of Presentation

The accompanying consolidated financial statements are prepared in conformity with U.S. generally accepted accounting principles ("U.S. GAAP") and all values are stated in U.S. dollars, unless noted otherwise. The financial statements reflect all adjustments that are, in the opinion of management, necessary for a fair presentation of the results for the periods included herein as required by U.S. GAAP. These adjustments are normal and recurring in nature.

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the fair value of investments and other amounts reported in the consolidated financial statements and accompanying notes. Management believes that the estimates utilized in preparing the Company's consolidated financial statements are reasonable and prudent. Actual results could differ materially from these estimates. All material inter-company balances and transactions have been eliminated.

As permitted under Regulation S-X and ASC Topic 946, the Company will generally not consolidate its investment in a portfolio company other than an investment company subsidiary or a controlled operating company whose business consists of providing services to the Company. Accordingly, the Company consolidated the results of the Company's wholly-owned subsidiaries, CM Finance SPV Ltd. ("SPV"), CM Finance SPV LLC ("LLC") and Investcorp Credit Management BDC SPV LLC ("SPV LLC"), which are special purpose vehicles used to finance certain investments in its consolidated financial statements. The effects of all material intercompany balances and transactions have been eliminated in consolidation.

The Company reclassified prior period affiliate and other information in the accompanying consolidated balance sheet and income statements to conform to its current period presentation. These reclassifications had no effect on the Company's consolidated financial position or the consolidated results of operations as previously reported.

b. Revenue Recognition, Security Transactions, and Realized/Unrealized Gains or Losses

Interest income, adjusted for amortization of premium and accretion of discount, is recorded on an accrual basis. Origination, closing, commitment, and amendment fees, and purchase and original issue discounts associated with loans to portfolio companies are accreted into interest income over the respective terms of the applicable loans. Accretion of discounts or premiums is calculated by the effective interest or straight-line method, as applicable, as of the purchase date and adjusted only for material amendments or prepayments. Upon the prepayment of a loan or debt security, any prepayment penalties are included in other fee income and unamortized fees and discounts are recorded as interest income and are non-recurring in nature. During the years ended June 30, 2023, June 30, 2022 and June 30, 2021, $491,359, $1,256,008 and $1,200,550 of prepayment penalties and unamortized discounts upon prepayment were recorded as interest income, respectively.

Structuring fees and similar fees are recognized as income as earned, usually when received. Structuring fees, excess deal deposits, net profits interests and overriding royalty interests are included in other fee income.

Management reviews all loans that become 90 days or more past due on principal or interest or when there is reasonable doubt that principal or interest will be collected for possible placement on non-accrual status. Accrued and unpaid interest is generally reversed when a loan is placed on non-accrual status. However, capitalized PIK interest will not be reversed when a loan is placed on non-accrual status. Interest payments received on non-accrual loans may be recognized as income or applied to principal depending upon management's judgment regarding collectability. Non-accrual loans are restored to accrual status when past due principal and interest is paid and, in management's judgment, are likely to remain current, although management may make exceptions to this general rule if the loan has sufficient collateral value and is in the process of collection. As of June 30, 2023, the Company had six loans on non-accrual status, 1888 Industrial Services, LLC – Term A, Term C and Revolver, American Nuts Holdings, LLC - Term A and Term B, and American Teleconferencing Services, Ltd. (d/b/a Premiere Global Services, Inc.) Revolver, which collectively

represented 4.08% of the Company's portfolio at fair value. As of June 30, 2022, the Company had six loans on non-accrual status, 1888 Industrial Services, LLC – Term A and Revolver, DSG Entertainment Services, Inc, and the American Teleconferencing Services, Ltd. (d/b/a Premiere Global Services, Inc.) First and Second lien loans and Revolver, which collectively represented 1.1% of the Company's portfolio at fair value.

Dividend income is recorded on the ex-dividend date.

Investment transactions are accounted for on a trade-date basis. Realized gains or losses on investments are determined by calculating the difference between the net proceeds from the disposition and the amortized cost basis of the investments, without regard to unrealized gains or losses previously recognized. Realized gains or losses on the sale of investments are calculated using the specific identification method. The Company reports changes in fair value of investments as a component of the net change in unrealized appreciation (depreciation) on investments in the Consolidated Statements of Operations.

The Company holds debt investments in its portfolio that contain a payment-in-kind ("PIK") interest provision. PIK interest, which represents contractually deferred interest added to the investment balance that is generally due at maturity, is recorded on an accrual basis to the extent that such amounts are expected to be collected. PIK interest is not accrued if the Company does not expect the issuer to be able to pay all principal and interest when due. The Company earned PIK interest of $1,320,239, $311,190 and $2,490,026 during the years ended June 30, 2023, June 30, 2022 and June 30, 2021, respectively.

The Company may hold equity investments in its portfolio that contain a PIK dividend provision. PIK dividends, which represent contractual dividend payments added to the investment balance, are recorded on an accrual basis to the extent that such amounts are expected to be collected. The Company earned PIK dividends of $691,972 and $282,952 during the years ended June 30, 2023 and June 30, 2022, respectively. The Company earned no PIK dividends during the year ended June 30, 2021.

c. Paid In Capital

The Company records the proceeds from the sale of its common stock to common stock and additional paid-in capital, net of commissions and marketing support fees.

d. Net Increase (Decrease) in Net Assets Resulting from Operations per Share

The net increase (decrease) in net assets resulting from operations per share is calculated based upon the weighted average number of shares of common stock outstanding during the reporting period.

e. Distributions

Dividends and distributions to common stockholders are recorded on the ex-dividend date. The amount to be paid out as a dividend or distribution is determined by the Company's board of directors each quarter and is generally based upon the earnings estimated by management. Net realized capital gains, if any, are generally distributed annually, although the Company may decide to retain such capital gains for investment.

The Company has adopted a dividend reinvestment plan that provides for reinvestment of any distributions the Company declares in cash on behalf of the Company's stockholders, unless a stockholder elects to receive cash. As a result, if the Company's board of directors authorizes, and the Company declares, a cash distribution, then the Company's stockholders who have not "opted out" of the Company's dividend reinvestment plan will have their cash distributions automatically reinvested in additional shares of the Company's common stock, rather than receiving the cash distribution.

f. Cash and Restricted Cash

Cash and restricted cash consist of bank demand deposits. The Company deposits its cash in financial institutions, and, at times, such balance may be in excess of the Federal Deposit Insurance Corporation insurance limits. All of the Company's cash deposits are held at large established high credit quality financial institutions and management believes that the risk of loss associated with any uninsured balances is remote. The Company has restrictions on the uses of the cash held by SPV, LLC and SPV LLC based on the terms of the relevant financing arrangement. For more information on the Company's financing arrangements and borrowings, see Note 5.

g. Deferred Offering Costs

Deferred offering costs consist of fees and expenses incurred in connection with the offer and sale of the Company's common stock and bonds, including legal, accounting, printing fees and other related expenses, as well as costs incurred in connection with the

filing of a shelf registration statement. These costs are capitalized when incurred and recognized as a reduction of offering proceeds when the offering is completed.

h. Investment Transactions and Expenses

Purchases of loans, including revolving credit agreements, are recorded on a fully committed basis until the funded and unfunded portions are known or estimable, which in many cases may not be until settlement.

Expenses are accrued as incurred.

Deferred debt issuance costs and deferred financing costs, incurred in connection with the Company's financing arrangements and borrowings, are amortized using the straight-line method which approximates the effective interest method over the life of the debt.

i. Investment Valuation

The Company applies fair value accounting to all of its financial instruments in accordance with the 1940 Act and ASC Topic 820 — Fair Value Measurements and Disclosures ("ASC 820"). ASC 820 defines fair value, establishes a framework used to measure fair value and requires disclosures for fair value measurements. In accordance with ASC 820, the Company has categorized its investments and financial instruments carried at fair value, based on the priority of the valuation technique, into a three-level fair value hierarchy as discussed in Note 4. Fair value is a market-based measure considered from the perspective of the market participant who holds the financial instrument rather than an entity specific measure. Therefore, when market assumptions are not readily available, the Company's own assumptions are set to reflect those that management believes market participants would use in pricing the financial instrument at the measurement date.

Fair value is defined as the price that would be received upon a sale of an asset in an orderly transaction between market participants at the measurement date. Market participants are buyers and sellers in the principal (or most advantageous) market for the asset that (a) are independent of us, (b) are knowledgeable, having a reasonable understanding about the asset based on all available information (including information that might be obtained through due diligence efforts that are usual and customary), (c) are able to transact for the asset, and (d) are willing to transact for the asset or liability (that is, they are motivated but not forced or otherwise compelled to do so).

Securities that are traded on securities exchanges (including such securities traded in the after-hours market) are valued on the basis of the closing price on the valuation date (if such prices are available). Securities that are traded on more than one securities exchange are valued at the closing price on the primary securities exchange on which such securities are traded on the valuation date (or if reported on the consolidated tape, then their last sales price on the consolidated tape). Listed options for which the last sales price falls between the last "bid" and "ask" prices for such options are valued at their last sales price on the date of the valuation on the primary securities exchange on which such options are traded. Options for which the last sales price on the valuation date does not fall between the last "bid" and "ask" prices are valued at the average of the last "bid" and "ask" prices for such options on that date. To the extent these securities are actively traded, and valuation adjustments are not applied, they are categorized in Level 1 of the fair value hierarchy. The Company held no Level 1 investments as of June 30, 2023 or June 30, 2022.

Investments that are not traded on securities exchanges but are traded on the over-the-counter ("OTC") markets (such as term loans, notes and warrants) are valued using various techniques, which may consider recently executed transactions in securities of the issuer or comparable issuers, market price quotations (when observable) and fundamental data relating to the issuer. These investments are categorized in Level 2 of the fair value hierarchy, or in instances when lower relative weight is placed on transaction prices, quotations, or similar observable inputs, they are categorized in Level 3.

Investments for which market quotations are not readily available or may be considered unreliable are fair valued, in good faith, using a method determined to be appropriate in the given circumstances. The valuation methods used include the Cost Approach, the Market Approach and the Income Approach. Inputs used in these approaches may include, but are not limited to, interest rate yield curves, credit spreads, recovery rates, comparable company transactions, trading multiples, and volatilities. The valuation method of the Company may change as changes in the underlying company dictates, such as moving from the Cost Approach to Market Approach when underlying conditions change at the company. Because of the inherent uncertainty of valuation in these circumstances, the fair values for the aforementioned investments may differ significantly from values that would have been used had a ready and liquid market for such investments existed or from the amounts that might ultimately be realized, and such differences could be material.

The Adviser seeks to ensure that the Company's valuation policies and procedures, as approved by the Company's board of directors, are consistently applied across all investments of the Company. The valuations are continuously monitored and the valuation

process for Level 3 investments is completed on a quarterly basis and is designed to subject the valuation of Level 3 investments to an appropriate level of consistency, oversight and review. The valuation process begins with each portfolio company or investment being initially valued by the investment professionals of the Adviser responsible for the portfolio investment. These investment professionals prepare the preliminary valuations based on their evaluation of financial and operating data, company specific developments, market valuations of comparable securities from the same company or that of comparable companies as well as any other relevant factors including recent purchases and sales that may have occurred preceding month-end.

