

# CRESCENT

---

Crescent Capital BDC, Inc.

---

## Quarterly Earnings Presentation

September 30, 2021

# Disclaimer and Forward-Looking Statement

---

This presentation (the “Presentation”) has been prepared by Crescent Capital BDC, Inc. (together with its consolidated subsidiaries, “CCAP,” “Crescent BDC” or the “Company”) and may be used for informational purposes only. This Presentation contains summaries of certain financial and statistical information about the Company and should be viewed in conjunction with the Company’s most recent Quarterly Report on Form 10-Q and Annual Report on Form 10-K. The information contained herein may not be used, reproduced, referenced, quoted, linked by website, or distributed to others, in whole or in part, except as agreed in writing by the Company.

This Presentation does not constitute a prospectus and should under no circumstances be understood as an offer to sell or the solicitation of an offer to buy the Company’s common stock or any other securities nor will there be any sale of the common stock or any other securities in any state or jurisdiction in which such offer, solicitation or sale would be unlawful prior to the registration or qualification under the securities laws of such state or jurisdiction. This Presentation provides limited information regarding the Company and is not intended to be taken by, and should not be taken by, any individual recipient as investment advice, a recommendation to buy, hold or sell, or an offer to sell or a solicitation of offers to purchase, the Company’s common stock or any other securities that may be issued by the Company, or as legal, accounting or tax advice. An investment in securities of the type described herein presents certain risks.

Footnotes contain important information about the definition of terms used herein, the composition of the investment portfolio and related performance information as well as unrealized investment valuations and should be carefully reviewed. Market data and information included herein (including information relating to portfolio companies) is based on various published and unpublished sources considered to be reliable, but has not been independently verified and there is no guarantee of its accuracy or completeness. Performance information contained herein is based in significant part on unrealized investment valuations which may not be achieved. We undertake no duty or obligation to publicly update or revise the information contained in this Presentation.

Legal, tax and regulatory changes, as well as judicial decisions, both within and outside of the United States, could have an adverse impact on the Company and its investments. Instability in the securities markets may increase the risk inherent in CCAP’s investments in that the ability of issuers to refinance or redeem portfolio securities held may depend on their ability to sell new securities in the market. Future periods of uncertainty in the U.S. economy and the economies of other countries of issuers of securities and loans in which the Company may invest, and the possibility of increased volatility, default rates and deterioration in financial markets, may adversely affect the Company’s investment portfolio.

