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

FORM 10-Q

(Mark One)
☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2024

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 or other Jurisdiction of Incorporation or Organization)	**(I.R.S. Employer Identification No.)**

280 Park Avenue
39th Floor
New York, NY 10017
(Address of Principal Executive Offices) (Zip Code)

(212) 599-4700
(Registrant's Telephone Number, Including Area Code)

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 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 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 definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒	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 is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

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

The number of shares of the issuer's Common Stock, $0.001 par value per share, outstanding as of May 14, 2024 was 14,400,742.

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Investcorp Credit Management BDC, Inc. and Subsidiaries

Consolidated Statements of Assets and Liabilities

	March 31, 2024 (Unaudited)	June 30, 2023
Assets		
Non-controlled, non-affiliated investments, at fair value (amortized cost of $195,540,865 and $219,319,251, respectively)	$ 186,948,019	$ 210,150,018
Affiliated investments, at fair value (amortized cost of $15,129,208 and $23,979,565, respectively)	5,255,262	9,961,311
Total investments, at fair value (amortized cost of $210,670,073 and $243,298,816, respectively)	192,203,281	220,111,329
Cash	2,728,347	1,093,758
Cash, restricted	10,161,162	8,057,458
Receivable for investments sold	1,972,100	—
Principal receivable	47,692	93,581
Interest receivable	1,304,722	2,041,877
Payment-in-kind interest receivable	59,166	46,088
Due from affiliate	175,916	—
Long-term receivable	618,772	—
Escrow receivable	95,190	—
Other receivables	—	1,050
Prepaid expenses and other assets	604,201	361,719
Total Assets	$ 209,970,549	$ 231,806,860
Liabilities		
Notes payable:		
Revolving credit facility	$ 57,500,000	$ 71,900,000
2026 Notes payable	65,000,000	65,000,000
Deferred debt issuance costs	(1,807,459)	(1,220,556)
Unamortized discount	(142,220)	(195,553)
Notes payable, net	120,550,321	135,483,891
Payable for investments purchased	3,487,533	1,795,297
Dividend payable	2,159,568	2,590,520
Income-based incentive fees payable	128,876	576,023
Base management fees payable	854,328	906,218
Interest payable	2,972,954	2,293,766
Directors' fees payable	—	15,755
Accrued expenses and other liabilities	716,004	445,082
Total Liabilities	130,869,584	144,106,552
Net Assets		
Common stock, par value $0.001 per share (100,000,000 shares authorized 14,397,121 and 14,391,775 shares issued and outstanding, respectively)	14,397	14,392
Additional paid-in capital	203,346,421	203,327,714
Distributable earnings (loss)	(124,259,853)	(115,641,798)
Total Net Assets	79,100,965	87,700,308
Total Liabilities and Net Assets	$ 209,970,549	$ 231,806,860
Net Asset Value Per Share	$ 5.49	$ 6.09

See notes to unaudited consolidated financial statements.

Investcorp Credit Management BDC, Inc. and Subsidiaries

Consolidated Statements of Operations (Unaudited)

	For the three months ended March 31, 2024	For the three months ended March 31, 2023	For the nine months ended March 31, 2024	For the nine months ended March 31, 2023
Investment Income:				
Interest income				
Non-controlled, non-affiliated investments	$ 5,561,333	$ 6,314,620	$ 16,180,220	$ 18,184,247
Affiliated investments	28,830	—	29,370	(20,611)
Total interest income	5,590,163	6,314,620	16,209,590	18,163,636
Payment in-kind interest income				
Non-controlled, non-affiliated investments	613,765	401,978	1,281,265	584,645
Affiliated investments	19,553	17,491	57,633	51,938
Total payment-in-kind interest income	633,318	419,469	1,338,898	636,583
Dividend income				
Non-controlled, non-affiliated investments	54,138	—	54,138	101,755
Affiliated investments	—	—	—	—
Total dividend income	54,138	—	54,138	101,755
Payment in-kind dividend income				
Non-controlled, non-affiliated investments	198,123	173,253	580,556	511,395
Affiliated investments	—	—	—	—
Total payment-in-kind dividend income	198,123	173,253	580,556	511,395
Other fee income				
Non-controlled, non-affiliated investments	142,347	98,498	575,801	670,926
Affiliated investments	—	—	—	—
Total other fee income	142,347	98,498	575,801	670,926
Total investment income	6,618,089	7,005,840	18,758,983	20,084,295
Expenses:				
Interest expense	2,174,195	2,166,739	6,649,314	6,119,083
Base management fees	951,799	1,043,306	2,910,978	3,204,391
Income-based incentive fees	—	—	(72,942)	(147,145)
Provision for tax expense	111,646	77,575	321,890	187,763
Professional fees	354,934	271,784	981,322	815,347
Allocation of administrative costs from Adviser	225,856	375,900	1,118,276	1,127,700
Amortization of deferred debt issuance costs	152,591	173,333	423,885	520,000
Amortization of original issue discount - 2026 Notes	17,777	17,777	53,332	53,332
Insurance expense	125,766	120,093	351,734	395,734
Directors' fees	75,157	75,625	221,407	226,875
Custodian and administrator fees	68,031	74,397	214,892	217,913
Other expenses	379,406	151,093	595,233	426,908
Total expenses	4,637,158	4,547,622	13,769,321	13,147,901
Waiver of base management fees	(97,431)	(89,939)	(292,326)	(296,566)
Waiver of income-based incentive fees	—	—	—	—
Net expenses	4,539,727	4,457,683	13,476,995	12,851,335
Net investment income	2,078,362	2,548,157	5,281,988	7,232,960
Net realized and unrealized gain/(loss) on investments:				
Net realized gain (loss) from investments				
Non-controlled, non-affiliated investments	(31,984)	(26,890,095)	(5,903,023)	(26,890,095)
Affiliated investments	(6,239,984)	—	(6,239,984)	—
Net realized gain (loss) from investments	(6,271,968)	(26,890,095)	(12,143,007)	(26,890,095)
Net change in unrealized appreciation (depreciation) in value of investments				
Non-controlled, non-affiliated investments	1,089,608	24,505,471	576,387	22,391,835
Affiliated investments	5,515,738	(1,267,677)	4,144,308	(1,564,478)
Net change in unrealized appreciation (depreciation) on investments	6,605,346	23,237,794	4,720,695	20,827,357
Total realized gain (loss) and change in unrealized appreciation (depreciation) on investments	333,378	(3,652,301)	(7,422,312)	(6,062,738)
Net increase (decrease) in net assets resulting from operations	$ 2,411,740	$ (1,104,144)	$ (2,140,324)	$ 1,170,222
Basic and diluted:				
Net investment income per share	$ 0.14	$ 0.18	$ 0.37	$ 0.50
Earnings per share	$ 0.17	$ (0.08)	$ (0.15)	$ 0.08
Weighted average shares of common stock outstanding	14,396,951	14,389,868	14,394,574	14,388,295
Distributions paid per common share	$ 0.15	$ 0.15	$ 0.45	$ 0.45

See notes to unaudited consolidated financial statements.

Investcorp Credit Management BDC, Inc. and Subsidiaries

Consolidated Statements of Changes in Net Assets (Unaudited)

	For the three months ended March 31,	
	2024	2023
Net assets at beginning of period	$ 78,840,983	$ 91,477,635
Net increase (decrease) in net assets resulting from operations:		
Net investment income	2,078,362	2,548,157
Net realized gain (loss) from investments	(6,271,968)	(26,890,095)
Net change in unrealized appreciation (depreciation) on investments	6,605,346	23,237,794
Net increase (decrease) in net assets resulting from operations	2,411,740	(1,104,144)
Stockholder distributions:		
Distributions from net investment income	(2,159,568)	(2,158,506)
Distributions from capital gains	—	—
Net decrease in net assets resulting from stockholder distributions	(2,159,568)	(2,158,506)
Capital transactions:		
Issuance of common shares ($0 and $0, respectively)	—	—
Reinvestments of stockholder distributions	7,810	11,562
Net increase (decrease) in net assets resulting from capital transactions	7,810	11,562
Net increase (decrease) in net assets	259,982	(3,251,088)
Net assets at end of period	$ 79,100,965	$ 88,226,547

	For the nine months ended March 31,	
	2024	2023
Net assets at beginning of period	$ 87,700,308	$ 93,509,392
Increase (decrease) in net assets resulting from operations:		
Net investment income	5,281,988	7,232,960
Net realized gain (loss) from investments	(12,143,007)	(26,890,095)
Net change in unrealized appreciation (depreciation) on investments	4,720,695	20,827,357
Net increase (decrease) in net assets resulting from operations	(2,140,324)	1,170,222
Stockholder distributions:		
Distributions from net investment income	(6,477,731)	(6,474,816)
Distributions from capital gains	—	—
Net decrease in net assets resulting from stockholder distributions	(6,477,731)	(6,474,816)
Capital transactions:		
Issuance of common shares (0 and 0 , respectively)	—	—
Reinvestments of stockholder distributions	18,712	21,749
Net increase (decrease) in net assets resulting from capital transactions	18,712	21,749
Net increase (decrease) in net assets	(8,599,343)	(5,282,845)
Net assets at end of period	$ 79,100,965	$ 88,226,547

See notes to unaudited consolidated financial statements.