Valuation models are typically calibrated upon initial funding and are re-calibrated as necessary upon subsequent material events (including, but not limited to additional financing activity, changes in comparable companies, and recent trades). The preliminary valuation conclusions are then documented and discussed with senior management of the Adviser. On a periodic basis and at least once annually, independent valuation firm(s) engaged by the Company conduct independent appraisals and review the Adviser's preliminary valuations and make their own independent assessment. The Valuation Committee of the Company's board of directors then reviews the preliminary valuations of the Adviser and that of the independent valuation firms. The Valuation Committee discusses the valuations and makes a recommendation to the Company's board of directors regarding the fair value of each investment in good faith based on the input of the Adviser and the independent valuation firm(s). Upon recommendation by the Valuation Committee and a review of the valuation materials of the Adviser and the third-party independent valuation firm(s), the board of directors of the Company determines, in good faith, the fair value of each investment.

Rule 2a-5 under the 1940 Act was recently adopted by the SEC and establishes requirements for determining fair value in good faith for purposes of the 1940 Act. Our board of directors has adopted valuation policies and procedures that are intended to comply with Rule 2a-5.

For more information on the classification of the Company's investments by major categories, see Note 4.

The fair value of the Company's assets and liabilities that qualify as financial instruments under U.S. GAAP approximates the carrying amounts presented in the Consolidated Statements of Assets and Liabilities.

j. Income Taxes

The Company has elected to be treated, for U.S. federal income tax purposes, as a RIC under Subchapter M of the Code. To qualify and maintain qualification as a RIC, the Company must, among other things, meet certain source of income and asset diversification requirements and distribute to stockholders, for each taxable year, at least 90% of the Company's "investment company taxable income'' which is generally the Company's net ordinary income plus the excess, if any, of realized net short-term capital gains over realized net long-term capital losses. If the Company continues to qualify as a RIC and continues to satisfy the annual distribution requirement, the Company will not have to pay corporate-level U.S. federal income taxes on any income that the Company distributes to its stockholders. The Company intends to make distributions in an amount sufficient to maintain RIC status each year and to avoid any federal income taxes on income. The Company will also be subject to nondeductible U.S. federal excise taxes if the Company does not distribute to its stockholders at least 98% of net ordinary income, 98.2% of capital gains, if any, and any recognized and undistributed income from prior years for which it paid no U.S. federal income taxes. The Company incurred excise tax expenses of $294,330, $264,756, and $263,703 for the years ended December 31, 2022, 2021 and 2020, respectively (included in the provision for tax expenses on the consolidated statement of operations).

Book and tax basis differences that are permanent differences are reclassified among the Company's capital accounts, as appropriate at year-end. Additionally, the tax character of distributions is determined in accordance with the Code, which differs from U.S. GAAP. During the years ended June 30, 2023, 2022 and 2021, the Company recorded distributions of $9.1 million, $8.6 million and $9.6 million, respectively. For certain years, the tax character of a portion of distributions may be return of capital.

U.S. GAAP requires the evaluation of tax positions taken or expected to be taken in the course of preparing the Company's tax returns to determine whether the tax positions are "more-likely-than-not" of being sustained by the applicable tax authority. Tax positions not deemed to meet a more-likely-than-not threshold would be recorded as a tax expense in the current year. The Company's policy is to recognize accrued interest and penalties associated with uncertain tax positions as part of the tax provision.

The Company has analyzed such tax positions and has concluded that no unrecognized tax benefits should be recorded for uncertain tax positions. The tax years ended June 30, 2020 through the present remain subject to examination by taxing authorities. This conclusion may be subject to review and adjustment at a later date based on factors, including but not limited to, ongoing analysis and changes to laws, regulations, and interpretations thereof.

Permanent differences between investment company taxable income and net investment income for financial reporting purposes are reclassified among capital accounts in the financial statements to reflect their tax character. Differences in classification may also result from the treatment of short-term gains as ordinary income for U.S. federal income tax purposes. During the years ended June 30, 2023, June 30, 2022 and June 30, 2021, the Company reclassified for book purposes amounts arising from permanent book/tax

differences related to the different tax treatment of paydown gains and losses, Taxable Subsidiary partnership investments, nondeductible taxes paid and income/(loss) from wholly owned subsidiaries as follows:

	As of June 30,		
	2023	2022	2021
Additional paid-in capital	$ (284,155)	$ (264,971)	$ (263,947)
Distributable earnings	284,155	264,971	263,947

The tax character of all distributions paid by the Company during the years ended June 30, 2023, June 30, 2022 and June 30, 2021 were ordinary income.

At June 30, 2023, June 30, 2022 and June 30, 2021, the components of distributable earnings/(loss) on a tax basis are as follows:

	As of June 30,		
	2023	2022	2021
Undistributed net investment income	$ 11,648,379	$ 9,342,951	$ 8,587,905
Accumulated capital gains (losses) and other	(27,970,779)	(15,703,257)	(6,846,521)
Capital loss carryover	(73,713,555)	(57,692,925)	(52,026,948)
Unrealized appreciation (depreciation)	(23,015,323)	(43,884,017)	(51,942,136)
Distributions payable	(2,590,520)	(2,157,872)	(2,088,265)
Distributable earnings (loss)	$ (115,641,798)	$ (110,095,120)	$ (104,315,965)

For U.S. federal income tax purposes, net realized capital losses may be carried over to offset future capital gains, if any. These capital losses can be carried forward for an indefinite period and will retain their character as either short-term or long-term capital losses. As of June 30, 2023, the Company had a net short-term capital loss carryforward of $1,971,187 and a net long-term capital loss carryforward of $71,742,368 available to be carried forward for an indefinite period.

A RIC may elect to defer any capital losses incurred after October 31 of a taxable year ("post-October") to the beginning of the following fiscal year. As of June 30, 2023, the Company had a post-October short-term capital loss deferral of $41,242 and a post-October long-term capital loss deferral of $27,178,811. These losses are deemed to arise on July 1, 2023.

k. Capital Gains Incentive Fee

Under the Advisory Agreement, the Company has agreed to pay the Adviser a fee for investment advisory and management services consisting of two components: a base management fee (the "Base Management Fee") and an incentive fee (the "Incentive Fee"). The Incentive Fee has two components: one based on the Company's pre-Incentive Fee net investment income (the "Income-Based Fee") and one based on capital gains (the "Capital Gains Fee"). Under U.S. GAAP, the Company calculates the Capital Gains Fee payable to the Adviser as if the Company had realized all investments at their fair values as of the reporting date. Accordingly, the Company accrues a provisional Capital Gains Fee taking into account any unrealized gains or losses. As the provisional Capital Gains Fee is subject to the performance of investments until there is a realization event, the amount of provisional Capital Gains Fee accrued at a reporting date may vary from the incentive fee that is ultimately realized and the differences could be material.

Under the Advisory Agreement, the Capital Gains Fee is determined and payable in arrears as of the end of each fiscal year (or upon termination of the Advisory Agreement, as of the termination date), commencing with the fiscal year ended June 30, 2021, and is equal to 20.0% of the Company's cumulative aggregate realized capital gains from the Commencement Date through the end of that fiscal year, computed net of the Company's aggregate cumulative realized capital losses and the Company's aggregate cumulative unrealized capital depreciation through the end of such year, less the aggregate amount of any previously paid Capital Gains Fees. If such amount is negative, then no Capital Gains Fee will be payable for such year. Additionally, if the Advisory Agreement is terminated as of a date that is not a fiscal year end, the termination date will be treated as though it were a fiscal year end for purposes of calculating and paying the Capital Gains Fee. Therefore, under the Advisory Agreement, the Capital Gains Fee was not charged until the fiscal year ended June 30, 2021.

As of June 30, 2023, June 30, 2022 and June 30, 2021, there was no capital gains incentive fee payable to the Adviser under the Advisory Agreement.

Note 3. Recent Accounting Pronouncements

From time to time, new accounting pronouncements are issued by the FASB or other standards setting bodies that are adopted by the Company as of the specified effective date. The Company believes that the impact of recently issued standards that are not yet effective will not have a material impact on its financial statements upon adoption.

In June 2022, the FASB issued ASU 2022-03, "Fair Value Measurement (Topic 820) - Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions", which was issued to (1) clarify the guidance in Topic 820, Fair Value Measurement, when measuring the fair value of an equity security subject to contractual restrictions that prohibit the sale of an equity security, (2) to amend a related illustrative example, and (3) to introduce new disclosure requirements for equity securities subject to contractual sale restrictions that are measured at fair value in accordance with Topic 820. The new guidance is effective for interim and annual periods beginning after December 15, 2023. The Company does not anticipate the new standard will have a material impact to the consolidated financial statements and related disclosures.

Note 4. Investments

The Company's investments, at any time, may include securities and other financial instruments, including, without limitation, corporate and government bonds, convertible securities, collateralized loan obligations, term loans, revolvers and delayed draw facilities, trade claims, equity securities, privately negotiated securities, direct placements, working interests, warrants and investment derivatives (such as credit default swaps, recovery swaps, total return swaps, options, forward contracts, and futures) (all of the foregoing collectively referred to in these financial statements as "investments").

a. Certain Risk Factors

In the ordinary course of business, the Company manages a variety of risks including market risk, liquidity risk and credit risk. The Company identifies, measures and monitors risk through various control mechanisms, including trading limits and diversifying exposures and activities across a variety of instruments, markets and counterparties.

Market risk is the risk of potential adverse changes to the value of financial instruments because of changes in market conditions, including as a result of changes in the credit quality of a particular issuer, credit spreads, interest rates, and other movements and volatility in security prices or commodities. In particular, the Company may invest in issuers that are experiencing or have experienced financial or business difficulties (including difficulties resulting from the initiation or prospect of significant litigation or bankruptcy proceedings), which involves significant risks. The Company manages its exposure to market risk through the use of risk management strategies and various analytical monitoring techniques.

With respect to liquidity risk, the Company's assets may, at any time, include securities and other financial instruments or obligations that are illiquid or thinly traded, making the purchase or sale of such securities and financial instruments at desired prices or in desired quantities difficult. Furthermore, the sale of any such investments may be possible only at substantial discounts, and it may be extremely difficult to value any such investments accurately.

Credit risk is the potential loss the Company may incur from a failure of an issuer to make payments according to the terms of a contract. The Company is subject to credit risk because of its strategy of investing in the debt of leveraged companies and its involvement in derivative instruments. The Company's exposure to credit risk on its investments is limited to the fair value of the investments. With regard to derivatives, the Company attempts to limit its credit risk by considering its counterparty's (or its guarantor's) credit rating.

b. Investments

Investment purchases, sales and principal payments/paydowns are summarized below for the years ended June 30, 2023, June 30, 2022 and June 30, 2021, respectively. These purchase and sale amounts exclude derivative instruments as well as non-cash restructurings.