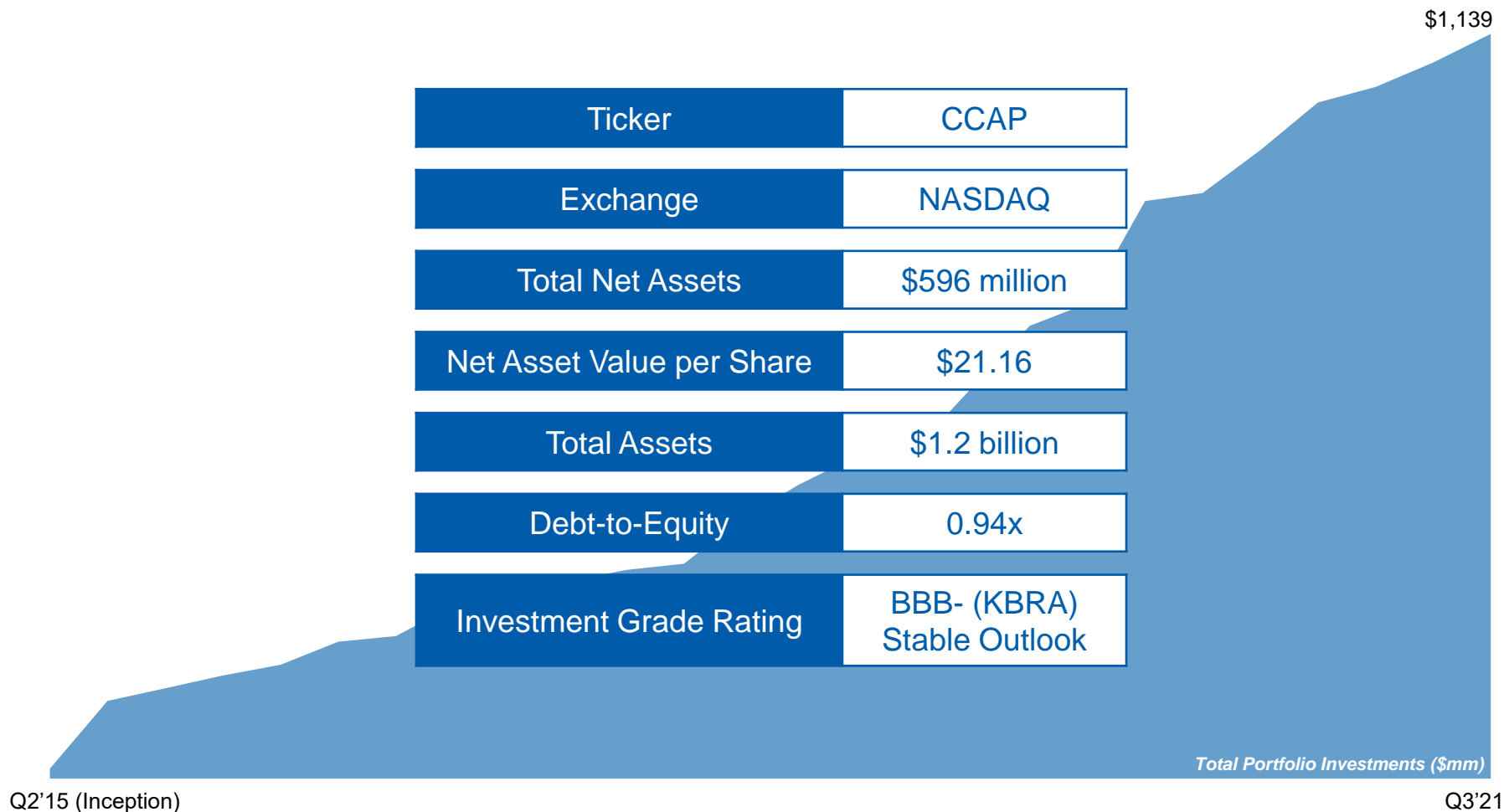
This Presentation may contain forward-looking statements that involve substantial risks and uncertainties. You can identify these statements by the use of forward-looking terminology such as “anticipates,” “believes,” “expects,” “intends,” “will,” “should,” “may,” “plans,” “continue,” “believes,” “seeks,” “estimates,” “would,” “could,” “targets,” “projects,” “outlook,” “potential,” “predicts” and variations of these words and similar expressions to identify forward-looking statements, although not all forward-looking statements include these words. You should read statements that contain these words carefully because they discuss plans, strategies, prospects and expectations concerning CCAP’s business, operating results, financial condition and other similar matters. We believe that it is important to communicate our future expectations to our investors. There may be events in the future, however, that we are not able to predict accurately or control. You should not place undue reliance on these forward-looking statements, which speak only as of the date on which we make them. Factors or events that could cause our actual results to differ, possibly materially from our expectations, include, but are not limited to, the risks, uncertainties and other factors we identify in the sections entitled “Risk Factors” and “Cautionary Statement Regarding Forward-Looking Statements” in filings we make with the Securities and Exchange Commission (the “SEC”), and it is not possible for us to predict or identify all of them. We undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

CCAP is managed by Crescent Cap Advisors, LLC (the “Investment Adviser”), an SEC-registered investment adviser and a subsidiary of Crescent Capital Group LP (together with its affiliates, “Crescent”).

This Presentation contains information about the Company and certain of its affiliates and includes the Company’s historical performance. You should not view information related to the past performance of the Company as indicative of the Company’s future results, the achievement of which is dependent on many factors, many of which are beyond the control of the Company and the Investment Adviser and cannot be assured. There can be no assurances that future dividends will match or exceed historic rates or will be paid at all. Further, an investment in the Company is discrete from, and does not represent an interest in, any other Crescent entity. Nothing contained herein shall be relied upon as a promise or representation whether as to the past or future performance of the Company or any other Crescent entity.