Investcorp Credit Management BDC, Inc. and Subsidiaries

Consolidated Statements of Cash Flows (Unaudited)

	For the nine months ended March 31, 2024	2023
Cash Flows from Operating Activities		
Net increase (decrease) in net assets resulting from operations	$ (2,140,324)	$ 1,170,222
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	(44,625,747)	(38,535,317)
Payment in-kind interest and dividends	(1,906,376)	(1,101,142)
Sales and repayments of investments	68,788,139	46,998,760
Net realized (gain) loss on investments	12,143,007	26,890,095
Net change in unrealized appreciation/depreciation on investments	(4,720,695)	(20,827,357)
Amortization of discount/premium on investments	(1,770,280)	(1,056,482)
Amortization of deferred debt issuance costs	423,885	520,000
Amortization of original issue discount	53,333	53,333
Net (increase) decrease in operating assets:		
Interest receivable	737,155	113,645
Payment-in-kind interest receivable	(13,078)	(46,836)
Receivable for investments sold	(1,972,100)	51,238
Principal receivable	45,889	—
Due from affiliate	(175,916)	—
Long-term receivable	(618,772)	—
Escrow receivable	(95,190)	—
Other receivables	1,050	(6,365)
Prepaid expenses and other assets	(242,482)	(100,487)
Net increase (decrease) in operating liabilities:		
Payable for investments purchased	1,692,236	174,412
Interest payable	679,188	1,384,062
Directors fees payable	(15,755)	(7,150)
Accrued expenses and other liabilities	270,922	289,065
Base management fees payable	(51,890)	(100,736)
Income-based incentive fees payable	(447,147)	(148,232)
Net cash (used in) provided by operating activities	26,039,052	15,714,728
Cash Flows from Financing Activities:		
Payment for deferred financing costs	(1,010,788)	—
Distributions to stockholders	(6,889,971)	(8,610,939)
Proceeds from borrowing on revolving financing facility	32,100,000	42,900,000
Repayments of borrowing on revolving financing facility	(46,500,000)	(45,000,000)
Net cash (used in) provided by financing activities	(22,300,759)	(10,710,939)
Net change in cash	3,738,293	5,003,789
Cash:		
Cash and restricted cash at beginning of period(1)	9,151,216	9,155,077
Cash and restricted cash at end of period(2)	$ 12,889,509	$ 14,158,866
Supplemental and non-cash financing cash flow information:		
Cash paid for interest	$ 5,982,608	$ 4,735,021
Cash paid for taxes	$ 267,150	$ 294,330
Issuance of shares pursuant to Dividend Reinvestment Plan	$ 18,712	$ 21,749
Non-cash purchase of investments	$ (31,302,254)	$ (8,043,963)
Non-cash sale of investments	$ 31,302,254	$ 8,043,963

(1)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 .

(2)Represents $2,728,347 and $2,902,376 of unrestricted cash as of March 31, 2024 and March 31, 2023, respectively, and $10,161,162 and $11,256,490 of restricted cash for the same periods .

See notes to unaudited consolidated financial statements.

Investcorp Credit Management BDC, Inc. and Subsidiaries

Consolidated Schedule of Investments
(Unaudited)
March 31, 2024

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% + 1.50% PIK (1.00% Floor)	2/4/2020	6/30/2025	$ 1,146,952	$ 1,146,952	$ 1,198,565	1.52 %
ALCV Purchaser, Inc.	(10)	Specialty Retail	3M S + 6.75% (1.00% Floor)	3/1/2021	4/15/2026	5,050,000	5,014,400	4,721,750	5.97 %
AMCP Clean Acquisition Company, LLC	(10)	Hotels, Restaurants, and Leisure	3M S + 5.00% (0.50% Floor)	2/27/2024	6/15/2028	3,000,000	2,955,590	2,955,000	3.74 %
American Auto Auction Group, LLC	(10)	Automotive Retail	3M S + 5.00% (0.75% Floor)	4/12/2023	12/30/2027	5,706,962	5,392,575	5,665,872	7.16 %
American Nuts Holdings, LLC - Term Loan A	(10)	Consumer Staples Distribution & Retail	3M S + 9.75% PIK (1.00% Floor)	4/4/2022	4/10/2026	4,328,212	4,328,212	4,068,520	5.14 %
American Nuts Holdings, LLC - Term Loan B	(9)(10)	Consumer Staples Distribution & Retail	3M S + 11.75% PIK (1.00% Floor)	4/4/2022	4/10/2026	4,295,184	1,377,406	901,989	1.14 %
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	—	— %
Amerit Fleet Holdings, LLC	(10)	Commercial Services & Supplies	1M S + 8.10% (2.00% Floor)	12/13/2023	12/24/2025	7,462,500	7,320,306	7,305,787	9.24 %
Arborworks Acquisition LLC - Reinstated Term Loan (Take Back)	(10)	Commercial Services & Supplies	1M S + 6.50% PIK (1.00% Floor)	11/24/2021	11/6/2028	1,939,770	1,939,770	1,939,770	2.45 %
Arborworks Acquisition LLC - Revolver (New)	(4)	Commercial Services & Supplies	15.00% PIK	11/6/2023	11/6/2028	974,279	974,279	974,279	1.23 %
Axiom Global Inc.	(10)	Consumer Services	1M S + 4.75% (0.75% Floor)	9/12/2023	10/1/2026	4,961,129	4,898,439	4,911,518	6.21 %
Bioplan USA, Inc. - Take-Back Term Loan	(3)(10)	Containers & Packaging	3M S + 4.75% + 3.50% PIK (4.00% Floor)	3/8/2023	3/8/2028	5,792,684	5,530,874	5,662,348	7.16 %
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	3,424,175	3,594,566	4.55 %
CareerBuilder, LLC	(9)(10)	Professional Services	6M S + 6.75% (1.00% Floor)	7/27/2017	7/31/2026	5,300,420	5,296,093	1,854,081	2.34 %
Congruex Group LLC	(10)	Construction & Engineering	3M S + 5.75% (0.75% Floor)	9/27/2023	5/3/2029	3,969,697	3,918,462	3,830,758	4.84 %
Crafty Apes, LLC	(10)(13)	Entertainment	1M S + 9.25% PIK (1.00% Floor)	12/23/2021	11/1/2025	8,870,084	8,382,567	8,448,755	10.68 %
Easy Way Leisure Corporation	(10)	Household Durables	3M S + 7.50% (1.00% Floor)	8/2/2021	1/15/2026	7,865,115	7,813,946	7,865,115	9.94 %
Empire Office Inc.	(10)	Trading Companies & Distributors	1M S + 6.75% (1.50% Floor)	3/28/2019	4/12/2024	11,309,646	11,307,095	11,309,646	14.30 %
Flatworld Intermediate Corporation	(10)	IT Services	3M S + 7.00% (1.00% Floor)	10/3/2022	10/1/2027	2,239,865	2,205,389	2,183,868	2.76 %
Fleetpride Inc.	(10)	Trading Companies & Distributors	1M S + 4.50% (0.50% Floor)	9/27/2023	9/29/2028	2,985,000	2,955,380	2,985,000	3.77 %
INW Manufacturing, LLC	(10)	Food Products	3M S + 5.75% (0.75% Floor)	5/5/2021	3/25/2027	4,375,000	4,299,334	3,806,250	4.81 %
Klein Hersh, LLC	(3)(9)(10)(11)	Professional Services	3M S + 4.63% + 6.49% PIK (0.50% Floor)	4/21/2022	4/27/2027	9,925,075	9,817,092	4,764,036	6.02 %
LABL, INC.	(10)	Paper Packaging	1M S + 5.00% (0.50% Floor)	9/27/2023	10/30/2028	2,977,157	2,977,157	2,925,057	3.70 %

See notes to unaudited consolidated financial statements.

Investcorp Credit Management BDC, Inc. and Subsidiaries

Consolidated Schedule of Investments - (continued)
(Unaudited)
March 31, 2024

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									
LaserAway Intermediate Holdings II, LLC	(10)	Diversified Consumer Services	3M S + 5.75% (0.75% Floor)	10/12/2021	10/14/2027	7,213,156	7,144,255	7,213,156	9.12 %
LSF9 Atlantis Holdings LLC (Victra)	(10)	Specialty Retail	1M S + 6.50% (0.75% Floor)	2/26/2024	3/30/2029	1,973,333	1,899,147	1,991,291	2.52 %
Max US Bidco Inc.	(10)	Food Products	3M S + 5.00%	10/4/2023	10/2/2030	5,000,000	4,760,912	4,812,500	6.08 %
Northstar Group Services, Inc.	(10)	Commercial Services & Supplies	1M S + 5.50% (1.00% Floor)	12/15/2023	11/12/2026	2,448,979	2,448,979	2,448,979	3.10 %
Potpourri Group, Inc.	(10)	Internet & Direct Marketing Retail	1M S + 8.25% (1.50% Floor)	6/27/2019	7/3/2024	8,782,859	8,775,609	8,782,859	11.10 %
PVI Holdings, Inc.	(10)(12)	Trading Companies & Distributors	3M S + 6.49% (1.00% Floor)	7/29/2022	1/18/2028	3,940,000	3,910,826	3,940,000	4.98 %
Retail Services WIS Corporation	(10)	Commercial Services & Supplies	3M S + 8.35% (1.00% Floor)	5/20/2021	5/20/2025	6,244,663	6,203,342	6,244,663	7.90 %
Sandvine Corporation	(5)(7)(10)	Software	1M S + 4.50%	2/3/2023	10/31/2025	5,284,642	5,135,307	4,756,178	6.01 %
South Coast Terminals, LLC	(10)	Chemicals	1M S + 6.00% (1.00% Floor)	12/21/2021	12/10/2026	7,206,650	7,162,996	7,152,600	9.04 %
Work Genius Holdings, Inc	(10)	Professional Services	3M S + 7.00% (1.00% Floor)	6/6/2022	6/7/2027	9,826,923	9,757,820	9,704,086	12.27 %
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	740,625	0.94 %
Xenon Arc, Inc.	(10)	Trading Companies & Distributors	3M S + 5.75% (0.75% Floor)	12/27/2021	12/17/2027	8,827,500	8,827,500	8,827,500	11.16 %
Total Senior Secured First Lien Debt Investments							171,770,980	160,486,967	202.89 %
Equity, Warrants and Other Investments									
4L Technologies, Inc. Common Stock	(8)	Electronic Equipment, Instruments & Components				149,918	$ 2,171,581	$ 58,468	0.07 %
4L Technologies, Inc. Preferred Stock	(8)	Electronic Equipment, Instruments & Components				2,289	209,004	1,259,005	1.60 %
Advanced Solutions International Preferred Equity		Software				888,170	1,000,000	1,758,577	2.22 %
ArborWorks, LLC A-1 Common Units	(8)	Commercial Services & Supplies				1,035	—	—	— %
ArborWorks, LLC A-1 Preferred	(8)	Commercial Services & Supplies				8,633	4,362,023	2,150,356	2.72 %
ArborWorks, LLC B-1 Preferred	(8)	Commercial Services & Supplies				8,633	—	—	— %
Bioplan USA, Inc. - Common Stock	(8)	Containers & Packaging				292,150	1,708,941	5,369,717	6.79 %
CF Arch Holdings LLC (Equity Interest)	(8)	Professional Services				200,000	200,000	330,000	0.41 %
Discovery Behavioral Health Preferred Stock	(8)	Health Care Providers & Services	13.50% PIK			4,000	4,000,000	5,400,000	6.83 %
Flatworld Intermediate Corporation - Equity Interest	(8)	IT Services				4,405	100,000	21,046	0.02 %
Fusion Connect, Inc. - Backstop Warrants	(8)	IT Services				8,904,634	—	56,990	0.07 %
Fusion Connect, Inc. - Common Stock	(8)	IT Services				230,191	1,184,606	377,513	0.48 %
Fusion Connect, Inc - Equity Investor Warrants	(8)	IT Services				1,345,747	—	—	— %
Fusion Connect, Inc. - Investor Warrants	(8)	IT Services				8,904,634	—	56,990	0.07 %
Fusion Connect, Inc. - Series A Preferred	(3)	IT Services	12.50% PIK			500	6,555,481	5,928,121	7.49 %
Investcorp Transformer Aggregator LP	(8)	Commercial Services & Supplies				520,710	528,249	1,171,598	1.49 %
Pegasus Aggregator Holdings LP	(8)	Trading Companies & Distributors				9	750,000	915,796	1.16 %
Victors CCC Aggregator LP	(8)	Professional Services				500,000	500,000	710,000	0.90 %
Work Genius Holdings, Inc (Equity Interest)	(8)	Professional Services				500	500,000	896,875	1.13 %
Total Equity, Warrants and Other Investments							23,769,885	26,461,052	33.45 %
Total Non-Controlled/Non-Affiliated Investments							**$ 195,540,865**	**$ 186,948,019**	**236.34** %