	Year ended June 30,		
	2023	2022	2021
Investment purchases, at cost (including PIK interest)	$ 53,237,881	$ 145,380,662	$ 92,065,783
Investment sales and repayments	61,928,745	153,877,788	108,183,417

The composition of the Company's investments as of June 30, 2023, by investment type, as a percentage of the total portfolio, at amortized cost and fair value, are as follows:

Investment Type	Investments at Amortized Cost	Percentage of Total Portfolio	Investments at Fair Value	Percentage of Total Portfolio
Senior Secured First Lien Debt Investments	$ 214,100,857	88.00%	$ 196,370,955	89.21%
Equity, Warrants and Other Investments	29,197,959	12.00	23,740,374	10.79
Total	$ 243,298,816	100.00%	$ 220,111,329	100.00%

The composition of the Company's investments as of June 30, 2022, by investment type, as a percentage of the total portfolio, at amortized cost and fair value, are as follows:

Investment Type		Investments at Amortized Cost	Percentage of Total Portfolio		Investments at Fair Value	Percentage of Total Portfolio
Senior Secured First Lien Debt Investments	$	234,117,747	84.35%	$	214,858,037	91.94%
Senior Secured Second Lien Debt Investments		17,374,608	6.26		—	—
Equity, Warrants and Other Investments		26,075,650	9.39		18,825,949	8.06
Total	$	277,568,005	100.00%	$	233,683,986	100.00%

The Company uses Global Industry Classification Standard ("GICS") codes to identify the industry groupings in its portfolio. The following table shows the portfolio composition by industry grouping at fair value at June 30, 2023:

Industry Classification		Investments at Fair Value	Percentage of Total Portfolio
Trading Companies & Distributors	$	35,176,879	15.98%
Professional Services		28,238,167	12.83
IT Services		23,576,450	10.71
Commercial Services & Supplies		14,329,460	6.51
Software		13,772,487	6.26
Containers & Packaging		12,958,772	5.89
Machinery		9,602,806	4.36
Internet & Direct Marketing Retail		8,969,729	4.08
Entertainment		7,640,000	3.47
Household Durables		7,610,242	3.46
Chemicals		7,568,617	3.44
Diversified Consumer Services		7,268,500	3.30
Automobile Components		7,261,275	3.30
Hotels, Restaurants, and Leisure		6,283,541	2.85
Consumer Staples Distribution & Retail		6,061,396	2.75
Specialty Retail		5,148,000	2.34
Building Products		4,511,719	2.05
Food Products		4,288,750	1.95
Automotive Retail		3,878,905	1.76
Electronic Equipment, Instruments & Components		3,265,598	1.48
Energy Equipment & Services		2,700,036	1.23
Total	$	220,111,329	100.00%

The following table shows the portfolio composition by industry grouping at fair value at June 30, 2022:

Industry Classification	Investments at Fair Value	Percentage of Total Portfolio
Professional Services	$ 26,984,194	11.55%
IT Services	21,608,522	9.25
Internet & Direct Marketing Retail	21,070,294	9.02
Household Durables	17,330,053	7.42
Trading Companies & Distributors	15,706,496	6.72
Commercial Services & Supplies	15,482,455	6.62
Chemicals	14,030,222	6.00
Energy Equipment & Services	13,055,904	5.59
Distributors	12,300,418	5.26
Consumer Finance	11,375,840	4.87
Software	8,800,751	3.77
Entertainment	7,954,388	3.40
Auto Components	7,934,024	3.39
Food & Staples Retailing	7,920,000	3.39
Containers & Packaging	7,247,557	3.10
Diversified Consumer Services	6,721,225	2.88
Specialty Retail	5,940,000	2.54
Building Products	4,720,312	2.02
Food Products	4,547,812	1.95
Electronic Equipment, Instruments & Components	2,953,519	1.26
Total	$ 233,683,986	100.00%

The following table shows the portfolio composition by geographic grouping at fair value at June 30, 2023:

Geographic Region	Investments at Fair Value	Percentage of Total Portfolio
U.S. Northeast	$ 94,658,227	43.00%
U.S. West	44,911,266	20.40
U.S. Midwest	26,602,440	12.09
U.S. Southeast	20,803,349	9.45
U.S. Mid-Atlantic	17,721,607	8.05
U.S. Southwest	10,367,607	4.71
International	5,046,833	2.30
Total	$ 220,111,329	100.00%

The following table shows the portfolio composition by geographic grouping at fair value at June 30, 2022:

Geographic Region	Investments at Fair Value	Percentage of Total Portfolio
U.S. Northeast	$ 105,824,484	45.29%
U.S. West	48,352,026	20.69
U.S. Midwest	31,898,956	13.65
U.S. Mid-Atlantic	17,507,192	7.49
U.S. Southwest	15,685,215	6.71
U.S. Southeast	14,381,725	6.16
International	34,388	0.01
Total	$ 233,683,986	100.00%

The Company's primary investment objective is to maximize total return to stockholders in the form of current income and capital appreciation by investing directly in debt and related equity of privately held middle-market companies to help these companies fund acquisitions, growth or refinancing. During the year ended June 30, 2023, the Company made investments in new and existing portfolio companies of approximately $37.1 million and $4.2 million, respectively, to which it was not previously contractually committed to provide financial support. During the year ended June 30, 2023, the Company made investments of $9.9 million in companies to which it was committed to provide financial support through the terms of the revolvers and delayed draw term loans. The details of the Company's investments have been disclosed on the Consolidated Schedule of Investments.

c. Derivatives

Derivative contracts include total return swaps and embedded derivatives in Notes Payable. The Company enters into derivative contracts as part of its investment strategies. The Company may enter into derivative contracts as part of its investment strategies. On October 28, 2020, the SEC adopted a rule that modifies the conditions by which BDCs can enter into, or "cover" open positions pursuant to, certain derivatives contracts that involve potential future payment obligations (the "Derivatives Rule"). The Derivatives Rule requires a BDC entering into a derivatives contract to develop and implement a derivatives risk management program, to comply with an outer limit on asset coverage ratio based on the VaR ("value-at-risk") test, and to report its derivative activity to its board of directors on a regular basis. The Derivatives Rule also contains exceptions to these conditions for any fund that limits its exposure to derivatives positions to 10 percent of its net assets. At June 30, 2023 and June 30, 2022, the Company held no derivative contracts.

d. Fair Value Measurements

ASC 820 defines fair value as the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date. ASC 820 also establishes a framework for measuring fair value and a valuation hierarchy that prioritizes the inputs used in the valuation of an asset or liability based upon their transparency. The valuation hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). Classification within the hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The Company's assets and liabilities measured at fair value have been classified in the following three categories:

Level 1 — valuation is based on unadjusted quoted prices in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date.

Level 2 — valuation is based on inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, such as (a) quoted prices for similar assets or liabilities in active markets; (b) quoted prices for identical or similar assets or liabilities in markets that are not active, that is, markets in which there are few transactions for the asset or liability, the prices are not current, or price quotations vary substantially either over time or among market makers, or in which little information is released publicly; (c) inputs other than quoted prices that are observable for the asset or liability; or (d) inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 — valuation is based on unobservable inputs for the asset or liability. Unobservable inputs are used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. However, the fair value measurement objective remains the same, that is, an exit price from the perspective of a market participant that holds the asset or owes the liability. Therefore, unobservable inputs reflect the Company's own assumptions about the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Unobservable inputs are developed based on the best information available under the circumstances, which might include the Company's own data. The Company's own data used to develop unobservable inputs is adjusted if information is reasonably available without undue cost and effort that indicates that market participants would use different assumptions.

The availability of observable inputs can vary from security to security and is affected by a wide variety of factors, including, for example, the type of security, whether the security is new and not yet established in the marketplace, the liquidity of the market and other characteristics particular to the security. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3.

Estimates of fair value for cash and restricted cash are measured using observable, quoted market prices, or Level 1 inputs. All other fair value significant estimates are measured using unobservable inputs, or Level 3 inputs.

The following table summarizes the classifications within the fair value hierarchy of the Company's assets and liabilities measured at fair value as of June 30, 2023:

	Level 1	Level 2	Level 3	Total
Assets				
Investments				
Senior Secured First Lien Debt Investments	$ —	$ —	$ 196,370,955	$ 196,370,955
Equity, Warrants and Other Investments	—	—	23,740,374	23,740,374
Total Investments	$ —	$ —	$ 220,111,329	$ 220,111,329

The following table summarizes the classifications within the fair value hierarchy of the Company's assets and liabilities measured at fair value as of June 30, 2022:

	Level 1	Level 2	Level 3	Total
Assets				
Investments				
Senior Secured First Lien Debt Investments	$ —	$ —	$ 214,858,036	$ 214,858,036
Senior Secured Second Lien Debt Investments	—	—	—	—
Equity, Warrants and Other Investments	—	—	18,825,950	18,825,950
Total Investments	$ —	$ —	$ 233,683,986	$ 233,683,986

The following table provides a reconciliation of the beginning and ending balances for investments that use Level 3 inputs for the year ended June 30, 2023:

	Senior Secured First Lien Debt Investments	Senior Secured Second Lien Debt Investments	Unsecured Debt Investments	Equity, Warrants and Other Investments	Total Investments
Fair value at June 30, 2022	$ 214,858,036	$ —	$ —	$ 18,825,950	$ 233,683,986
Purchases (including PIK interest)	51,824,515	—	—	1,413,366	53,237,881
Sales	(61,928,745)	—	—	—	(61,928,745)
Amortization	1,311,770	—	—	—	1,311,770
Net realized gains (losses)	(9,515,487)	(17,374,608)	—	—	(26,890,095)
Transfers in	—	—	—	1,708,942	1,708,942
Transfers out	(1,708,942)	—	—	—	(1,708,942)
Net change in unrealized appreciation (depreciation)	1,529,808	17,374,608	—	1,792,116	20,696,532
Fair value at June 30, 2023	$ 196,370,955	$ —	$ —	$ 23,740,374	$ 220,111,329
Change in unrealized appreciation (depreciation) relating to assets still held as of June 30, 2023	$ (7,507,021)	$ —	$ —	$ 1,377,567	$ (6,129,454)

The following table provides a reconciliation of the beginning and ending balances for investments that use Level 3 inputs for the year ended June 30, 2022:

	Senior Secured First Lien Debt Investments	Senior Secured Second Lien Debt Investments	Unsecured Debt Investments	Equity, Warrants and Other Investments	Total Investments
Fair value at June 30, 2021	$ 230,351,618	$ 6,240,000	$ —	$ 9,264,002	$ 245,855,620
Purchases (including PIK interest)	136,101,744	—	—	9,278,918	145,380,662
Sales	(145,707,097)	(8,000,000)	—	(170,691)	(153,877,788)
Amortization	2,598,931	63,875	—	—	2,662,806
Net realized gains (losses)	(11,580,771)	—	—	(2,814,660)	(14,395,431)
Transfers in	—	—	—	1,184,506	1,184,506
Transfers out	(1,184,506)	—	—	—	(1,184,506)
Net change in unrealized (depreciation) appreciation	4,278,117	1,696,125	—	2,083,875	8,058,117
Fair value at June 30, 2022	$ 214,858,036	$ —	$ —	$ 18,825,950	$ 233,683,986
Change in unrealized appreciation (depreciation) relating to assets still held as of June 30, 2022	$ (6,326,622)	$ —	$ —	$ 2,083,876	$ (4,242,746)

Transfers into Level 3 during or at the end of the reporting period are reported under Level 1 or Level 2 as of the beginning of the period. Transfers out of Level 3 during or at the end of the reporting period are reported under Level 3 as of the beginning of the period. Changes in unrealized gains (losses) relating to Level 3 instruments are included in net change in unrealized (depreciation) appreciation on investments and derivatives on the Consolidated Statements of Operations.