# Crescent Capital BDC, Inc. (CCAP)

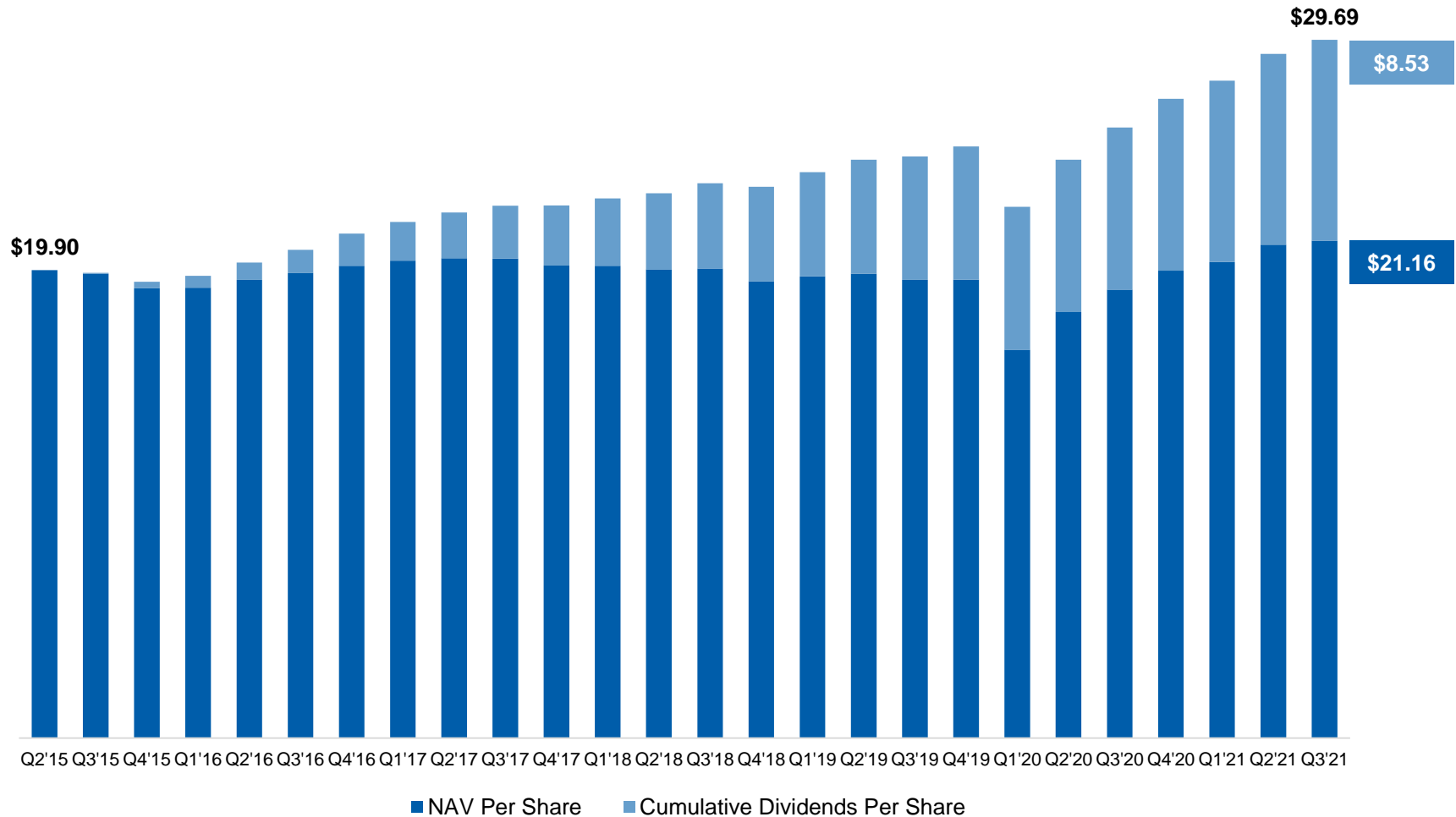
*Specialty finance company focused on investing in the debt of private U.S. middle-market companies*



As of September 30, 2021. Past performance does not guarantee or indicate future results.

# Track Record of NAV Stability and Resilience

Since its inception, CCAP has consistently delivered a stable NAV profile



Note: Past performance is not indicative of future results.