See notes to unaudited consolidated financial statements.

Investcorp Credit Management BDC, Inc. and Subsidiaries

Consolidated Schedule of Investments - (continued)
(Unaudited)
March 31, 2024

Investments*[(1)(2)]		Industry	Interest Rate	Initial Acquisition Date	Maturity Date	Principal Amount/ Shares[(3)]	Amortized Cost	Fair Value	% of Net Assets
Affiliated Investments [(14)]									
Senior Secured First Lien Debt Investments									
Techniplas Foreign Holdco LP	(3)	Automobile Components	10.00% PIK	6/19/2020	6/18/2027	$ 792,417	792,417	611,191	0.77 %
Total Senior Secured First Lien Debt Investments							792,417	611,191	0.77 %
Equity, Warrants and Other Investments									
Techniplas Foreign Holdco LP Common Stock	(8)	Automobile Components				879,559	14,336,791	4,644,071	5.87 %
Total Equity, Warrants and Other Investments							14,336,791	4,644,071	5.87 %
Total Affiliated Investments							**$ 15,129,208**	**$ 5,255,262**	**6.64** %
Total Investments							**$ 210,670,073**	**$ 192,203,281**	**242.98** %
Liabilities in excess of other assets								**(113,102,316)**	**(142.98)** %
Net Assets								**$ 79,100,965**	**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 March 31, 2024, the Company's portfolio company investments that were subject to restrictions on sales totaled $192,203,281 at fair value and represented 242.98% 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 March 31, 2024, non-qualifying assets represented 2.25% 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 Agreement Amongst Lenders 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% plus 3.00% PIK (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 Agreement Among Lenders with the "first out" lenders, whereby the "first out" tranche will receive priority ahead of the "last out" tranche with respect to payments of principal, interest, and any other amounts due thereunder in certain circumstances. Therefore, the Company receives a higher interest rate than the contractually stated interest rate of SOFR plus 6.00% subject to a grid (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 Agreement Amongst Lenders 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% Cash (Floor 1.00%) with an election for SOFR plus 9.25% PIK (Floor 1.00%) per the credit agreement and the Consolidated Schedule of Investments above reflects such higher rate.

See notes to unaudited 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 March 31, 2024, the Company had no "Control Investments."

Transactions related to investments in non-controlled "Affiliate Investments" for the nine months ended March 31, 2024 were as follows:

Portfolio Company	Type of Investment[(a)]	June 30, 2023 Value	Gross Additions [(b)]	Gross Reductions [(c)]	Net Realized Gains (Losses)	Net Unrealized Gains (Losses)	March 31, 2024 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	$ —	$ —	$ (5,911,230)	$ 4,433,423	$ —	$ —
	Senior Secured First Lien Term Loan C (3M LIBOR + 5.00%)	630,870	—	(302,116)	(328,754)	—	—	—
	Revolver (3M LIBOR + 5.00%)	591,359	—	(2,365,434)	—	1,774,075	—	12,451
	Common Equity Interest[(e)]	—	—	—	—	—	—	—
Techniplas Foreign Holdco LP	Senior Secured First Lien Term Loan (10.00% PIK)	827,410	57,177	—	—	(273,396)	611,191	74,552
	Common Stock[(e)]	6,433,865	—	—	—	(1,789,794)	4,644,071	—
		$ 9,961,311	$ 57,177	$ (2,667,550)	$ (6,239,984)	$ 4,144,308	$ 5,255,262	$ 87,003

(a)The fair value of all investments was determined using significant unobservable inputs.

(b)Gross additions include increases in the cost basis of investments resulting from new investments, PIK and follow-on investments.

(c)Gross reductions include decreases in the total cost basis of investment repayments 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.

PRIME — 8.50% as of March 31, 2024
PIK — Payment-In-Kind
1M S — 1-month SOFR (5.33% as of March 31, 2024)
3M S — 3-month SOFR (5.30% as of March 31, 2024)
6M S — 6-month SOFR (5.22% as of March 31, 2024)

See notes to unaudited consolidated financial statements.

Investcorp Credit Management BDC, Inc. and Subsidiaries

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 unaudited consolidated financial statements.

Investcorp Credit Management BDC, Inc. and Subsidiaries

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%
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	0	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-Affiliates Investments							**$219,319,251**	**$210,150,018**	**239.62%**

See notes to unaudited 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
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	—	—	0.00%
Techniplas Foreign Holdco LP Common Stock		Auto 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%**

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* 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 0.50%) 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 0.50%) per the credit agreement and the Consolidated Schedule of Investments above reflects such higher rate.

See notes to unaudited 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 investment in non-controlled “Affiliated 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.

(b)Gross reductions include decreases in the total cost basis of investments resulting from principal repayments or sales.

(c)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.

(d)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 — 6-month SOFR (5.39% as of June 30, 2023)

See notes to unaudited 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 (“ASC”) 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. (“Stifel”) in exchange for $32.7 million in cash. The Company used all of the proceeds of the sale of shares to 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 loans, 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,” as defined in Section 55(a) of the 1940 Act unless, at the time the acquisition is made, at least 70% of total assets are qualifying assets. Qualifying assets generally include investments in “eligible portfolio companies,” which, under the 1940 Act, are generally defined as any issuer that (1) is organized under the laws of, and has its principal place of business, in the United States; (2) is not an investment company (other than a small business investment company wholly-owned by the BDC) or a company that would be an investment company but for certain exclusions under the 1940 Act; and (3) either does not have any class of securities listed on a national securities exchange or has any class of securities listed on a national securities exchange 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 March 31, 2024 and June 30, 2023, the Company 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.

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”) for interim financial information and pursuant to the requirements for reporting on Form 10-Q and Articles 6, 10 and 12 of Regulation S-X. Accordingly, certain disclosures accompanying annual financial statements prepared in accordance with U.S. GAAP are omitted. The unaudited financial statements and notes should be read in conjunction with the audited financial statements and notes thereto for the year ended June 30, 2023. 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 all or substantially all of its 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 (“OID”) 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 three and nine months ended March 31, 2024, $626,352 and $1,001,898 of prepayment penalties and unamortized discounts upon prepayment were recorded as investment income. During the three and nine months ended March 31, 2023, $222,691 and $377,729 of prepayment penalties and unamortized discounts upon prepayment were recorded as interest income.

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 March 31, 2024, the Company had four loans on non-accrual status, American Nuts Holdings, LLC - Term B, American Teleconferencing Services, Ltd. (d/b/a Premiere Global Services, Inc.) Revolver, CareerBuilder, LLC and Klein Hersh, LLC, which collectively represented 3.91% of the Company's portfolio at fair value. 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.

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 Unaudited 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 $633,318 and $1,338,898 during the three and nine months ended March 31, 2024. The Company earned PIK interest of $419,469 and $636,583 during the three and nine months ended March 31, 2023.

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 $198,123 and $580,556 during the three and nine months ended March 31, 2024. The Company earned PIK dividends of $173,253 and $511,395 during the three and nine months ended March 31, 2023.

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 what management believes to be 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 based on the terms of the relevant financing arrangement. For more information on the Company's financing arrangements and borrowings, see Note 5.

g. Due from the Sale of 1888 Industrial Services, LLC

During the quarter ended March 31, 2024, the Company completed the sale of its investments in 1888 Industrial Services, LLC resulting in $2.5 million in proceeds of which a portion is Long-term receivable in the amount of $618,772 and a portion is an Escrow receivable in the amount of $95,190 on the Consolidated Statements of Assets and Liabilities. The escrow is held as recourse for indemnity claims that may arise under the sale agreement. As of March 31, 2024, the Long-term receivable and the Escrow receivable are recorded at estimated realizable value.

h. 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.

i. 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.

j. Investment Valuation

The Company applies fair value accounting to all of its financial instruments in accordance with ASC Topic 820 – Fair Value Measurements and Disclosures ("ASC 820") and Rule 2a-5 under the 1940 Act. 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 afterhours 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 March 31, 2024 or June 30, 2023.

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 the Company uses may change as changes in the underlying portfolio 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, one or more third-party 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, as applicable, that of any 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.

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 Unaudited Consolidated Statements of Assets and Liabilities.

k. 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 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. Additionally, certain of the Company’s consolidated subsidiaries are subject to U.S. federal and state income taxes. At March 31, 2024 and March 31, 2023, the Company had no Taxable Subsidiaries. The Company incurred excise tax expenses, which are included in the provision for tax expense of $111,646 and $321,890 for the three and nine months ended March 31, 2024, and $77,575 and $187,763 for the three and nine months ended March 31, 2023.