During the year ended June 30, 2023, $1,708,942 transferred from Senior Secured First Lien Debt Investments Level 3 to Equity, Warrants and Other Investments Level 3 due to restructuring. During the year ended June 30, 2022, $1,184,506 transferred from Senior Secured First Lien Debt Investments Level 3 to Equity, Warrants and Other Investments Level 3 due to restructuring and during the year ended June 30, 2021, the Company did not transfer any investments among Levels 1, 2 and 3.

The following tables provide quantitative information regarding the Company's Level 3 fair value measurements as of June 30, 2023 and June 30, 2022. This information presents the significant unobservable inputs that were used in the valuation of each type of investment. These inputs are not representative of the inputs that could have been used in the valuation of any one investment. For example, the highest market yield presented in the table for senior secured notes is appropriate for valuing a specific investment but may not be appropriate for valuing any other investment. Accordingly, the ranges of inputs presented below do not represent uncertainty in, or possible ranges of, fair value measurements of the Company's Level 3 investments. In addition to the techniques and inputs noted in the tables below, according to our valuation policy we may also use other valuation techniques and methodologies when determining our fair value measurements. The below tables are not intended to be all-inclusive, but rather provide information on the significant unobservable inputs as they relate to the Company's determination of fair values.

	Fair Value as of June 30, 2023	**Valuation Methodology**	**Unobservable Input(s)**	**Weighted Average**	**Range**
Senior Secured First Lien Debt Investments	$ 161,776,983	Income Approach	Market Yields	13.3%	10.1%-18.0%
Senior Secured First Lien Debt Investments	13,895,260	Market Comparable Approach	EBITDA Multiple	17.3x	5.7x-21.2x
Senior Secured First Lien Debt Investments	5,272,355	Market Comparable Approach	Revenue Multiple	0.3x	0.30x-0.38x
Senior Secured First Lien Debt Investments	15,209,280	Recent Transaction	Recent Transaction	N/A	N/A
Senior Secured First Lien Debt Investments	217,077	Recovery Analysis	Recovery Amount	N/A	N/A
Equity, Warrants, and Other Investments	4,824,752	Income Approach	Market Yields	18.0%	18.0%
Equity, Warrants, and Other Investments	18,915,622	Market Comparable Approach	EBITDA multiple	8.7x	5.7x-24.2x
Equity, Warrants, and Other Investments	—	Market Comparable Approach	Revenue Multiple	0.3x	0.3x

	Fair Value as of June 30, 2022	**Valuation Methodology**	**Unobservable Input(s)**	**Weighted Average**	**Range**
Senior Secured First Lien Debt Investments	$ 164,896,036	Income Approach	Market Yields	10.8%	8.0% - 24.6%
Senior Secured First Lien Debt Investments	7,203,875	Market Comparable Approach	EBITDA Multiple	6.7x	4.4x – 7.0x
Senior Secured First Lien Debt Investments	2,712,779	Market Comparable Approach	Revenue Multiple	0.4x	0.3x – 0.4x
Senior Secured First Lien Debt Investments	39,551,804	Recent Transaction	Recent Transaction	N/A	N/A
Senior Secured First Lien Debt Investments	493,542	Recovery Analysis	Recovery Amount	N/A	N/A
Equity, Warrants and Other Investments	17,825,950	Income Approach	EBITDA Multiple	6.6x	4.2x – 12.3x
Equity, Warrants and Other Investments	—	Market Comparable Approach	Revenue Multiple	0.4x	0.3x – 0.4x
Equity, Warrants and Other Investments	1,000,000	Recent Transaction	Recent Transaction	N/A	N/A

Fair value measurements categorized within Level 3 are sensitive to changes in the assumptions or methodology used to determine fair value and such changes could result in a significant increase or decrease in the fair value. Significant increases in illiquidity discounts, PIK discounts and market yields would result in significantly lower fair value measurements.

Note 5. Borrowings

The Company, through SPV, was previously party to a $122.0 million financing transaction (as amended, the "Term Financing") due December 5, 2021 with UBS AG, London Branch (together with its affiliates "UBS"). The Term Financing was collateralized by the portion of the Company's assets held by SPV (the "SPV Assets"). The Company subsequently repaid $20.0 million of the Term Financing on April 15, 2020. Borrowings under the Term Financing, as amended, bore interest with respect to the $102.0 million (i) at a rate per annum equal to one-month London Interbank Offered Rate ("LIBOR") plus 3.55% from December 5, 2019 through December 4, 2020, and (ii) at a rate per annum equal to one-month LIBOR plus 3.15% from December 5, 2020 through December 4, 2021. On November 19, 2021, the Company repaid the Term Financing in full in accordance with the terms of the Term Financing and the agreement was terminated.

As of June 30, 2023, and June 30, 2022, there were no borrowings outstanding under the Term Financing.

On November 20, 2017, as subsequently amended, the Company entered into a $50 million revolving financing facility with UBS, which was subsequently amended on June 21, 2019 to reduce the size of the facility to $30.0 million and extend the maturity date (as amended, the "Revolving Financing"). On September 30, 2020, the Company amended the Revolving Financing to reduce the size of the Revolving Financing to $20.0 million and extend the maturity date to December 5, 2021. Borrowings under the Revolving Financing generally bore interest at a rate per annum equal to one-month LIBOR plus 3.15%. The Company paid a fee on any undrawn amounts of 0.75% per annum. Any amounts borrowed under the Revolving Financing would mature, and all accrued and unpaid interest was due and payable, on the same day as the Term Financing, which was December 5, 2021. On November 19, 2021, the Company satisfied all obligations under the Revolving Financing and the agreement was terminated.

As of June 30, 2023 and June 30, 2022, there were no borrowings outstanding under the Revolving Financing.

On August 23, 2021, the Company, through SPV LLC entered into a five-year, $115 million senior secured revolving credit facility (the "Capital One Revolving Financing") with Capital One, N.A. ("Capital One"), which is secured by collateral consisting primarily of loans in the Company's investment portfolio. On June 14, 2023, we amended the Capital One Revolving Financing to decrease the facility size from $115 million to $100 million. The Capital One Revolving Financing, which will expire on August 22, 2026 (the "Maturity Date"), features a three-year reinvestment period and a two-year amortization period.

Effective November 18, 2022, borrowings under the Capital One Revolving Financing generally bear interest at a rate per annum equal to the Secured Overnight Financing Rate ("SOFR") plus 2.50%. The default interest rate will be equal to the interest rate then in effect plus 2.00%. The Capital One Revolving Financing required the payment of an upfront fee of 1.125% ($1.3 million) of the available borrowings under the Capital One Revolving Financing at the closing, and requires the payment of an unused fee of (i) 0.75% annually for any undrawn amounts below 50% of the Capital One Revolving Financing, (ii) 0.50% annually for any undrawn amounts between 50% and 75% of the Capital One Revolving Financing, and (iii) 0.25% annually for any undrawn amounts above 75% of the Capital One Revolving Financing. Borrowings under the Capital One Revolving Financing are based on a borrowing base. The Capital One Revolving Financing generally requires payment of interest and fees on a quarterly basis. All outstanding principal is due on the Maturity Date. The Capital One Revolving Financing also requires mandatory prepayment of interest and principal upon certain events.

As of June 30, 2023 and June 30, 2022, there were $71.9 million and $84.0 million borrowings outstanding under the Capital One Revolving Financing.

Restricted cash (as shown on the Consolidated Statements of Assets and Liabilities) is held by the trustee of the Capital One Revolving Financing and is restricted to purchases of investments by SPV LLC that must meet certain eligibility criteria identified by the loan, security and investment management agreement governing the Capital One Revolving Financing. As of June 30, 2023, SPV LLC had a notional amount of $194.0 million, which included $181.5 million of the Company's portfolio investments at fair value, no accrued interest receivable and $8.1 million in cash held by the trustees of the Capital One Revolving Financing. As of June 30, 2022, SPV LLC had a notional amount of $188.6 million, which included $183.5 million of the Company's portfolio investments at fair value, no accrued interest receivable and $6.6 million in cash held by the trustees of the Capital One Revolving Financing. For the year ended June 30, 2023, the weighted average outstanding debt balance and the weighted average stated interest rate under the Capital One Revolving Financing, in aggregate was $80.4 million and 5.95%, respectively. For the year ended June 30, 2022, the weighted average outstanding debt balance and the weighted average stated interest rate under the Term Financing, the Revolving Financing, and the Capital One Revolving Financing, in aggregate was $101.4 million and 3.03%, respectively.

The fair value of the Company's borrowing is estimated based on the rate at which similar facilities would be priced. At June 30, 2023 and June 30, 2022, the fair value of the Company's total borrowings was estimated at $71.9 million and $84.0 million, respectively under the Capital One Revolving Financing, which the Company concluded was a Level 3 fair value.

In July 2018, the Company issued an aggregate of $34.5 million in aggregate principal amount of 6.125% notes due 2023 (the "2023 Notes") for total net proceeds after deducting underwriting discounts and commissions and offering expenses of approximately $33.2 million.

In October 2019 and November 2019, the Company issued an additional $16.875 million in aggregate principal amount of the 2023 Notes, which constituted a further issuance of, ranked equally in right of payment with, and formed a single series with the $34.5 million in aggregate principal amount of 2023 Notes that the Company initially issued in July 2018. The total net proceeds received by the Company from the sale of the 2023 Notes in October 2019 and November 2019 was approximately $16.4 million, based on the purchase price paid by the underwriters and after deducting underwriting discounts and commissions and estimated offering expenses.

The 2023 Notes were scheduled to mature on July 1, 2023 and bore interest at a rate of 6.125%. The 2023 Notes were the direct unsecured obligations and ranked pari passu, which means equal in right of payment, with all outstanding and future unsecured indebtedness issued by the Company. Because the 2023 Notes were not secured by any of the Company's assets, they were effectively subordinated to all of the Company's existing and future secured unsubordinated indebtedness (or any indebtedness that is initially unsecured as to which the Company subsequently grants a security interest), to the extent of the value of the assets securing such indebtedness. The 2023 Notes were structurally subordinated to all existing and future indebtedness and other obligations of any of the Company's subsidiaries and financing vehicles, including, without limitation, borrowings under the Term Financing and the Revolving Financing. The 2023 Notes were the obligation exclusively of the Company and not of any of the Company's subsidiaries. None of the Company's subsidiaries was a guarantor of the 2023 Notes and the 2023 Notes could not be required to be guaranteed by any subsidiary the Company may acquire or create in the future.

The 2023 Notes could be redeemed in whole or in part at any time or from time to time at the Company's option on or after July 1, 2020.

On March 26, 2021, the Company caused notice to be issued to the holders of the 2023 Notes regarding its exercise of the option to redeem in full all $51,375,000 in aggregate principal amount of the 2023 Notes at 100% of their principal amount ($25 per Note), plus the accrued and unpaid interest thereon from April 1, 2021, through, but excluding, the redemption date, April 25, 2021. The 2023 Notes were redeemed in full on April 25, 2021.