# Summary of Financial Results

---

# Third Quarter 2021 Highlights

---

## Third Quarter Performance

- Adjusted net investment income for the quarter ended September 30, 2021 was \$13.5 million, or \$0.48 per share, as compared to \$14.8 million, or \$0.53 per share, for the prior quarter<sup>(1)</sup>
- Net investment income for the quarter ended September 30, 2021 was \$12.7 million, or \$0.45 per share, as compared to \$11.0 million, or \$0.39 per share, for the prior quarter
- Net realized and unrealized gains on investments for the quarter ended September 30, 2021 of \$4.0 million, or \$0.14 per share,<sup>(2)</sup> was primarily related to net unrealized appreciation across the portfolio. This compares to net realized and unrealized gains on investments of \$21.6 million, or \$0.77 per share,<sup>(2)</sup> for the prior quarter
- Net increase in net assets for the quarter ended September 30, 2021 was \$16.7 million, or \$0.59 per share, as compared to \$32.6 million, or \$1.16 per share, for the prior quarter

## NAV per Share

- Net asset value per share as of September 30, 2021 was \$21.16, as compared to \$20.98 as of June 30, 2021

## Dividend

- Declared a regular dividend of \$0.41 per share for the fourth quarter of 2021, payable on January 17, 2022
- Declared a special dividend of \$0.05 per share for the fourth quarter of 2021, payable on December 15, 2021

## Portfolio Highlights

- Diversified, defensively positioned portfolio consisting of 132 portfolio companies across 20 industries, valued at \$1,139 million as of September 30, 2021
- 84% of CCAP's portfolio comprised of senior secured first lien and unitranche first lien investments by fair value

## Capital Structure & Liquidity

- Strong liquidity profile with \$19.5 million in cash and cash equivalents and restricted cash and \$173.1 million of undrawn debt capacity

Note: Net asset value per share is based on the shares outstanding at quarter-end. Dividend per share is based on the shares outstanding on the declaration date. Net investment income per share and net realized and unrealized gain/(loss) per share are based on the weighted average number of shares outstanding for the period.

(1) For the quarters ended June 30, 2021 and September 30, 2021, the Company accrued capital gains based incentive fee expenses related to changes in net realized and unrealized gains and losses. These non-cash expenses, which were not paid and are not payable, were approximately \$0.14 and \$0.03 per share, respectively. See page 21 for a description of this non-GAAP measure and a reconciliation from net investment income per share to Adjusted net investment income per share.

(2) Net of taxes.

# Financial Highlights

<i>\$ in millions, except per share data</i>	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021
Net investment income per share	\$0.43	\$0.47	\$0.41	\$0.39	\$0.45
Adjusted net investment income per share <sup>(1)</sup>	\$0.43	\$0.47	\$0.46	\$0.53	\$0.48
Net realized gains (losses) per share <sup>(2)</sup>	(\$0.02)	(\$0.49)	\$0.06	\$0.08	\$0.99
Net unrealized gains (losses) per share <sup>(2)</sup>	\$0.95	\$1.24	\$0.30	\$0.69	(\$0.85)
Net increase (decrease) in net assets per share	\$1.36	\$1.22	\$0.76	\$1.16	\$0.59
Net asset value (NAV) per share	\$19.07	\$19.88	\$20.24	\$20.98	\$21.16
Distributions paid per share	\$0.41	\$0.41	\$0.41	\$0.41	\$0.41
Total assets	\$981	\$1,054	\$1,077	\$1,128	\$1,183
Debt obligations, gross	\$427	\$477	\$488	\$515	\$562
Total liabilities	\$443	\$494	\$507	\$537	\$587
Total net assets	\$537	\$560	\$570	\$591	\$596
Debt-to-equity	0.79x	0.85x	0.86x	0.87x	0.94x

(1) For the quarters ended March 31, 2021, June 30, 2021 and September 30, 2021, the Company accrued capital gains based incentive fee expenses related to changes in net realized and unrealized gains and losses. These non-cash expenses, which were not paid and are not payable, were approximately \$0.05, \$0.14 and \$0.03 per share, respectively. See page 21 for a description of this non-GAAP measure and a reconciliation from net investment income per share to Adjusted net investment income per share.

(2) Net of taxes.