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 three and nine months ended March 31, 2024, the Company recorded distributions of $2,159,568 and $6,477,731. During the three and nine months ended March 31, 2023, the Company recorded distributions of $2,158,506 and $6,474,816. For certain periods, 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 for any tax year since inception. The tax years ended June 30, 2020 through present remain subject to examinations 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 year ended June 30, 2023, 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
Additional paid-in capital	$	(284,155)
Distributable earnings		284,155

The tax character of all distributions paid by the Company during the year ended June 30, 2023 was ordinary income.

At June 30, 2023, the components of distributable earnings on a tax basis were as follows:

		As of June 30, 2023
Undistributed net investment income	$	11,648,379
Accumulated capital gains (losses) and other		(27,970,779)
Capital loss carryover		(73,713,555)
Unrealized appreciation (depreciation)		(23,015,323)
Distributions payable		(2,590,520)
Distributable earnings (loss)	$	(115,641,798)

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 were deemed to arise on July 1, 2023.

I. 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 Company's fiscal year ending on June 30, 2021, and is calculated at the end of each applicable year by subtracting (1) the sum of the Company's cumulative aggregate realized capital losses and aggregate unrealized capital depreciation from (2) the Company's cumulative aggregate realized capital gains, in each case calculated from June 30, 2020. If the amount so calculated is positive, then the Capital Gains Fee for such year is equal to 20% of such amount, less the aggregate amount of Capital Gains Fees paid in all prior years under the Advisory Agreement. If such amount is negative, then no Capital Gains Fee will be payable for such year. Under the Advisory Agreement, the Capital Gains Fee was not charged until the fiscal year ended June 30, 2023. As of March 31, 2024 and June 30, 2023, there was no Capital Gains 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 annual periods beginning after December 15, 2023 and interim periods within those annual periods. 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 three and nine months ended March 31, 2024 and March 31, 2023, respectively. These purchase and sale amounts exclude derivative instruments as well as non-cash restructurings.

	For the three months ended March 31,		For the nine months ended March 31,	
	2024	2023	2024	2023
Investment purchases, at cost (including PIK interest)	$ 10,224,161	$ 11,109,646	$ 46,532,123	$ 39,636,459
Investment sales and repayments	26,658,550	14,917,260	68,788,139	46,998,760

The composition of the Company's investments as of March 31, 2024, 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	$ 172,563,397	81.91 %	$ 161,098,158	83.82 %
Equity, Warrants and Other Investments	38,106,676	18.09	31,105,123	16.18
Total	$ 210,670,073	100.00 %	$ 192,203,281	100.00 %

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 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 March 31, 2024:

Industry Classification	Investments at Fair Value	Percentage of Total Portfolio
Trading Companies & Distributors	$ 27,977,942	14.56 %
Commercial Services & Supplies	22,235,432	11.57
Professional Services	18,999,703	9.88
Containers & Packaging	14,626,631	7.61
Internet & Direct Marketing Retail	8,782,859	4.57
IT Services	8,624,528	4.49
Food Products	8,618,750	4.48
Entertainment	8,448,755	4.40
Household Durables	7,865,115	4.09
Diversified Consumer Services	7,213,156	3.75
Chemicals	7,152,600	3.72
Specialty Retail	6,713,041	3.49
Software	6,514,755	3.39
Automotive Retail	5,665,872	2.95
Health Care Providers & Services	5,400,000	2.81
Automobile Components	5,255,262	2.73
Consumer Staples Distribution & Retail	4,970,509	2.59
Consumer Services	4,911,518	2.56
Construction & Engineering	3,830,758	1.99
Hotels, Restaurants, and Leisure	2,955,000	1.54
Paper Packaging	2,925,057	1.52
Electronic Equipment, Instruments & Components	2,516,038	1.31
Total	$ 192,203,281	100.00 %

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 geographic grouping at fair value at March 31, 2024:

Geographic Region	Investments at Fair Value	Percentage of Total Portfolio
U.S. Northeast	$ 75,778,770	39.43 %
U.S. West	56,624,278	29.46
U.S. Southeast	23,727,611	12.35
U.S. Midwest	21,331,349	11.10
U.S. Mid-Atlantic	6,670,095	3.47
International	4,756,178	2.47
U.S. Southwest	3,315,000	1.72
Total	$ 192,203,281	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 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 nine months ended March 31, 2024, the Company made investments in new and existing portfolio companies of approximately $42.5 million, to which it was not previously contractually committed to provide financial support. During the nine months ended March 31, 2024, the Company made investments of approximately $2.2 million in companies to which it was previously 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 Unaudited Consolidated Schedule of Investments.

c. Derivatives

Derivative contracts include total return swaps and embedded derivatives in the Company's borrowings. 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 March 31, 2024 and June 30, 2023, 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 measured at fair value as of March 31, 2024:

	Level 1	Level 2	Level 3	Total
Assets				
Investments				
Senior Secured First Lien Debt Investments	$ —	$ —	$ 161,098,158	$ 161,098,158
Equity, Warrants and Other Investments	—	—	31,105,123	31,105,123
Total Investments	$ —	$ —	$ 192,203,281	$ 192,203,281

The following table summarizes the classifications within the fair value hierarchy of the Company's assets 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 provides a reconciliation of the beginning and ending balances for investments that use Level 3 inputs for the nine months ended March 31, 2024:

	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, 2023	$ 196,370,955	$ —	$ —	$ 23,740,374	$ 220,111,329
Purchases (including PIK interest)	41,923,318	—	—	4,608,805	46,532,123
Sales and repayments	(68,788,139)	—	—	—	(68,788,139)
Amortization	1,770,280	—	—	—	1,770,280
Net realized gains (losses)	(12,080,895)	—	—	(62,112)	(12,143,007)
Transfers in	—	—	—	4,362,023	4,362,023
Transfers out	(4,362,023)	—	—	—	(4,362,023)
Net change in unrealized appreciation (depreciation)	6,264,662	—	—	(1,543,967)	4,720,695
Fair value at March 31, 2024	$ 161,098,158	$ —	$ —	$ 31,105,123	$ 192,203,281
Change in unrealized appreciation (depreciation) relating to assets still held as of March 31, 2024	$ (2,413,463)	$ —	$ —	$ (1,606,082)	$ (4,019,545)

The following table provides a reconciliation of the beginning and ending balances for investments that use Level 3 inputs for the nine months ended March 31, 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)	38,403,669	—	—	1,232,790	39,636,459
Sales and repayments	(46,998,760)	—	—	—	(46,998,760)
Amortization	1,056,482	—	—	—	1,056,482
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 (depreciation) appreciation	4,328,279	17,374,608	—	(875,530)	20,827,357
Fair value at March 31, 2023	$ 200,423,277	$ —	$ —	$ 20,892,152	$ 221,315,429
Change in unrealized appreciation (depreciation) relating to assets still held as of March 31, 2023	$ (4,639,143)	$ —	$ —	$ (1,290,076)	$ (5,929,219)

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 Unaudited Consolidated Statements of Operations.

During the three and nine months ended March 31, 2024 and March 31, 2023, 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 March 31, 2024 and June 30, 2023. 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 March 31, 2024	Valuation Methodology	Unobservable Input(s)	Weighted Average	Range
Senior Secured First Lien Debt Investments	$ 148,050,513	Income Approach	Market Yields	13.2%	9.8%-19.9%
Senior Secured First Lien Debt Investments	5,527,539	Market Comparable Approach	EBITDA Multiple	7.7x	6.1x-8.9x
Senior Secured First Lien Debt Investments	1,854,081	Market Comparable Approach	Revenue Multiple	0.36x	0.36x
Senior Secured First Lien Debt Investments	—	Recent Transaction	Recent Transaction	N/A	N/A
Senior Secured First Lien Debt Investments	5,666,025	Recovery Analysis	Recovery Amount	N/A	N/A
Equity, Warrants, and Other Investments	5,928,121	Income Approach	Market Yields	16.3%	16.3%
Equity, Warrants, and Other Investments	25,177,002	Market Comparable Approach	EBITDA multiple	10.0x	5.0x-19.9x
Equity, Warrants, and Other Investments	—	Recent Transaction	Recent Transaction	N/A	N/A

	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 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

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. On January 17, 2024, we amended the Capital One Revolving Financing to (i) extend the maturity date to January 17, 2029, (ii) increase of the applicable interest spreads under the Capital One Revolving Financing and (iii) extend the Scheduled Revolving Period End Date (as defined in Capital One Revolving Financing) to January 17, 2027. The Capital One Revolving Financing, which will expire on January 17, 2029 (the “Maturity Date”), features a three-year reinvestment period and a two-year amortization period.

Effective January 17, 2024, borrowings under the Capital One Revolving Financing generally bear interest at a rate per annum equal to the Secured Overnight Financing Rate (“SOFR”) plus 3.10%. 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 March 31, 2024 and June 30, 2023, there were $57.5 million and $71.9 million in borrowings outstanding under the Capital One Revolving Financing, respectively.

Restricted cash (as shown on the Unaudited 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 March 31, 2024, SPV LLC had a notional amount of $172.5 million, which included $157.6 million of the Company’s portfolio investments at fair value, no accrued interest receivable and $10.2 million in cash held by the trustees of the Capital One Revolving Financing. As of June 30, 2023, SPV and LLC had a notional amount of $194.0 million in assets with a fair value of $181.5 million, no accrued interest receivable and $8.1 million in cash held by the trustee of the Capital One Revolving Financing. For the three and nine months ended March 31, 2024, the weighted average outstanding debt balance and the weighted average stated interest rate under the Capital One Revolving Financing was $63.6 million and $68.2 million, respectively, and 8.34% and 7.98%, respectively. For the three and nine months ended March 31, 2023, the weighted average outstanding debt balance and the weighted average stated interest rate under the Capital One Revolving Financing was $75.7 million and $81.4 million, respectively, and 7.00% and 5.46%, respectively.

For more information, see Note 15. “Subsequent Events.”

The fair value of the Company’s borrowings is estimated based on the rate at which similar credit facilities or debentures would be priced. At March 31, 2024 and June 30, 2023, the fair value of the Company’s total borrowings under the Capital One Revolving Financing, was estimated at $57.5 million and $71.9 million respectively, which the Company concluded was a Level 3 fair value.