On March 31, 2021, the Company closed the public offering of $65 million in aggregate principal amount of 4.875% notes due 2026 (the "2026 Notes"). The total net proceeds received by the Company from the sale of the 2026 Notes, after deducting the underwriting discount and commissions of $1.3 million and estimated offering expenses of approximately $215,000 payable by the Company, were approximately $63.1 million.

The 2026 Notes will mature on April 1, 2026, unless previously redeemed or repurchased in accordance with their terms, and bear interest at a rate of 4.875%. The 2026 Notes are direct unsecured obligations and rank pari passu, which means equal in right of payment, with all outstanding and future unsecured, unsubordinated indebtedness issued by the Company. Because the 2026 Notes are not secured by any of the Company's assets, they are effectively subordinated to all of the Company's existing and future secured unsubordinated indebtedness (or any indebtedness that is initially unsecured as to which the Company subsequently grants a security interest), to the extent of the value of the assets securing such indebtedness. The 2026 Notes are structurally subordinated to all existing and future indebtedness and other obligations of any of the Company's subsidiaries and financing vehicles, including, without limitation, borrowings under the Capital One Revolving Financing. The 2026 Notes are obligations exclusively of the Company and not of any of the Company's subsidiaries. None of the Company's subsidiaries is a guarantor of the 2026 Notes and the 2026 Notes will not be required to be guaranteed by any subsidiary the Company may acquire or create in the future.

The 2026 Notes may be redeemed in whole or in part at any time or from time to time at the Company's option, upon not less than 30 days nor more than 60 days written notice by mail prior to the date fixed for redemption thereof, at a redemption price (as determined by the Company) equal to the greater of the following amounts, plus, in each case, accrued and unpaid interest to, but excluding, the redemption date: (1) 100% of the principal amount of the 2026 Notes to be redeemed or (2) the sum of the present values of the remaining scheduled payments of principal and interest (exclusive of accrued and unpaid interest to the date of redemption) on the 2026 Notes to be redeemed, discounted to the redemption date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) using the applicable Treasury Rate plus 50 basis points; provided, however, that if the Company redeems any 2026 Notes on or after January 1, 2026 (the date falling three months prior to the maturity date of the 2026 Notes), the redemption price for the 2026 Notes will be equal to 100% of the principal amount of the 2026 Notes to be redeemed, plus accrued and unpaid interest, if any, to, but excluding, the date of redemption; provided, further, that no such partial redemption shall reduce the portion of the principal amount of a 2026 Note not redeemed to less than $2,000. Interest on the 2026 Notes is payable semi-annually on April 1 and October 1 of each year, commencing October 1, 2021. The Company may from time to time repurchase 2026 Notes in accordance with the 1940 Act and the rules promulgated thereunder.

As of June 30, 2023, the carrying amount of the 2026 Notes was $64.8 million on an aggregate principal balance of $65.0 million at a weighted average effective yield of 5.21%. As of June 30, 2023, the fair value of the 2026 Notes was $58.2 million. The Company concluded that this was Level 3 fair value under ASC 820.

Long-Term Debt Maturities

Set forth below is the aggregate principal amount of our long-term debt as of June 30, 2023 (excluding unamortized premiums, net, unamortized debt issuance costs and note payable) maturing during the following years:

2024	$	—
2025		—
2026		136,900,000
Total long-term debt	$	136,900,000

Note 6. Indemnification, Guarantees, Commitments and Contingencies

In the normal course of business, the Company enters into contracts that provide a variety of representations and warranties and general indemnifications. Such contracts include those with certain service providers, brokers and trading counterparties. Any exposure to the Company under these arrangements is unknown as it would involve future claims that may be made against the Company; however, based on the Company's experience, the risk of loss is remote and no such claims are expected to occur. As such, the Company has not accrued any liability in connection with such indemnifications.

The Company's Board of Directors declared the following quarterly distributions during the fiscal year:

Declared	Ex-Date	Record Date	Pay Date	Amount	Fiscal Quarter
August 25, 2022	September 22, 2022	September 23, 2022	October 14, 2022	$0.1500	1st 2023
November 11, 2022	December 15, 2022	December 16, 2022	January 10, 2023	$0.1500	2nd 2023
February 2, 2023	March 9, 2023	March 10, 2023	March 30, 2023	$0.1500	3rd 2023
May 4, 2023	June 15, 2023	June 16, 2023	July 7, 2023	$0.1800	4th 2023

Loans purchased by the Company may include revolving credit agreements or other financing commitments obligating the Company to advance additional amounts on demand. The Company generally sets aside sufficient liquid assets to cover its unfunded commitments, if any.

The following table details the Company's unfunded commitments as of June 30, 2023:

Investments	Unfunded Commitment	Fair Value	Annual Non-use Fee	Expiration Date
1888 Industrial Services, LLC – Revolver	$ 186,990	$ —	0.50%	8/31/24
Amerequip, LLC – Revolver	967,742	—	0.50%	8/31/27
Arborworks Acquisition LLC – Revolver	554,947	—	0.50%	11/9/26
Archer Systems, LLC – Revolver	603,175	—	0.50%	8/11/27
Evergreen North America Acquisitions, LLC – Revolver	276,064	—	0.50%	8/13/26
Flatworld Intermediate Corporation – Revolver	567,567	—	0.50%	10/1/27
NWN Parent Holdings LLC – Revolver	800,000	—	0.50%	5/7/26
South Coast Terminals LLC – Revolver	967,742	—	0.50%	12/10/26
Work Genius Holdings, Inc – Revolver	—	—	0.50%	6/7/27
Xenon Arc, Inc. – Revolver	746,667	—	0.50%	12/17/26
Total Unfunded Commitments	$ 5,670,894	$ —		

The following table details the Company's unfunded commitments as of June 30, 2022:

Investments	Unfunded Commitment	Fair Value	Annual Non-use Fee	Expiration Date
1888 Industrial Services, LLC – Revolver	$ 327,817	$ —	0.50%	5/1/23
Altern Marketing, LLC – Revolver	2,631,579	—	0.50%	10/7/24
American Teleconferencing Services, Ltd. – Revolver	206,103	—	0.50%	6/8/23
Arborworks Acquisition LLC – Revolver	1,118,012	—	0.50%	11/9/26
Empire Office Inc. – Delayed Draw	3,448,276	—	0.50%	4/12/24
NWN Parent Holdings LLC – Revolver	1,200,000	—	0.50%	5/7/26
South Coast Terminals LLC – Revolver	967,742	—	0.50%	12/10/26
Xenon Arc, Inc. – Revolver	1,000,000	—	0.50%	12/17/26
Xenon Arc, Inc. – Delayed Draw	3,000,000	—	0.50%	12/17/27
Total Unfunded Commitments	$ 13,899,529	$ —		

Note 7. Agreements and Related Party Transactions

Advisory Agreement

The Company is party to the Advisory Agreement with the Adviser. Under the Advisory Agreement, the Base Management Fee is calculated at an annual rate of 1.75% of the Company's gross assets, including assets purchased with borrowed funds or other forms of leverage and excluding cash and cash equivalents (such amount, "Gross Assets").

For the year ended June 30, 2023, $4,201,394 in Base Management Fees were earned by the Adviser, of which $387,311 was waived. As of June 30, 2023, $906,218 of such fees were payable. For the year ended June 30, 2022, $4,594,588 in Base Management Fees were earned by the Adviser, of which $480,032 was waived. As of June 30, 2022, $1,054,063 of such fees were payable. For the year ended June 30, 2021, $4,716,233 in Base Management Fees were earned by the Adviser, of which $366,951 was waived. As of June 30, 2021, $1,070,580 of such fees were payable.

The Base Management Fee is calculated based on the average value of the Company's Gross Assets at the end of the two most recently completed fiscal quarters. The Base Management Fee is payable quarterly in arrears and the Base Management Fees for any partial month or quarter will be appropriately pro-rated.

Under the Advisory Agreement, the Income-Based Fee is calculated and payable quarterly in arrears based on the Company's Pre-Incentive Fee Net Investment Income (as defined below) for the immediately preceding fiscal quarter, subject to a total return requirement (the "Total Return Requirement") and deferral of non-cash amounts, and is 20.0% of the amount, if any, by which the Company's Pre-Incentive Fee Net Investment Income, expressed as a rate of return on the value of our net assets attributable to its common stock, for the immediately preceding fiscal quarter, exceeds a 2.0% (which is 8.0% annualized) hurdle rate and a "catch-up" provision measured as of the end of each fiscal quarter. Under this provision, in any fiscal quarter, the Adviser receives no Incentive Fee until the Company's Pre-Incentive Fee Net Investment Income equals the hurdle rate of 2.0%, but then receives, as a "catch-up," 100% of the Company's Pre-Incentive Fee Net Investment Income with respect to that portion of such Pre-Incentive Fee Net Investment Income, if any, that exceeds the hurdle rate but is less than 2.5% (which is 10.0% annualized). The effect of the "catch-up" provision is that, subject to the Total Return Requirement and deferral provisions discussed below, if Pre-Incentive Fee Net Investment Income exceeds 2.5% in any fiscal quarter, the Adviser receives 20.0% of our Pre-Incentive Fee Net Investment Income as if a hurdle rate did not apply.

"Pre-Incentive Fee Net Investment Income" means interest income, dividend income and any other income (including any other fees, such as commitment, origination, structuring, diligence, managerial assistance and consulting fees or other fees that we receive from portfolio companies) accrued during the fiscal quarter, minus the Company's operating expenses for the quarter (including the Base Management Fee, expenses payable under the Administration Agreement and any interest expense and any distributions paid on any issued and outstanding preferred stock, but excluding the Incentive Fee). Pre-incentive fee net investment income includes, in the case of investments with a deferred interest feature (such as original issue discount ("OID"), debt instruments with payment-in-kind ("PIK") interest and zero coupon securities), accrued income that we have not yet received in cash.

Pre-Incentive Fee Net Investment Income does not include any realized capital gains, realized capital losses or unrealized capital appreciation or depreciation.

No Income-Based Fee is payable under the Advisory Agreement except to the extent 20.0% of the cumulative net increase in net assets resulting from operations over the fiscal quarter for which fees are being calculated and the Lookback Period (as defined below) exceeds the cumulative Incentive Fees accrued and/or paid for the Lookback Period. The "cumulative net increase in net assets

resulting from operations" is the amount, if positive, of the sum of Pre-Incentive Fee Net Investment Income, realized gains and losses and unrealized appreciation and depreciation of the Company for the then current fiscal quarter and the Lookback Period. The "Lookback Period" means (1) through June 30, 2023, the period that commences on the last day of the fiscal quarter in which the Advisory Agreement became effective and ends on the last day of the fiscal quarter immediately preceding the fiscal quarter for which the Income-Based Fee is being calculated, and (2) after June 30, 2023, the eleven fiscal quarters immediately preceding the fiscal quarter for which the Income-Based Fee is being calculated.