# Portfolio Highlights – Selected Metrics

<i>\$ in millions, except per share data</i>	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021
<b>Investments at Fair Value</b>	\$961	\$1,034	\$1,058	\$1,095	\$1,139
<b>Number of Portfolio Companies</b>	128	132	131	130	132
<b>Median Portfolio Company EBITDA</b>	\$29	\$29	\$29	\$28	\$29
<b>Asset Mix of Investment Portfolio:</b>					
Senior Secured First Lien	39.1%	36.1%	34.5%	33.9%	30.7%
Unitranche First Lien <sup>(1)</sup>	37.7%	40.0%	44.3%	45.0%	52.4%
Unitranche First Lien – Last Out <sup>(1)</sup>	1.5%	1.5%	1.3%	1.3%	1.2%
Senior Secured Second Lien	10.3%	10.1%	7.7%	6.0%	5.0%
Unsecured Debt	0.2%	0.3%	0.5%	0.5%	0.5%
Equity & Other	5.6%	6.7%	6.6%	8.2%	5.1%
LLC/LP Investments <sup>(2)</sup>	5.6%	5.3%	5.1%	5.1%	5.1%
<b>Interest Rate Type on Debt Investments:</b>					
% Floating Rate	98.0%	98.4%	98.4%	99.6%	99.7%
% Fixed Rate	2.0%	1.6%	1.6%	0.4%	0.3%
<b>Investment Activity at Cost:</b>					
New Investment Activity	\$84.1	\$124.0	\$88.2	\$121.0	\$158.5
Net Funded Investment Activity	\$36.4	\$47.3	\$11.0	\$11.4	\$35.7
<b>New Investment Commitments at Par:</b>					
# of Debt Investments in New Portfolio Companies	6	9	6	11	12
Weighted Average Maturity for Debt Investments in New Portfolio Companies (Years), at cost	6.1	5.9	6.6	6.4	6.5
Weighted Average Interest Rate for Debt Investments in New Portfolio Companies, at cost	8.2%	8.2%	7.8%	6.8%	6.3%
Weighted Average Spread on Debt Investments in New Portfolio Companies, at cost	6.7%	6.7%	6.5%	5.7%	5.6%

(1) Unitranche loans are first lien loans that may extend deeper in a company's capital structure than traditional first lien debt and may provide for a waterfall of cash flow priority among different lenders in the unitranche loan. In certain instances, the Company may find another lender to provide the "first out" portion of such loan and retain the "last out" portion of such loan, in which case, the "first out" portion of the loan would generally receive priority with respect to payment of principal, interest and any other amounts due thereunder over the "last out" portion that the Company would continue to hold. In exchange for the greater risk of loss, the "last out" portion earns a higher interest rate.

(2) Includes limited partnership interests in GACP II LP and WhiteHawk III Onshore Fund LP, along with equity commitment in the CBDC Senior Loan Fund, LLC.