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 to the Company from the sale of the 2026 Notes, after deducting the 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 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 March 31, 2024, the carrying amount of the 2026 Notes was $64.9 million on an aggregate principal balance of $65.0 million at a current yield of 5.35%. As of March 31, 2024, the fair value of the 2026 Notes was $59.3 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 March 31, 2024 (excluding unamortized premiums, net, unamortized debt issuance costs and note payable) maturing during the following years:

2024	$	—
2025		—
2026		122,500,000
Total long-term debt	$	122,500,000

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 nine months ended March 31, 2024:

Declared	Ex-Date	Record Date	Pay Date	Amount	Fiscal Quarter
September 14, 2023	October 11, 2023	October 12, 2023	November 2, 2023	$0.1500	1st 2024
November 9, 2023	December 13, 2023	December 14, 2023	January 8, 2024	$0.1500	2nd 2024
February 8, 2024	March 14, 2024	March 15, 2024	April 5, 2024	$0.1500	3rd 2024

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 to portfolio companies as of March 31, 2024:

Investments	Unfunded Commitment	Fair Value	Annual Non-use Fee	Expiration Date
Arborworks Acquisition LLC – Revolver (New)	279,588	—	0.50%	11/6/28
Flatworld Intermediate Corporation – Revolver	567,568	—	0.50%	10/1/27
South Coast Terminals LLC – Revolver	967,742	—	0.50%	12/10/26
Total Unfunded Commitments	$ 1,814,898	$ —		

The following table details the Company's unfunded commitments to portfolio companies 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
Xenon Arc, Inc. – Revolver	746,667	—	0.50%	12/17/26
Total Unfunded Commitments	$ 5,670,894	$ —		

Note 7. Agreements and Related Party Transactions

The following table provides a summary of related party transactions under the Advisory and Administration Agreements with the Adviser for the three and nine months ended March 31, 2024 and 2023:

	For the three months ended March 31,		For the nine months ended March 31,	
	2024	2023	2024	2023
Base management fees	$ 951,799	$ 1,043,306	$ 2,910,978	$ 3,204,391
Waiver of base management fees	(97,431)	(89,939)	(292,326)	(296,566)
Income-based incentive fees	—	—	(72,942)	(147,145)
Waiver of income-based incentive fees	—	—	—	—
Capital gains fee	—	—	—	—
Allocation of administrative costs from Adviser	225,856	375,900	1,118,276	1,127,700
Total net expense to affiliates	$ 1,080,224	$ 1,329,267	$ 3,663,986	$ 3,888,380

The following table provides a summary of related party transactions under the Advisory and Administration Agreements with the Adviser as of March 31, 2024 and June 30, 2023:

	As of March 31, 2024	As of June 30, 2023
Due from affiliate	$ 175,916	$ —
Total amount due from affiliate	$ 175,916	$ —
Base management fees payable	$ 854,328	$ 906,218
Income-based incentive fees payable	128,876	576,023
Capital gains fee payable	—	—
Allocation of administrative costs from Adviser payable[1]	133,376	172,308
Total amount due to affiliates	$ 1,116,580	$ 1,654,549

(1)Balances are reported within Accrued Expenses and Other Liabilities on the Consolidated Statements of Assets and Liabilities.

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 three and nine months ended March 31, 2024, $951,799 and $2,910,978 in Base Management Fees were earned by the Adviser, of which $97,431 and $292,326 was voluntarily waived. As of March 31, 2024, $854,328 of such fees were payable. For the three and nine months ended March 31, 2023, $1,043,306 and $3,204,391 in Base Management Fees were earned by the Adviser, of which $89,939 and $296,566 was voluntarily waived. As of June 30, 2023, $906,218 of such fees were payable. There is no guarantee that the Adviser will waive Base Management Fees in the future. Any portion of the Base Management Fee waived is not subject to recapture.

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 prior to the quarter for which such fees are being calculated. 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 Income-Based Fee until the Company's Pre-Incentive Fee Net Investment Income exceeds 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 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.

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, 2022, 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, 2022, the eleven fiscal quarters immediately preceding the fiscal quarter for which the Income-Based Fee is being calculated.

For the three and nine months ended March 31, 2024, the Company wrote off $0 and $72,942 in previously deferred Income-Based Fees and incurred no Income-Based Fees. As of March 31, 2024, $128,876 in incentive fees related to Income-Based Fees incurred by the Company are payable to the Adviser, of which fees of $16,929 are payable and fees of $111,947 generated from deferred interest (i.e., PIK and certain discount accretion) are not payable until such amounts are received in cash. For the three and nine months ended March 31, 2023, the Company wrote off $0 and $147,145 in previously deferred Income-Based Fees and incurred no Income-Based Fees. As of June 30, 2023, $576,023 in incentive fees related to Income-Based Fees incurred by the Company are payable to the Adviser, of which fees of $374,206 are payable and fees of $201,817 generated from deferred interest (i.e., PIK and certain discount accretion) 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 March 31, 2024, there was no Capital Gains Fee accrued, earned or payable to the Adviser under the Advisory Agreement. As of June 30, 2023, 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 the Adviser's 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.

As of March 31, 2024, the Company reflected a due from affiliate balance of $175,916 on the Consolidated Statements of Assets and Liabilities, for an overpayment of expenses owed to the Adviser for administrative expenses incurred. There was no due from affiliate balance as of June 30, 2023.

Administration Agreement

Pursuant to the Administration Agreement, 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 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 reimburses the Administrator or its affiliates for amounts paid or costs borne that properly constitute Company expenses as set forth in the Administration Agreement. Payments under the Administration Agreement equal an amount based upon the Company's allocable portion (subject to the review of the Company's board of directors) of the Adviser's overhead in performing its obligations under the Administration Agreement, including rent and the allocable portion of the cost of the Company's chief financial officer and chief compliance officer and their respective staffs. The Company incurred costs of $225,856 and $1,118,276 under the Administration Agreement for the three and nine months ended March 31, 2024. The Company incurred costs of $375,900 and $1,127,700 under the Administration Agreement for the three and nine months ended March 31, 2023. As of March 31, 2024 and June 30, 2023, the Company recorded an Allocation of Administrative Costs from Adviser Payable of $133,376 and $172,308, respectively, reported within Accrued Expenses and Other Liabilities on the Consolidated Statements of Assets and Liabilities for reimbursement of expenses owed to the Adviser under the Administration Agreement.

During the nine months ended March 31, 2024, the Company recorded approximately $356,000 of expenses that related to the fiscal year ended June 30, 2023. Of this amount, approximately $239,000 related to expenses allocated from the Adviser.

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 chairperson of the audit committee receives an additional annual fee of $7,500. The chairperson(s) of the valuation committee, the nominating and corporate governance committee and the compensation committee receives an additional 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 three and nine months ended March 31, 2024, the Company recorded directors' fees of $75,157 and $221,407, of which $- were payable at March 31, 2024. For the three and nine months ended March 31, 2023, the Company recorded directors' fees of $75,625 and $226,875, of which $15,755 were payable at June 30, 2023.

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	Three months ended March 31,		Nine months ended March 31,	
	2024	2023	2024	2023
Net increase (decrease) in net assets resulting from operations	$ 2,411,740	$ (1,104,144)	$ (2,140,324)	$ 1,170,222
Weighted average shares of common stock outstanding	14,396,951	14,389,868	14,394,574	14,388,295
Basic/diluted net increase (decrease) in net assets from operations per share	$ 0.17	$ (0.08)	$ (0.15)	$ 0.08

On September 3, 2021, the Company issued 453,985 shares of common stock, par value $0.001 per share to Investcorp BDC at a price of $6.92 per share for an aggregate offering price of $3,141,576. The sale of the Company's common stock to Investcorp BDC was made pursuant to the Stock Purchase Agreement and the issuance of the Company's common stock was 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. 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
September 14, 2023	October 12, 2023	November 2, 2023	$	0.1300
September 14, 2023*	October 12, 2023	November 2, 2023	$	0.0200
November 9, 2023	December 14, 2023	January 8, 2024	$	0.1200
November 9, 2023*	December 14, 2023	January 8, 2024	$	0.0300
February 8, 2024	March 15, 2024	April 5, 2024	$	0.1200
February 8, 2024*	March 15, 2024	April 5, 2024	$	0.0300

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 nine months ended March 31, 2024 and March 31, 2023:

	Nine months ended March 31,					
	2024			2023		
	Distribution Amount		Percentage	Distribution Amount		Percentage
Ordinary income and short-term capital gains	$	6,477,731	100%	$	6,474,816	100%
Long-term capital gains		—	—		—	—
Total	$	6,477,731	100%	$	6,474,816	100%

The figures in the above table are estimates based on the Company's year-to-date activity. The tax status of distributions for a tax year depends on the Company's total amount of taxable income for the entire year, therefore, the tax status cannot be confirmed until after the end of the tax year. Accordingly, the Company's distributions for the tax year may be re-characterized later based upon subsequent events. As applicable, the Company reports the actual tax character of its distributions for U.S. federal income tax purposes annually to stockholders on Internal Revenue Service Form 1099-DIV issued after the end of the year. The Company's Form 10-K for the year ending June 30, 2024 will also include information regarding the actual components and tax treatment of all the Company's distributions for the fiscal year 2024. Because each stockholder's tax status is unique, stockholders should consult their tax advisor regarding this distribution notice.

Note 11. Share Transactions

The following table summarizes the total shares issued for the nine months ended March 31, 2024 and March 31, 2023.