For the year ended June 30, 2023, the Company incurred $401,597 of Income-Based Fees. As of June 30, 2023, $576,023 in incentive fees related to Income-Based Fees incurred by the Company are currently payable to the Adviser and $201,817 in incentive fees related to Income-Based Fees incurred by the Company were generated from deferred interest (i.e. PIK and certain discount accretion) and are not payable until such amounts are received in cash. For the year ended June 30, 2022, the Company wrote off $348,670 in previously deferred Income-Based incentive fees and incurred no incentive fees related to Pre-Incentive Fee Net Investment Income, of which none was waived. As of June 30, 2022, $182,095 in incentive fees related to Income-Based Fees incurred by the Company were generated from deferred interest (i.e., PIK and certain discount accretion) and are not payable until such amounts are received in cash. For the year ended June 30, 2021, the Company incurred no incentive fees related to Pre-Incentive Fee Net Investment Income, of which none was waived. As of June 30, 2021, $647,885 in incentive fees related to Income-Based Fees incurred by the Company were generated from deferred interest (i.e., PIK and certain discount accretion) and are not payable until such amounts are received in cash. Any voluntary waivers of the incentive fee in no way implies that the Adviser will agree to waive any incentive fee in any future period. Any portion of the incentive fees waived are not subject to recapture.

Under the Advisory Agreement, the Capital Gains Fee is determined and payable in arrears as of the end of each fiscal year (or upon termination of the Advisory Agreement, as of the termination date), commencing with the fiscal year ended June 30, 2021, and is equal to 20.0% of our cumulative aggregate realized capital gains from the Commencement Date through the end of that fiscal year, computed net of the Company's aggregate cumulative realized capital losses and our aggregate cumulative unrealized capital depreciation through the end of such year, less the aggregate amount of any previously paid Capital Gains Fees. If such amount is negative, then no Capital Gains Fee will be payable for such year. Additionally, if the Advisory Agreement is terminated as of a date that is not a fiscal year end, the termination date will be treated as though it were a fiscal year end for purposes of calculating and paying the Capital Gains Fee. Under the Advisory Agreement, the Capital Gains Fee was not charged until the fiscal year ending June 30, 2023.

Under U.S. GAAP, the Company calculates the Capital Gains Fee as if it had realized all assets at their fair values as of the reporting date. Accordingly, the Company accrues a provisional Capital Gains Fee taking into account any unrealized gains or losses. As the provisional Capital Gains Fee is subject to the performance of investments until there is a realization event, the amount of the provisional Capital Gains Fee accrued at a reporting date may vary from the Capital Gains Fee that is ultimately realized and the differences could be material.

As of June 30, 2023, June 30, 2022 and June 30, 2021, there was no Capital Gains Fee accrued, earned or payable to the Adviser under the Advisory Agreement.

The Advisory Agreement provides that, absent willful misfeasance, bad faith or gross negligence in the performance of its duties or by reason of the reckless disregard of its duties and obligations under the Advisory Agreement, the Adviser and its officers, managers, partners, agents, employees, controlling persons and members, and any other person or entity affiliated with it, are entitled to indemnification from the Company for any damages, liabilities, costs and expenses (including reasonable attorneys' fees and amounts reasonably paid in settlement) arising from the rendering of the Adviser's services under the Advisory Agreement or otherwise as the Adviser.

Mr. Mauer holds an approximate 17% interest in the Adviser. Investcorp holds an approximate 83% ownership interest in the Adviser. Pursuant to the Advisory Agreement, the Company has agreed to pay to the Adviser a Base Management Fee and an Incentive Fee. Mr. Mauer, an interested member of the Board, has a direct or indirect pecuniary interest in the Adviser. The Incentive Fee will be computed and paid on income that we may not have yet received in cash at the time of payment. This fee structure may create an incentive for the Adviser to invest in certain types of speculative securities. Additionally, the Company will rely on investment professionals from the Adviser to assist the Board with the valuation of the Company's portfolio investments. The Adviser's Base Management Fee and Incentive Fee is based on the value of our investments and, therefore, there may be a conflict of interest when personnel of the Adviser are involved in the valuation process for the Company's portfolio investments.

Administration Agreement

Pursuant to the Administration Agreement, the Adviser furnishes the Company with office facilities and equipment and will provide the Company with the clerical, bookkeeping, recordkeeping and other administrative services necessary to conduct day-to-day operations. Under the Administration Agreement, the Adviser performs, or oversees the performance of the Company's required

administrative services, which includes, among other things, being responsible for the financial records which it is required to maintain and preparing reports to its stockholders and reports filed with the SEC. In addition, the Adviser assists the Company in determining and publishing its net asset value, oversees the preparation and filing of its tax returns and the printing and dissemination of reports and other materials to its stockholders, and generally oversees the payment of its expenses and the performance of administrative and professional services rendered to it by others. Under the Administration Agreement, the Adviser also provides managerial assistance on the Company's behalf to those portfolio companies that have accepted its offer to provide such assistance. In addition, the Adviser may satisfy certain of its obligations to the Company under the Administration Agreement through the services agreement with Investcorp International Inc., an affiliate of Investcorp, including supplying the Company with accounting and back-office professionals upon the request of the Adviser. The Company incurred costs of $966,045, $1,247,205, and $1,397,069 under the Administration Agreement for the years ended June 30, 2023, June 30, 2022 and June 30, 2021, respectively.

As of June 30, 2023, June 30, 2022 and June 30, 2021, the Company recorded no accrued expenses and other liabilities for reimbursement of expenses owed to the Adviser under the Administration Agreement.

Stock Purchase Agreement

In connection with the Investcorp Transaction, on June 26, 2019, the Company entered into a definitive stock purchase and transaction agreement with Investcorp BDC Holdings Limited ("Investcorp BDC"), an affiliate of Investcorp (the "Stock Purchase Agreement"), pursuant to which Investcorp BDC was required by August 30, 2021, to purchase (i) 680,985 newly issued shares of the Company's common stock, at the most recently determined net asset value per share of the Company's common stock at the time of such purchase, as adjusted as necessary to comply with Section 23 of the 1940 Act, and (ii) 680,985 shares of the Company's common stock in open-market or secondary transactions. Investcorp BDC completed all remaining required purchases under the Stock Purchase Agreement during the quarter ended September 30, 2021.

Co-investment Exemptive Relief

On July 20, 2021, the SEC issued an order, which superseded a prior order issued on March 19, 2019, granting the Company's application for exemptive relief to co-invest, subject to the satisfaction of certain conditions, in certain private placement transactions with other funds managed by the Adviser or its affiliates and any future funds that are advised by the Adviser or its affiliated investment advisers (the "Exemptive Relief"). Under the terms of the Exemptive Relief, in order for the Company to participate in a co-investment transaction a "required majority" (as defined in Section 57(o) of the 1940 Act) of the directors who are not "interested persons" of the Company, as defined in Section 2(a)(19) of the 1940 Act (each, an "Independent Director") must conclude that (i) the terms of the proposed transaction, including the consideration to be paid, are reasonable and fair to the Company and its stockholders and do not involve overreaching in respect of the Company or its stockholders on the part of any person concerned, and (ii) the proposed transaction is consistent with the interests of the Company's stockholders and is consistent with the Company's investment objectives and strategies.

License Agreement

The Company has entered into a license agreement with the Adviser under which the Adviser has agreed to grant the Company a non-exclusive, royalty-free license to use the name "Investcorp." Under this agreement, the Company has a right to use the "Investcorp" name for so long as the Adviser or one of its affiliates remains the Company's investment adviser. Other than with respect to this limited license, the Company has no legal right to the "Investcorp" name. This license agreement will remain in effect for so long as the Advisory Agreement with the Adviser is in effect and Investcorp is the majority owner of the Adviser.

Note 8. Directors' Fees

Each Independent Director receives (i) an annual fee of $75,000, and (ii) $2,500 plus reimbursement of reasonable out-of-pocket expenses incurred in connection with attending in person or telephonically each regular board of directors meeting and each special telephonic meeting. Each Independent Director also receives $1,000 plus reimbursement of reasonable out-of-pocket expenses incurred in connection with each committee meeting attended in person and each telephonic committee meeting. The chairman of the audit committee receives an annual fee of $7,500. The chairperson of the valuation committee, the nominating and corporate governance committee and the compensation committee receives an annual fee of $2,500, $2,500 and $2,500, respectively. The Company has obtained directors' and officers' liability insurance on behalf of the Company's directors and officers. For the years ended June 30, 2023, June 30, 2022 and June 30, 2021, the Company recorded directors' fees of $302,500, $302,500, and $312,500, respectively. As of June 30, 2023 and June 30, 2022, the Company recorded directors' fees payable of $15,755 and $20,780, respectively.

Note 9. Net Change in Net Assets Resulting from Operations Per Share

Basic earnings per share is computed by dividing earnings available to common stockholders by the weighted average number of shares outstanding during the period. Other potentially dilutive common shares, and the related impact to earnings, are considered when calculating earnings per share on a diluted basis.

The following table sets forth the computation of the weighted average basic and diluted net increase in net assets per share from operations:

Basic and Diluted Net Increase (Decrease) in Net Assets Per Share

	Year Ended June 30,		
	2023	2022	2021
Net increase (decrease) in net assets resulting from operations	$ 3,234,503	$ 2,586,630	$ (2,313,825)
Weighted average shares of common stock outstanding	14,389,163	14,304,641	13,908,612
Basic/diluted net increase (decrease) in net assets from operations per share	$ 0.22	$ 0.18	$ (0.17)

On September 3, 2021, the Company issued 453,985 shares of common stock, par value $0.001 per share to Investcorp at a price of $6.92 per share for an aggregate offering price of $3,141,576. On March 4, 2020, the Company issued 113,500 shares of common stock, par value $0.001 per share, to Investcorp BDC at a price of $10.15 per share for an aggregate offering price of $1,152,025. On December 4, 2019, the Company issued 113,500 shares of common stock, par value $0.001 per share to Investcorp BDC at a price of $10.19 per share for an aggregate offering price of $1,156,565.

The sales of the Company's common stock to Investcorp BDC were made pursuant to the Stock Purchase Agreement. The issuance of the Company's common stock is exempt from the registration requirements of the Securities Act, pursuant to Section 4(a)(2) thereof and Regulation D thereunder. Investcorp BDC is an "accredited investor" as that term is defined in Rule 501(a) of Regulation D under the Securities Act.