	Nine months ended March 31,			
	2024		2023	
	Shares	Amount	Shares	Amount
Balance at beginning of period	14,391,775	$ 205,812,251	14,385,810	$ 205,790,502
Issuance of common shares	—	—	—	—
Reinvestments of stockholder distributions	5,346	18,712	5,965	21,749
Balance at end of period	14,397,121	$ 205,830,963	14,391,775	$ 205,812,251

Note 12. Financial Highlights

The following represents the per share data and the ratios to average net assets for the Company:

	For the nine months ended March 31,	
	2024	2023
Per Share Data:[1]		
Net asset value, beginning of period	$ 6.09	$ 6.50
Net investment income	0.37	0.50
Net realized and unrealized gains (losses)	(0.52)	(0.42)
Net increase (decrease) in net assets resulting from operations	(0.15)	0.08
Capital transactions[2]		
Dividends from net investment income	(0.45)	(0.45)
Distributions from net realized gains	—	—
Net decrease in net assets resulting from capital transactions	(0.45)	(0.45)
Offering costs	—	—
Net asset value, end of period	$ 5.49	$ 6.13
Market value per share, end of period	$ 3.11	$ 3.65
Total return based on market value[3][4]	(2.06) %	(2.65) %
Shares outstanding at end of period	14,397,121	14,391,775
Ratio/Supplemental Data:		
Net assets, at end of period	$ 79,100,965	$ 88,226,547
Ratio of total expenses to average net assets[5]	22.74 %	19.27 %
Ratio of net expenses to average net assets[5]	22.25 %	18.83 %
Ratio of interest expense and fees and amortization of deferred debt issuance costs to average net assets[5]	11.68 %	9.73 %
Ratio of net investment income before fee waiver to average net assets[5]	8.24 %	11.03 %
Ratio of net investment income after fee waiver to average net assets[5]	8.72 %	10.60 %
Total Borrowings	$ 122,500,000	$ 146,900,000
Asset Coverage Ratio[6]	1.65	1.60
Portfolio Turnover Rate[4]	21 %	16 %

(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 dividends 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)Portfolio turnover rate is calculated using the lesser of year-to-date sales or year-to-date purchases over the average of the invested assets at fair value. Portfolio turnover rates that cover less than a full period are not annualized.

(5)Annualized.

(6)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. An individual 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. 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 three and nine months ended March 31, 2024 and March 31, 2023:

	For the three months ended March 31,		For the nine months ended March 31,	
	2024	2023	2024	2023
Amendment Fee	$ 16,271	$ 19,850	$ 68,175	$ 80,184
Prepayment Fee Income	38,095	59,837	179,485	361,878
Other Fees	87,981	18,811	328,141	228,864
Other Fee Income	$ 142,347	$ 98,498	$ 575,801	$ 670,926

Note 14. Tax Information

As of March 31, 2024, the Company's aggregate investment unrealized appreciation and depreciation based on cost for U.S. federal income tax purposes were as follows:

Tax cost	$ 210,497,911
Gross unrealized appreciation	9,781,275
Gross unrealized depreciation	(28,075,905)
Net unrealized investment depreciation	$ (18,294,630)

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)

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.

From April 1, 2024 through May 14, 2024, the Company invested $10.5 million in two new portfolio companies and one existing portfolio company and received approximately $13.8 million from the repayment of two positions.

The Company's dividend framework provides a quarterly base dividend and may be supplemented, at the discretion of the Company's board of directors, by additional dividends as determined to be available by the Company's net investment income and performance during the quarter.

On April 12, 2024, the Company's board of directors declared a distribution for the quarter ended June 30, 2024 of $0.12 per share payable on June 14, 2024, to stockholders of record as of May 26, 2024 and a supplemental distribution of $0.03 per share, payable on June 14, 2024, to stockholders of record as of May 26, 2024.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Some of the statements in this quarterly report on Form 10-Q constitute forward-looking statements, which relate to future events or our future performance or financial condition. These statements are not guarantees of future performance and are subject to risks, uncertainties, and other factors, some of which are beyond our control and difficult to predict and could cause actual results to differ materially from those expressed or forecasted in the forward-looking statements, including without limitation the risks, uncertainties and other factors we identify in "Risk Factors" in this Quarterly Report on Form 10-Q, in our most recent Annual Report on Form 10-K under Part I, Item 1A, and in our other filings with the SEC that we make from time to time. The forward-looking statements contained in this quarterly report on Form 10-Q involve risks and uncertainties, and include statements regarding the following, without limitation:

- 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 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 (as defined below);
- 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;
- the elevating levels of inflation and its impact on our investment activities and 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 regulated investment company ("RIC") under Subchapter M of the Internal Revenue Code (the "Code") and as a business development company ("BDC");
- 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 quarterly report on Form 10-Q on information available to us on the date of filing of this report. Although we believe that the assumptions on which these forward-looking statements are based are reasonable, any of those assumptions could prove to be inaccurate, and as a result, actual results and/or events could differ materially from those anticipated in our forward-looking statements, and future results could differ materially from historical performance. Important assumptions include, without limitation, our ability to originate new loans and investments, borrowing costs and levels of profitability and the availability of additional capital. In light of these and other uncertainties, the inclusion of a projection or forward-looking statement in this Quarterly Report on Form 10-Q should not be regarded as a representation by us that our plans and objectives will be achieved. You should not place undue reliance on these forward-looking statements, which apply only as of the date of this Quarterly Report on Form 10-Q.

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 Securities and Exchange Commission ("SEC") rule or regulation. You are advised to consult any additional disclosures that we may make directly to you or through reports that we file from time to time with the SEC, including our annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K.

Overview

Investcorp Credit Management BDC, Inc. ("ICMB," the "Company", "us", "we" or "our"), 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 BDC under the Investment Company Act of 1940, as amended (the "1940 Act"). In addition, for U.S. federal income tax purposes, we have elected to be treated and intend to continue to qualify as a RIC under Subchapter M of the Code. On August 30, 2019, we changed our name from CM Finance Inc. to Investcorp Credit Management BDC, Inc.

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 loans, 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.

CM Investment Partners LLC (the "Adviser") serves as our investment adviser. 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 by Cyrus Capital and through a direct purchase of equity from the Adviser. Investcorp is a leading global credit investment platform with assets under management of $22.9 billion as of December 31, 2023. Investcorp manages funds which invest primarily in senior secured corporate debt issued by mid and large-cap corporations in Western Europe and the United States. The business has a strong track record of consistent performance and growth, employing approximately 45 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.

We have entered into an investment advisory agreement (the "Advisory Agreement") and an administration agreement (the "Administration Agreement") with the Adviser, pursuant to which the Adviser provides us with investment advisory and the administrative services necessary for our operations. See "Note 7. Agreements and Related Party Transactions" in the notes to our consolidated financial statements in this Quarterly Report on Form 10-Q for more information regarding the Advisory Agreement and Administration Agreement and the fees and expenses paid or reimbursed by us thereunder.

From time to time, we may form taxable subsidiaries (the "Taxable Subsidiaries"), which are taxed as corporations for federal income tax purposes, to 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. As of each of March 31, 2024 and June 30, 2023, we had no Taxable Subsidiaries.

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.

On July 20, 2021, the SEC issued an order, which superseded a prior order issued on March 19, 2019, granting our 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 us to participate in a co-investment transaction a "required majority" (as defined in Section 57(o) of the 1940 Act) of our independent directors must conclude that (i) the terms of the proposed transaction, including the consideration to be paid, are reasonable and fair to us and our shareholders and do not involve overreaching in respect of us or our shareholders on the part of any person concerned, and (ii) the proposed transaction is consistent with the interests of our shareholders and is consistent with our investment objectives and strategies.

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 Quarterly 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 our most recently filed Annual Report on Form 10-K, as well as the risk factors listed in our subsequently filed Quarterly Reports on Form 10-Q.

Critical accounting estimates

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 ("U.S. GAAP"). The preparation of these consolidated 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.

Understanding our accounting policies and the extent to which we use management's judgment and estimates in applying these policies is integral to understanding our financial statements. We describe our most significant accounting policies in "Note 2. Significant Accounting Policies" in our consolidated financial statements included in our Annual Report on Form 10-K for the fiscal year ended June 30, 2023 and in this Quarterly Report on Form 10-Q. Critical accounting policies are those that require the application of management's most difficult, subjective or complex judgments, often because of the need to make estimates about the effect of matters that are inherently uncertain and that may change in subsequent periods. Management has utilized available information, including our past history, industry standards and the current economic environment, among other factors, in forming the estimates and judgments, giving due consideration to materiality. We have identified the valuation of our portfolio investments, including our investment valuation policy (which has been approved by our board of directors), as our critical accounting policy and estimates. The critical accounting policies should be read in conjunction with our risk factors in our Annual Report on Form10-K for the fiscal year ended June 30, 2023 and our subsequently filed Quarterly Reports on Form 10-Q. 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 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 members of the Adviser's 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. The availability of observable inputs can vary depending on the financial instrument and is affected by a variety of factors. To the extent the valuation is based on models or inputs that are less observable, the determination of fair value requires more judgment. As markets change, new types of investments are made, or pricing for certain investments becomes more or less observable, management, with oversight from our board of directors, may refine our valuation methodologies to best reflect the fair value of our investments appropriately.

As of March 31, 2024, our investment portfolio, valued at fair value in accordance with our Board-approved valuation policy, represented 91.5% of our total assets, as compared to 95.0% of our total assets as of June 30, 2023.

See Note 2.j "Significant Accounting Policies – Investment Valuation" and Note 4. "Investments" in the notes to the consolidated financial statements included in our most recent Annual Report on Form 10-K and in this Quarterly Report on Form 10-Q for more information on our valuation process.

Financing Facility

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. On January 17, 2024, we amended the Capital One Revolving Financing to (i) extend the maturity date to January 17, 2029, (ii) increase of the applicable interest spreads under the Capital One Revolving Financing and (iii) extend the Scheduled Revolving Period End Date (as defined in Capital One Revolving Financing) to January 17, 2027. The Capital One Revolving Financing, which will expire on January 17, 2029 (the "Maturity Date"), features a three-year reinvestment period and a two-year amortization period.

Effective January 17, 2024, borrowings under the Capital One Revolving Financing generally bear interest at a rate per annum equal to Secured Overnight Financing Rate ("SOFR") plus 3.10%. 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 March 31, 2024 and June 30, 2023, there were $57.5 million and $71.9 million in borrowings outstanding under the Capital One Revolving Financing, respectively.

For more information, see "Recent Developments."

Notes due 2026

On March 31, 2021, we closed the public offering of $65.0 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 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 or future subsidiaries and financing vehicles, including, without limitation, borrowings under the Capital One Revolving 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 March 31, 2024, the outstanding principal balance of the 2026 Notes was approximately $65.0 million.

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 March 31, 2024, approximately 2.25% 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 (the “Base Management Fee”) and, depending on our operating results, the incentive fees (the “Incentive Fee”) 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, 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.

As of March 31, 2024, our investment portfolio of $192.2 million (at fair value) consisted of debt and equity investments in 41 portfolio companies, of which 83.82% were first lien investments and 16.18% were in equities, warrants and other positions. At March 31, 2024, our average and largest portfolio company investment at fair value was $4.7 million and $14.6 million, respectively.

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 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 March 31, 2024 and June 30, 2023, 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 12.36% and 12.50% respectively. As of March 31, 2024 and June 30, 2023, our weighted average total yield on investments at amortized cost (which includes interest income and amortization of fees and discounts) was 10.68% and 11.32%, 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 SOFR, as applicable, as of March 31, 2024 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 of our portfolio companies. At March 31, 2024 and June 30, 2023, respectively, the industry composition of our portfolio in accordance with the GICS codes at fair value, as a percentage of our total portfolio, was as follows:

	Percentage of Total Portfolio at March 31, 2024	**Percentage of Total Portfolio at June 30, 2023**
Trading Companies & Distributors	14.56 %	15.98 %
Commercial Services & Supplies	11.57	6.51
Professional Services	9.88	12.83
Containers & Packaging	7.61	5.89
Internet & Direct Marketing Retail	4.57	4.08
IT Services	4.49	10.71
Food Products	4.48	1.95
Entertainment	4.40	3.47
Household Durables	4.09	3.46
Diversified Consumer Services	3.75	3.30
Chemicals	3.72	3.44
Specialty Retail	3.49	2.34
Software	3.39	6.26
Automotive Retail	2.95	1.76
Health Care Providers & Services	2.81	—
Automobile Components	2.73	3.30
Consumer Staples Distribution & Retail	2.59	2.75
Consumer Services	2.56	—
Construction & Engineering	1.99	—
Hotels, Restaurants, and Leisure	1.54	2.85
Paper Packaging	1.52	—
Electronic Equipment, Instruments & Components	1.31	1.48
Machinery	—	4.36
Building Products	—	2.05
Energy Equipment & Services	—	1.23
	100.00 %	100.00 %

During the nine months ended March 31, 2024, we made investments in nine new portfolio companies and three existing portfolio companies totaling approximately $42.5 million, at cost. Of the new investments, 90.52% consisted of first lien investments and 9.48% consisted of equity investments.

At March 31, 2024, 99.6% of our debt investments bore interest based on floating rates based on indices such as SOFR, the Euro Interbank Offered Rate, the Federal Funds Rate of the Prime Rate (in certain cases, subject to interest rate floors), and 0.4% bore interest at fixed rates. 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.

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 March 31, 2024, we had three investments with aggregate unfunded commitments of $1.8 million, and as of June 30, 2023, we had nine investments with aggregate unfunded commitments of $5.7 million. As of March 31, 2024, we had sufficient liquidity (through cash on hand and available borrowings under our Capital One Revolving Financing) 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. Generally, 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 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 investments in our portfolio, according to the Adviser's investment rating system:

	As of March 31, 2024			As of June 30, 2023		
Investment Rating	**Fair Value**	**% of Portfolio**	**Number of Investments[(1)]**	**Fair Value**	**% of Portfolio**	**Number of Investments[(1)]**
1	$ 18,522,802	9.6 %	2	$ 16,538,345	7.5 %	3
2	115,495,772	60.1	34	114,979,324	52.2	32
3	50,664,601	26.4	18	62,588,392	28.4	19
4	—	—	—	13,067,850	6.0	5
5	7,520,106	3.9	4	12,937,418	5.9	6
Total	$ 192,203,281	100.0 %	58	$ 220,111,329	100.0 %	65

Results of Operations

Comparison of the three months ended March 31, 2024 and March 31, 2023

Investment income

Investment income, attributable primarily to interest and fees on our debt investments, for the three months ended March 31, 2024 decreased to $6.6 million from $7.0 million for the three months ended March 31, 2023 primarily related to a decrease in interest income related to the sale of two portfolio companies and the repayment of four portfolio companies and a decrease in interest income related to the portfolio companies on non-accrual status, offset by increases in PIK income, dividend income, and other fee income.

Expenses

Total expenses for the three months ended March 31, 2024 increased to $4.6 million, compared to $4.5 million for the three months ended March 31, 2023, primarily due to an increase in the provision for tax expense, an increase in professional fees, and an increase in other expenses associated with the sale and write off of our investments in 1888 Industrial Services, LLC, partially offset by a decrease in base management fees and a decrease in the allocation of administrative costs from the Adviser.

Net investment income

Net investment income decreased to $2.1 million for the three months ended March 31, 2024 from $2.5 million for the three months ended March 31, 2023 primarily due to a decrease in total investment income primarily related to the sale of two portfolio companies and the repayment of four portfolio companies, a decrease in interest income related to the portfolio companies on non-accrual status, an increase in the provision for tax expense, an increase in professional fees, and an increase in other expenses associated with the sale and write off of our investments in 1888 Industrial Services, LLC, partially offset by increases in PIK income, dividend income, and other fee income and decreases in base management fees and the allocation of administrative costs from the Adviser.

Net realized gain or loss

There was a net realized loss from investments of $6.3 million for the three months ended March 31, 2024 primarily due to the realization of losses associated with the sale and write off of our investments in 1888 Industrial Services, LLC. Net realized loss on investments totaled $26.9 million for the three months ended March 31, 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.

Net change in unrealized (depreciation) appreciation on investments

We recorded a net change in unrealized appreciation of $6.6 million for the three months ended March 31, 2024, primarily due to the realization of previously unrealized losses resulting from the sale and write off of our investments in 1888 Industrial Services, LLC.

During the three months ended March 31, 2023, we recorded a net change in unrealized appreciation of $23.2 million, 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 loan which was offset by the decrease in the value of our investments in CareerBuilder, LLC and Techniplas Foreign Holdco LP Common Stock.

Comparison of the nine months ended March 31, 2024 and March 31, 2023

Investment income

Investment income, attributable primarily to interest and fees on our debt investments, for the nine months ended March 31, 2024 decreased to $18.8 million from $20.1 million for the nine months ended March 31, 2023 primarily related to a decrease in interest income related to the sale of two portfolio companies and the repayment of eight portfolio companies, a decrease in interest income related to the portfolio companies on non-accrual status, and decreases in dividend income and other fee income, offset by an increase in PIK income.

Expenses

Total expenses for the nine months ended March 31, 2024 increased to $13.8 million, compared to $13.1 million for the nine months ended March 31, 2023, primarily due to an increase in interest expense with the Capital One Revolving Financing associated with borrowing activities, an increase in the provision for tax expense, an increase in professional fees, and an increase in other expenses associated with the sale and write off of our investments in 1888 Industrial Services, LLC, partially offset by a decrease in base management fees.

Net investment income

Net investment income decreased to $5.3 million for the nine months ended March 31, 2024 from $7.2 million for the nine months ended March 31, 2023 primarily due to a decrease in total investment income primarily related to a decrease in interest income related to the sale of two portfolio companies and the repayment of eight portfolio companies, a decrease in interest income related to the portfolio companies on non-accrual status, decreases in dividend income and other fee income, an increase in interest expense with the Capital One Revolving Financing associated with borrowing activities, an increase in the provision for tax expense, an increase in professional fees, and an increase in other expenses associated with the sale and write off of our investments in 1888 Industrial Services, LLC, partially offset by an increase in PIK income and a decrease in base management fees.

Net realized gain or loss

There was a net realized loss from investments of $12.1 million for the nine months ended March 31, 2024 primarily due to the realization of losses from restructurings and loan modifications of our investments in American Nuts Holdings, LLC, Arborworks Acquisition LLC, ArborWorks, LLC, Crafty Apes, LLC, and Xenon Arc, Inc. and the realization of losses associated with the sale and write off of our investments in 1888 Industrial Services, LLC. Net realized loss on investments totaled $26.9 million for the nine months ended March 31, 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.

Net change in unrealized (depreciation) appreciation on investments

We recorded a net change in unrealized appreciation of $4.7 million for the nine months ended March 31, 2024 primarily due to the decrease in fair value of our investments in ArborWorks, LLC A-1 Preferred, Klein Hersh, LLC, and Techniplas Foreign Holdco LP, partially offset by the increase in fair value of our investments in Bioplan USA, Inc. and Discovery Behavioral Health and due to the realization of previously unrealized losses resulting from the sale and write off of our investments in 1888 Industrial Services, LLC.

During the nine months ended March 31, 2023, we recorded a net change in unrealized appreciation of $20.8 million, primarily due to the decrease in the fair value of our investments in Arborworks Acquisition LLC, CareerBuilder, LLC, and Techniplas Foreign Holdco LP Common Stock which was offset by 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.

Liquidity and Capital Resources

Our primary liquidity needs include interest and principal repayments under the 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. We believe that our current cash on hand and our anticipated cash flows from operations, including from contractual monthly portfolio company payments and prepayments, will be adequate to meet our cash needs for our daily operations. This “Liquidity and Capital Resources” section should be read in conjunction with “Market Developments” above and the risk factors referenced in our most recent Annual Report on Form 10-K.

Cash flows

For the nine months ended March 31, 2024, our total cash balance increased by $3.7 million. During that period, cash increased by $26.0 million from operating activities, primarily due to proceeds from sales and repayments of portfolio companies of $68.8 million and payables for investments purchased of $1.7 million, partially offset by a decrease in net assets resulting from operations of $2.1 million and payments for the purchase of investments in portfolio companies of $44.6 million. During the same period, net cash used in financing activities totaled $22.3 million, consisting primarily of $6.9 million of distributions paid to our stockholders and repayments of $46.5 million to paydown the Capital One Revolving Facility, offset by proceeds of $32.1 million from borrowing under the Capital One Revolving Facility.

Capital resources

As of March 31, 2024, we had $2.7 million of cash as well as $10.2 million in restricted cash and $42.5 million of capacity under the Capital One Revolving Financing. We intend to generate additional cash primarily from future offerings of equity and/or debt securities, future borrowings or debt issuances, 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.

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.