Note 10. Distributions

The following table reflects the distributions declared on shares of the Company's common stock since the Offering in February 2014. Stockholders of record as of each respective record date were entitled to receive the distribution:

Declaration Date	Record Date	Payment Date	Amount Per Share
March 14, 2014	March 24, 2014	March 31, 2014	$0.1812
May 14, 2014	June 16, 2014	July 1, 2014	$0.3375
September 4, 2014	September 18, 2014	October 1, 2014	$0.3375
November 6, 2014	December 18, 2014	January 5, 2015	$0.3375
January 28, 2015	March 18, 2015	April 2, 2015	$0.3469
May 6, 2015	June 8, 2015	July 5, 2015	$0.3469
June 10, 2015#	September 1, 2015	September 15, 2015	$0.4300
June 10, 2015	September 18, 2015	October 2, 2015	$0.3469
November 3, 2015	December 18, 2015	January 5, 2016	$0.3469
February 2, 2016	March 18, 2016	April 7, 2016	$0.3516
April 28, 2016	June 17, 2016	July 7, 2016	$0.3516
August 25, 2016	September 16, 2016	October 6, 2016	$0.3516
November 3, 2016	December 16, 2016	January 5, 2017	$0.3516
November 3, 2016	March 17, 2017	April 6, 2017	$0.2500
May 2, 2017	June 16, 2017	July 6, 2017	$0.2500
August 24, 2017	September 8, 2017	October 5, 2017	$0.2500
November 7, 2017	March 16, 2018	April 5, 2018	$0.2500
May 2, 2018	June 15, 2018	July 5, 2018	$0.2500
August 23, 2018	September 18, 2018	October 5, 2018	$0.2500
November 6, 2018	December 14, 2018	January 3, 2019	$0.2500
February 5, 2019	March 15, 2019	April 4, 2019	$0.2500
May 1, 2019	June 14, 2019	July 5, 2019	$0.2500
August 28, 2019	September 26, 2019	October 16, 2019	$0.2500
November 6, 2019	December 13, 2019	January 2, 2020	$0.2500
February 4, 2020	March 13, 2020	April 2, 2020	$0.2500
May 7, 2020	June 19, 2020	July 10, 2020	$0.1500
May 7, 2020*	June 19, 2020	July 10, 2020	$0.0300
August 26, 2020	September 25, 2020	October 15, 2020	$0.1500
August 26, 2020*	September 25, 2020	October 15, 2020	$0.0300
November 3, 2020	December 10, 2020	January 4, 2021	$0.1500
November 3, 2020*	December 10, 2020	January 4, 2021	$0.0300
February 3, 2021	March 12, 2021	April 1, 2021	$0.1500
February 3, 2021*	March 12, 2021	April 1, 2021	$0.0300
May 6, 2021	June 18, 2021	July 9, 2021	$0.1500
August 25, 2021	September 24, 2021	October 14, 2021	$0.1500
November 3, 2021	December 10, 2021	January 4, 2022	$0.1500
February 3, 2022	March 11, 2022	March 31, 2022	$0.1500
May 5, 2022	June 17, 2022	July 8, 2022	$0.1500
August 25, 2022	September 23, 2022	October 14, 2022	$0.1500
November 11, 2022	December 16, 2022	January 10, 2023	$0.1300
November 11, 2022*	December 16, 2022	January 10, 2023	$0.0200
February 2, 2023	March 10, 2023	March 30, 2023	$0.1300
February 2, 2023*	March 10, 2023	March 30, 2023	$0.0200
May 4, 2023	June 16, 2023	July 7, 2023	$0.1300
May 4, 2023*	June 16, 2023	July 7, 2023	$0.0500

Special distribution
* Supplemental distribution

The following table reflects for U.S. federal income tax purposes the sources of the cash dividend distributions that the Company has paid on its common stock during the years ended June 30, 2023, June 30, 2022 and June 30, 2021:

	Year ended June 30,					
	2023		2022		2021	
	Distribution Amount	Percentage	Distribution Amount	Percentage	Distribution Amount	Percentage
Ordinary income and short-term capital gains	$ 9,065,336	100%	$ 8,630,756	100%	$ 9,597,248	100%
Long-term capital gains						
Total	$ 9,065,336	100%	$ 8,630,756	100%	$ 9,597,248	100%

Note 11. Share Transactions

The following table summarizes the total shares issued and repurchased for the years ended June 30, 2023, June 30, 2022 and June 30, 2021:

	Year ended June 30,					
	2023		2022		2021	
	Shares	Amount	Shares	Amount	Shares	Amount
Balance at beginning of period	14,385,810	$205,790,502	13,921,767	$202,592,833	13,885,335	$202,450,906
Issuance of common shares	—	—	453,985	3,141,576	—	—
Reinvestments of stockholder distributions	5,965	21,749	10,058	56,093	36,432	141,927
Balance at end of period	14,391,775	$205,812,251	14,385,810	$205,790,502	13,921,767	$202,592,833

Note 12. Financial Highlights

The following represents the per share data and the ratios to average net assets for the Company:

	For the Years Ended June 30,				
	2023	2022	2021	2020	2019
Per Share Data:[1]					
Net asset value, beginning of year	$ 6.50	$ 6.92	$ 7.79	$ 10.51	$ 12.57
Net investment income	0.65	0.62	0.65	1.03	0.99
Net realized and unrealized gains (losses)	(0.43)	(0.44)	(0.82)	(2.82)	(2.06)
Net increase (decrease) in net assets resulting from operations	0.22	0.18	(0.17)	(1.79)	(1.07)
Capital transactions[2]					
Share repurchases	—	—	—	—	0.01
Dividends from net investment income	(0.63)	(0.60)	(0.70)	(0.93)	(1.00)
Distributions from net realized gains	—	—	—	—	—
Net decrease in net assets resulting from capital transactions	(0.63)	(0.60)	(0.70)	(0.93)	(0.99)
Offering costs	—	—	—	—	—
Net asset value, end of year	$ 6.09	$ 6.50	$ 6.92	$ 7.79	$ 10.51
Market value per share, end of year	$ 3.62	$ 4.24	$ 5.40	$ 3.49	$ 7.61
Total return based on market value[3]	1.65%	(11.29)%	80.93%	(43.32)%	(1.49)%
Shares outstanding at end of year	14,391,775	14,385,810	13,921,767	13,885,335	13,619,690
Ratio/Supplemental Data:					
Net assets, at end of year	$ 87,700,308	$ 93,509,392	$ 96,355,849	$ 108,124,995	$ 143,083,980
Ratio of total expenses to average net assets	19.58%	16.15%	16.93%	16.02%	13.58%
Ratio of net expenses to average net assets	19.15%	15.67%	16.58%	15.56%	13.26%
Ratio of interest expense and fees and amortization of deferred debt issuance costs to average net assets	10.11%	7.33%	6.96%	7.41%	6.13%
Ratio of net investment income before fee waiver to average net assets	10.89%	9.50%	8.93%	10.39%	8.26%
Ratio of net investment income after fee waiver to average net assets	10.46%	9.02%	8.58%	10.86%	8.58%
Total Borrowings	$ 136,900,000	$ 149,000,000	$ 167,000,000	$ $183,375,000	$ $167,529,670
Asset Coverage Ratio[4]	1.64	1.63	1.58	1.59	1.85
Portfolio Turnover Rate	22%	58%	35%	33%	51%

(1) All per share data activity is calculated based on the weighted average shares outstanding for the relevant period, except net increase (decrease) in net assets from capital share transactions, which is based on the common shares outstanding as of the relevant balance sheet date.

(2) The per share data for dividends and distributions declared reflects the actual amount of the dividends and distributions declared per share during the period.

(3) Total returns are historical and are calculated by determining the percentage change in the market value with all dividend distributions, if any, reinvested. Dividends and distributions are assumed to be reinvested at prices obtained under the company's dividend reinvestment plan. Total investment return does not reflect sales load.

(4) Asset coverage ratio is equal to (i) the sum of (A) net assets at the end of the period and (B) debt outstanding at the end of the period, divided by (ii) total debt outstanding at the end of the period.

Total return is calculated based on a time-weighted rate of return methodology for the stockholders and is not annualized. Total return is reflected after all investment-related and operating expenses. A stockholder's return may vary from these returns based on the timing of capital transactions. The ratios to average stockholders' capital are calculated based on the monthly average stockholders' capital during the period.

The ratios to average stockholders' capital are calculated based on the monthly average stockholders' capital during the period. Credit facility related expenses include interest expense and amortization of deferred debt issuance costs.

Note 13. Other Fee Income

The other fee income consists of structuring fee income, amendment fee income and royalty income. The following tables summarize the Company's other fee income for the years ended June 30, 2023, June 30, 2022 and June 30, 2021:

	Year Ended June 30,		
	2023	2022	2021
Amendment Fee	$ 80,186	$ 109,266	$ 230,138
Prepayment Fee Income	401,125	525,263	333,063
Other Fees	287,306	234,957	822,151
Other Fee Income	$ 768,617	$ 869,486	$ 1,385,352

Note 14. Tax Information

As of June 30, 2023, the Company's aggregate investment unrealized appreciation and depreciation based on cost for U.S. federal income tax purposes were as follows:

Tax cost	$ 243,126,654
Gross unrealized appreciation	7,371,220
Gross unrealized depreciation	(30,386,545)
Net unrealized investment depreciation	$ (23,015,325)

As of June 30, 2022, the Company's aggregate investment unrealized appreciation and depreciation based on cost for U.S. federal income tax purposes were as follows:

Tax cost	$ 277,568,005
Gross unrealized appreciation	2,879,273
Gross unrealized depreciation	(46,763,292)
Net unrealized investment depreciation	$ (43,884,019)

Note 15. Subsequent Events

The Company has evaluated the need for disclosures and/or adjustments resulting from subsequent events through the date the consolidated financial statements were issued.

Subsequent to June 30, 2023 and through September 15, 2023, the Company invested a total of $4.1 million, which included investments in one new portfolio company and one existing portfolio company. As of September 15, 2023, the Company had investments in 37 portfolio companies.

On September 14, 2023, the Company's board of directors declared a distribution for the quarter ended September 30, 2023 of $0.13 per share payable on November 2, 2023 to stockholders of record as of October 12, 2023 and a supplemental distribution of $0.02 per share payable on November 2, 2023 to stockholders of record as of October 12, 2023.

Item 9. Changes in and Disagreements with Independent Registered Public Accounting Firm on Accounting and Financial Disclosure

There were no changes in or disagreements on accounting or financial disclosure with RSM US LLP, the Company's independent registered public accounting firm, during the fiscal year ended June 30, 2023.

Item 9A. Controls and Procedures

(a) Evaluation of Disclosure Controls and Procedures

As of June 30, 2023 (the end of the period covered by this report), we, including our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rule 13a-15(e) of the 1934 Act). Based on that evaluation, our management, including our Chief Executive Officer and Chief Financial Officer, concluded that our disclosure controls and procedures were effective and provided reasonable assurance that information required to be disclosed in our periodic SEC filings is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. However, in evaluating the disclosure controls and procedures, management recognized that any controls and procedures, no matter how well designed and operated can provide only reasonable assurance of achieving the desired control objectives, and management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

(b) Management's Report on Internal Control Over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting as such term is defined in Exchange Act Rule 13a-15(f), and for performing an assessment of the effectiveness of internal control over financial reporting as of June 30, 2023. Internal control over financial reporting is a process designed by, or under the supervision of, our principal executive and principal financial officers, or persons performing similar functions, and effected by our Board of Directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. Our internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures are being made only in accordance with authorizations; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of our assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

Management performed an assessment of the effectiveness of our internal control over financial reporting as of June 30, 2023 based upon the criteria set forth in Internal Control — Integrated Framework 2013 issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO 2013"). Based on our assessment, management determined that our internal control over financial reporting was effective as of June 30, 2023. Pursuant to rules established by the SEC, this annual report does not include an attestation report of our independent registered public accounting firm regarding internal control over financial reporting.

(c) Changes in Internal Control Over Financial Reporting

Management did not identify any change in the Company's internal control over financial reporting that occurred during the quarter ended June 30, 2023 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

Item 9B. Other Information

Rule 10b5-1 Trading Plans

During the fiscal quarter ended June 30, 2023, none of our directors or officers adopted or terminated any contract, instruction or written plan for the purchase or sale of our securities to satisfy the affirmative defense conditions of Exchange Act Rule 10b5-1(c) or any "non Rule 10b5-1 trading arrangement."