Asset Coverage Requirements

On May 2, 2018, our board of directors, including a “required majority” (as such term is defined in Section 57(o) of the 1940 Act) of the board of directors, approved the modified asset coverage requirements set forth in Section 61(a)(2) of the 1940 Act. As a result, effective May 2, 2019, our applicable minimum asset coverage ratio under the 1940 Act was decreased to 150% from 200%. Thus, we are permitted under the 1940 Act, under specified conditions, to issue multiple classes of debt 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. As of March 31, 2024, our asset coverage for borrowed amounts was 164.6%.

Regulated Investment Company Status and Distributions

We have elected to be treated as a RIC under Subchapter M of the Code. If we continue to 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% 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% 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 private letter rulings.

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 March 31, 2024, our off-balance sheet arrangements consisted of $1.8 million in unfunded commitments to three of our portfolio companies. As of March 31, 2024, we had sufficient liquidity (through cash on hand and available borrowings under our Capital One Revolving Financing) to fund such unfunded loan commitments should the need arise. As of June 30, 2023, our off-balance arrangements consisted of $5.7 million in unfunded commitments to nine of our portfolio companies.

Recent Developments

From April 1, 2024 through May 14, 2024, we invested $10.5 million in two new portfolio companies and one existing portfolio company and received approximately $13.8 million from the repayment of two positions.

On April 12, 2024, our board of directors declared a distribution for the quarter ended June 30, 2024 of $0.12 per share payable on June 14, 2024 to stockholders of record as of May 26, 2024 and a supplemental distribution of $0.03 per share, payable on June 14, 2024 to stockholders of record as of May 26, 2024.

Item 3. Quantitative and Qualitative Disclosure About Market Risk

We are subject to financial market risks, including changes in interest rates. Because we fund a portion of our investments with borrowings, our net investment income is affected by the difference between the rate at which we invest and the rate at which we borrow. As a result, there can be no assurance that a change in market interest rates will not have a material adverse effect on our net investment income.

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. At March 31, 2024, 99.6% of our debt investments bore interest based on floating rates, such as 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 three months.

Consequently, our net interest income (interest income less interest expense) is exposed to risks related to interest-rate fluctuations. 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 SOFR, only if the index exceeds the floor. As of March 31, 2024, 100.0% of our floating-rate portfolio was subject to interest-rate floors set at or below the current applicable rate. 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. In addition, our interest expense will be affected by changes in the published interest rates in connection with the Capital One Revolving Financing to the extent it goes above the floor; however, our 2026 Notes bear interest at a fixed rate. As of March 31, 2024, our floating rate borrowings totaled $57.5 million in principal amount, which represented 46.9% of our outstanding debt.

Based on our investment portfolio as of March 31, 2024, with certain interest rate floors and our financing arrangements at March 31, 2024, a 1.00% increase in interest rates would increase our net interest income by approximately 8.56% and a 2.00% increase in interest rates would increase our net interest income by approximately 17.12%.

Although management believes that this analysis is indicative of our existing sensitivity as of March 31, 2024, 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 loans or borrowings. Accordingly, we can offer no assurances that actual results would not differ materially from the analysis included herein.

Because it is our intention to hold loans to maturity, the fluctuating relative value of these loans that may occur due to changes in interest rates may have an impact on unrealized gains and losses during quarterly reporting periods. Based on our assessment of the interest rate risk, as of March 31, 2024, we had no hedging transactions in place as we deemed the risk acceptable, and we did not believe it was necessary to mitigate this risk at that time.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

As of March 31, 2024 (the end of the period covered by this report), our management, with the participation of our Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Exchange Act). Our management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives, and our management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures. The design of disclosure controls and procedures and internal control over financial reporting must reflect the fact that there are resource constraints and that management is required to apply judgment in evaluating the benefits of possible controls and procedures relative to their costs.

Based on such evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that, as of March 31, 2024, our disclosure controls and procedures were designed at a reasonable assurance level and were effective to provide 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.

Changes in Internal Control Over Financial Reporting

For the quarter ended December 31, 2023, our independent auditors issued a material weakness on our internal control over financial reporting related to our disclosure controls and procedures. Our disclosure controls and procedures were not effective in the timely identification of the incorrect accrual of certain expenses in our consolidated financial statements. To address and remediate the ineffective controls, the Company has added or is in the process of adding five accounting personnel and has hired a third-party service provider to provide support for its day-to-day finance and accounting activities to, among other things, create additional redundancies in duties surrounding the Company’s accrual of expenses and the frequency of the review thereof. A member of the third-party service provider’s staff became the Company’s chief financial officer on March 31, 2024, and he will be supported by other finance and accounting members of the third-party service provider’s staff, as well as members of the Company’s finance and accounting staff.

Other than as noted above, management did not identify any change in the Company’s internal control over financial reporting that occurred during the quarter ended March 31, 2024 that has materially affected, or is reasonably likely to materially affect, the Company’s internal control over financial reporting.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings

Neither we, the Adviser, nor our subsidiaries, nor any of our respective property, are currently subject to any material legal proceedings, other than ordinary routine litigation incidental to our businesses. We, the Adviser, and our subsidiaries may from time to time, however, be involved in litigation arising out of our operations in the normal course of business or otherwise, including proceedings relating to the enforcement of our rights under contracts with our portfolio companies. Furthermore, third parties may seek to impose liability on us in connection with the activities of our portfolio companies. While the outcome of these legal proceedings cannot be predicted with certainty, we do not expect that these matters will materially affect our financial condition or results of operations. There can be no assurance whether any current or future legal proceedings will have a material adverse effect on our financial condition or results of operations in any future reporting period.

Item 1A. Risk Factors

You should carefully consider the risks referenced below and all other information contained in this Quarterly Report on Form 10-Q, including our interim financial statements and the related notes thereto, before making a decision to purchase our securities. Any such risks and uncertainties are not the only ones facing us. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may have a material adverse effect on our business, financial condition and/or operating results, as well as the market price of our securities.

There have been no material changes during the three months ended March 31, 2024 to the risk factors previously disclosed in our Annual Report on Form 10-K for the year ended June 30, 2023 (filed with the SEC on September 21, 2023). If any of such changes or risks actually occur, our business, financial condition or results of operations could be materially adversely affected. If that happens, the value of our securities could decline, and you may lose all or part of your investment.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Unregistered Sales of Equity Securities

During the three months ended March 31, 2024, we issued 2,205 shares of common stock under our dividend reinvestment plan. These issuances were not subject to the registration requirements under the Securities Act. The cash paid for shares of common stock issued under our dividend reinvestment plan during the three months ended March 31, 2024 was $7,810.

Issuer Purchases of Equity Securities

None.

Item 3. Defaults Upon Senior Securities

Not applicable.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

Rule 10b5-1 Trading Plans

During the fiscal quarter ended March 31, 2024, 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.”

Item 6. 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)]
3.1.1	Articles of Amendment[(2)]
3.2	Bylaws[(3)]
10.1	Fourth Amendment, dated January 17, 2024, 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[(4)].
31.1	Chief Executive Officer Certification Pursuant to Exchange Act Rule 13a-14 (a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002*
31.2	Chief Financial Officer Certification Pursuant to Exchange Act Rule 13a-14 (a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002*
32.1	Chief Executive Officer Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**
32.2	Chief Financial Officer Certification pursuant to 18 U.S.C. Section 1350, as adopted 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 With Embedded Linkbase Documents
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

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* Filed herewith

** The certifications attached as Exhibit 32.1 and 32.2 that accompany this Quarterly Report on Form 10-Q, are deemed furnished and not filed with the SEC and are not to be incorporated by reference into any filing of the Registrant under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, whether made before or after the date of this Quarterly Report on Form 10-Q, irrespective of any general incorporation language contained in such filing.

(1) Incorporated by reference to Exhibit (a)(1) to the Registrant's Registration Statement on Form N-2 (File No. 333-192370), filed with the SEC on November 15, 2013.

(2) Incorporated by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K (File No. 814-01054), filed on September 3, 2019.

(3) Incorporated by reference to Exhibit (b)(1) to the Registrant's Registration Statement on Form N-2 (File No. 333-192370), filed with the SEC on November 15, 2013.

(4) Incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K (File No. 814-01054), filed on January 23, 2024.

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.

Dated: May 14, 2024

INVESTCORP CREDIT MANAGEMENT BDC, INC.

By: /s/ Suhail A. Shaikh
Suhail A. Shaikh
Chief Executive Officer

By: /s/ Peter Sattelmair
Peter Sattelmair
Chief Financial Officer

Exhibit 31.1

CERTIFICATION OF PERIODIC REPORT UNDER SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Suhail A. Shaikh, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Investcorp Credit Management BDC, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, 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;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation;

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 14, 2024

/s/ Suhail A. Shaikh

Suhail A. Shaikh
Chief Executive Officer

Exhibit 31.2

CERTIFICATION OF PERIODIC REPORT UNDER SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Peter Sattelmair, certify that:

1.I have reviewed this Quarterly Report on Form 10-Q of Investcorp Credit Management BDC, Inc.;

2.Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3.Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4.The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a)Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b)Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, 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;

(c)Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation;

(d)Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5.The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a)All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b)Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 14, 2024

/s/ Peter Sattelmair
Peter Sattelmair
Chief Financial Officer

Exhibit 32.1

Certification of Chief Executive Officer Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350)

In connection with this Quarterly Report on Form 10-Q for the three months ended March 31, 2024 (the “Report”) of Investcorp Credit Management BDC, Inc. (the “Registrant”), as filed with the Securities and Exchange Commission on the date hereof, I, Suhail A. Shaikh, the Chief Executive Officer of the Registrant, hereby certify, to the best of my knowledge, that:

(1)The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2)The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

/s/ Suhail A. Shaikh
Name: Suhail A. Shaikh
Date: May 14, 2024

Exhibit 32.2

Certification of Chief Financial Officer Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350)

In connection with this Quarterly Report on Form 10-Q for the three months ended March 31, 2024 (the “Report”) of Investcorp Credit Management BDC, Inc. (the “Registrant”), as filed with the Securities and Exchange Commission on the date hereof, I, Peter Sattelmair, the Chief Financial Officer of the Registrant, hereby certify, to the best of my knowledge, that:

(1)The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2)The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

/s/ Peter Sattelmair

Name: Peter Sattelmair
Date: May 14, 2024