PART III

We will file a definitive Proxy Statement for our 2023 Annual Meeting of Stockholders with the SEC, pursuant to Regulation 14A, not later than 120 days after the end of our fiscal year. Accordingly, certain information required by Part III has been omitted under General Instruction G(3) to the annual report on Form 10-K. Only those sections of our definitive Proxy Statement that specifically address the items set forth herein are incorporated by reference.

Item 10. Directors, Executive Officers and Corporate Governance

The information required by Item 10 is hereby incorporated by reference from the Company's definitive Proxy Statement relating to the Company's 2023 Annual Meeting of Stockholders, to be filed with the Securities and Exchange Commission within 120 days following the end of the Company's fiscal year.

We have adopted a code of business conduct and ethics that applies to our directors, officers and employees. This code of ethics is published on our website at *www.icmbdc.com.* We intend to disclose any future amendments to, or waivers from, this code of conduct within four business days of the waiver or amendment through a Web site posting.

Item 11. Executive Compensation

The information required by Item 11 is hereby incorporated by reference from the Company's definitive Proxy Statement relating to the Company's 2023 Annual Meeting of Stockholders, to be filed with the Securities and Exchange Commission within 120 days following the end of the Company's fiscal year.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The information required by Item 12 is hereby incorporated by reference from the Company's definitive Proxy Statement relating to the Company's 2023 Annual Meeting of Stockholders, to be filed with the Securities and Exchange Commission within 120 days following the end of the Company's fiscal year.

Item 13. Certain Relationships and Related Transactions, and Director Independence

The information required by Item 13 is hereby incorporated by reference from the Company's definitive Proxy Statement relating to the Company's 2023 Annual Meeting of Stockholders, to be filed with the Securities and Exchange Commission within 120 days following the end of the Company's fiscal year.

Item 14. Principal Accountant Fees and Services

The information required by Item 14 is hereby incorporated by reference from the Company's definitive Proxy Statement relating to the Company's 2023 Annual Meeting of Stockholders, to be filed with the Securities and Exchange Commission within 120 days following the end of the Company's fiscal year.

PART IV

Item 15. Exhibits, Financial Statement Schedules

a. Documents Filed as Part of this Report

The following financial statements are set forth in Item 8:

	Page
Report of Independent Registered Public Accounting Firm	77
Consolidated Statements of Assets and Liabilities as of June 30, 2023 and June 30, 2022	79
Consolidated Statements of Operations for the years ended June 30, 2023, June 30, 2022, and June 30, 2021	80
Consolidated Statements of Changes in Net Assets for the years ended June 30, 2023, June 30, 2022, and June 30, 2021	81
Consolidated Statements of Cash Flows for the years ended June 30, 2023, June 30, 2022, and June 30, 2021	82
Consolidated Schedule of Investments as of June 30, 2023	83
Consolidated Schedule of Investments as of June 30, 2022	88
Consolidated Notes to Financial Statements	92

b. Exhibits

The following exhibits are filed as part of this report or hereby incorporated by reference to exhibits previously filed with the SEC:

3.1	Articles of Amendment and Restatement(1)
3.2	Articles of Amendment(4)
3.3	Bylaws(1)
4.1	Form of Stock Certificate(1)
4.2	Base Indenture, dated as of July 2, 2018, by and between Registrant and U.S. Bank National Association(2)
4.3	First Supplemental Indenture, dated as of July 2, 2018, by and between the Registrant and U.S. Bank National Association relating to the 6.125% Notes Due 2023(3)
4.4*	Description of Securities
4.5	Second Supplemental Indenture, dated as of March 31, 2021, between Investcorp Credit Management BDC, Inc. and U.S. Bank National Association, as trustee(11)
4.6	Form of Global Note with respect to the 4.875% Notes due 2026(11)
10.1	Investment Advisory Agreement, dated August 30, 2019, by and between Registrant and CM Investment Partners LLC(4)
10.2	Administration Agreement, dated August 30, 2019, by and between Registrant and CM Investment Partners LLC(4)
10.3	Form of Dividend Reinvestment Plan(5)
10.4	Custody Agreement, dated August 31, 2017, by and between Registrant and U.S. Bank National Association(6)
10.5	Trademark License Agreement, dated August 30, 2019, by and between the Registrant and CM Investment Partners LLC(4)
10.6	Form of Indemnification Agreement between the Registrant and the Directors(1)
10.7	Registration Right Agreement, dated as of December 17, 2013, between Registrant and certain stockholders(5)
10.8	Amendment Agreement by and among CM SPV Ltd., CM Investment Partners LLC and U.S. Bank, as Collateral Administrator, amending the Collateral Administration Agreement and the Collateral Management Agreement(7)
10.9	Contribution Agreement between Registrant and CM SPV Ltd.(7)
10.10	Total Return Swap Transaction Confirmation Letter Agreement between UBS and Registrant regarding the Class A-R Notes (7)
10.11	Global Master Repurchase Agreement and Annexes thereto (the “GMRA”), dated as of June 11, 2019, between UBS and Registrant(7)
10.12	Subscription Agreement with respect to the Class A-2 Notes sale, between Registrant and UBS Securities LLC, as placement agent(7)
10.13	Placement Agency Agreement, between CM SPV Ltd. and the Placement Agent(7)
10.14	Second Amended and Restated Account Control Agreement, among CM SPV Ltd. and U.S. Bank as Revolving Credit Note Agent and Trustee(7)

10.15	Stock Purchase and Transaction Agreement, dated June 26, 2019, by and between Registrant and Investcorp BDC Holdings Limited[8]
10.16	Mutual Purchase Agreement Waiver and Agreement, dated August 28, 2019, by and between the Company and Investcorp BDC Holdings Limited[4]
10.17	Second Mutual Purchase Agreement Waiver and Agreement, dated March 9, 2020, by and between the Company and Investcorp BDC Holdings Limited[9]
10.18	Third Amended and Restated Revolving Credit Note Agreement by and among the Company, CM SPV, UBS, and U.S. Bank, as Revolving Credit Note Agent and Trustee[10]
10.19	Eighth Supplemental Indenture with an attached Eighth Amended and Restated Indenture between CM SPV and U.S. Bank[10]
10.20	Amended Confirmation under the GMRA with respect to the Class A-1 Notes, between the Company and UBS[10]
10.21	Confirmation under the GMRA with respect to the Revolving Financing, between the Company and UBS[10]
10.22	Loan, Security and Investment Management Agreement, dated as of August 23, 2021, by and among CM Investment Partners LLC, Investcorp BDC SPV, as borrower, each of the lenders from time to time party thereto, Capital One, as administrative agent, hedge counterparty, swingline lender and arranger, and Wells Fargo Bank, National Association, as collateral custodian[12]
10.23	Sale and Contribution Agreement, dated as of August 23, 2021, by and between Investcorp BDC SPV, as buyer, and the Company, as seller[12]
10.24	Pledge Agreement, dated as of August 23, 2021, by and between the Company, as pledgor, in favor of Capital One, as administrative agent[12]
10.25	Second Amendment, dated November 18, 2022, to Loan, Security and Investment Management Agreement by and among CM Investment Partners, LLC, as investment manager, Investcorp Credit Management BDC SPV, LLC, as borrower, each of the lenders from time to time party thereto, Webster Bank, N.A., and Capital One, as administrative agent, swingline lender and as arranger[13]
10.26	Third Amendment, dated June 14, 2023, to Loan, Security and Collateral Management Agreement by and among Investcorp Credit Management BDC SPV, LLC, as borrower, each of the lenders party thereto, Capital One, National Association, as administrative agent, swingline lender and as arranger, Wells Fargo Bank, National Association, as collateral custodian, and CM Investment Partners, LLC, as collateral manager[14]
14.1	Code of Ethics of Registrant[1]
19.1*	Insider Trading Policy
21.1	Subsidiaries of Registrant: CM Finance SPV Ltd. (Cayman) CM Finance SPV LLC (Delaware) Investcorp Credit Management BDC SPV, LLC (Delaware)
31.1*	Certification of Chief Executive Officer pursuant to Rule 13a-14 of the Securities Exchange Act of 1934, as amended
31.2*	Certification of Chief Financial Officer pursuant to Rule 13a-14 of the Securities Exchange Act of 1934, as amended
32.1*	Certification of Chief Executive Officer pursuant to Section 906 of The Sarbanes-Oxley Act of 2002
32.2*	Certification of Chief Financial Officer pursuant to Section 906 of The Sarbanes-Oxley Act of 2002
101.INS	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because XBRL tags are embedded within the Inline XBRL document.
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

---

* Filed herewith

(1) Incorporated by reference to Registrant's Registration Statement on Form N-2 (File No. 333-192370), filed on November 15, 2013.

(2) Incorporated by reference to Registrant's Post-Effective Amendment No. 3 to the Registration Statement on Form N-2 (File No. 333-223999), filed on April 9, 2019.

(3) Incorporated by reference to Registrant's Post-Effective Amendment No. 1 to the Registration Statement on Form N-2 (File No. 333-223999), filed on July 2, 2018.

(4) Incorporated by reference to Registrant's Current Report on Form 8-K (File No. 814-01054), filed on September 3, 2019.

(5) Incorporated by reference to Registrant's Registration Statement on Form N-2 (File No. 333-192370), filed on December 20, 2013.

(6) Incorporated by reference to Registrant's Form 10-K (File No. 814-01054), filed on September 6, 2017.

(7) Incorporated by reference to Registrant's Current Report on Form 8-K (File No. 814-01054), filed on June 27, 2019.

(8) Incorporated by reference to Registrant's Current Report on Form 8-K (File No. 814-01054), filed on July 1, 2019.

(9) Incorporated by reference to Registrant's Current Report on Form 8-K (File No. 814-01054), filed on March 10, 2020.

(10) Incorporated by reference to Registrant's Current Report on Form 8-K (File No. 814-01054), filed on October 5, 2020.

(11) Incorporated by reference to Registrant's Current Report on Form 8-K (File No. 814-01054), filed on March 31, 2021.

(12) Incorporated by reference to the Registrant's Current Report on Form 8-K (File No. 814-01054), filed on August 25, 2021.

(13) Incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K (File No. 814-01054), filed with the SEC on November 22, 2022.

(14) Incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K (File No. 814-01054), filed with the SEC on June 21, 2023.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

INVESTCORP CREDIT MANAGEMENT BDC, INC.

Date: September 21, 2023 — /s/ Michael C. Mauer

Michael C. Mauer
Chief Executive Officer and Director

Date: September 21, 2023 — /s/ Rocco DelGuercio

Rocco DelGuercio
Chief Financial Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacity and on the dates indicated.

Date: September 21, 2023 — /s/ Michael C. Mauer

Michael C. Mauer
Chief Executive Officer and Director

Date: September 21, 2023 — /s/ Rocco DelGuercio

Rocco DelGuercio
Chief Financial Officer
(Principal Accounting and Financial Officer)

Date: September 21, 2023 — /s/ Suhail A. Shaikh

Suhail A. Shaikh
President and Director

Date: September 21, 2023 — /s/ Julie Persily

Julie Persily
Director

Date: September 21, 2023 — /s/ Lee M. Shaiman

Lee M. Shaiman
Director

Date: September 21, 2023 — /s/ Thomas Sullivan

Thomas Sullivan
Director

[THIS PAGE INTENTIONALLY LEFT BLANK]