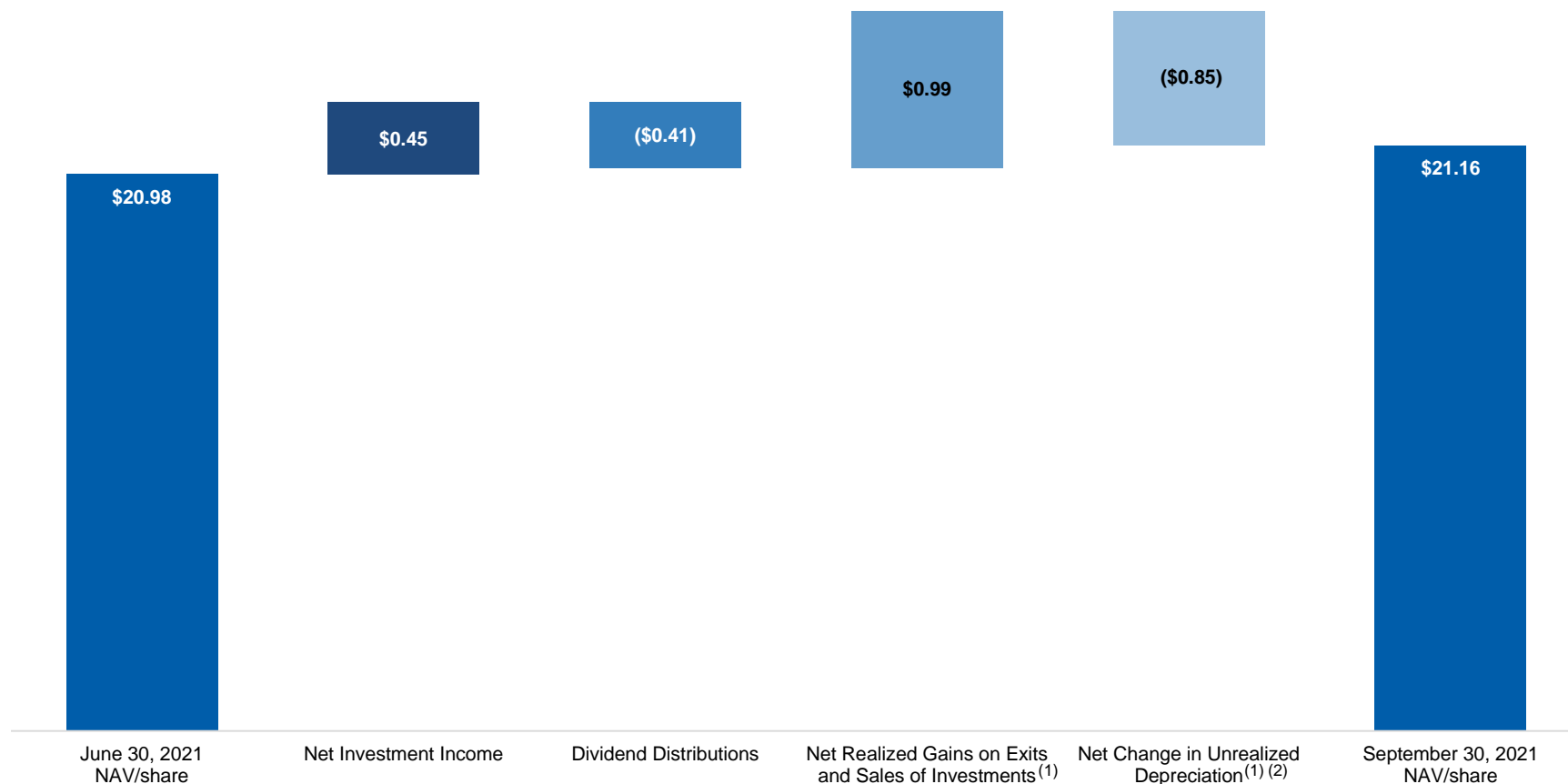


# Quarterly Statements of Assets and Liabilities

(\$ in thousands, except per share data)	As of				
	9/30/2020	12/31/2020	3/31/2021	6/30/2021	9/30/2021
<b>Assets</b>					
Investments, at fair value	\$961,051	\$1,034,001	\$1,057,627	\$1,094,980	\$1,138,630
Cash and cash equivalents	11,569	14,849	12,554	25,781	19,494
Interest and dividend receivable	3,602	3,859	4,526	6,158	7,581
Unrealized appreciation on forward contracts	1,835	264	996	968	1,915
Receivable for investments sold	1,070	6	63	56	15,302
Other assets	1,408	1,173	1,049	540	264
<b>Total Assets</b>	<b>\$980,535</b>	<b>\$1,054,152</b>	<b>\$1,076,815</b>	<b>\$1,128,483</b>	<b>\$1,183,186</b>
<b>Liabilities and Net Assets</b>					
Debt (Leverage, gross)	\$426,882	\$476,532	\$487,914	\$514,864	\$561,901
Deferred financing costs	(4,645)	(4,600)	(4,964)	(6,020)	(4,830)
Distributions payable	11,549	11,549	11,549	11,549	11,549
Accrued expenses and other liabilities	4,200	3,888	4,394	3,285	3,260
Interest and other debt financing costs	3,093	3,922	3,382	5,105	3,503
Management fees payable	1,746	1,867	1,924	2,007	3,055
Income based incentive fees payable	-	-	-	-	1,732
Capital gains based incentive fees payable	-	-	1,577	5,393	6,150
Unrealized depreciation on forward contracts	520	896	933	1,163	587
Directors' fees	100	98	119	115	127
<b>Total Liabilities</b>	<b>\$443,445</b>	<b>\$494,152</b>	<b>\$506,828</b>	<b>\$537,461</b>	<b>\$587,034</b>
<b>Total Net Assets (NAV)</b>	<b>\$537,090</b>	<b>\$560,000</b>	<b>\$569,987</b>	<b>\$591,022</b>	<b>\$596,152</b>
<b>Total Liabilities and Net Assets</b>	<b>\$980,535</b>	<b>\$1,054,152</b>	<b>\$1,076,815</b>	<b>\$1,128,483</b>	<b>\$1,183,186</b>
<b>NAV Per Share and Leverage Ratio</b>					
Common shares outstanding	28,167,360	28,167,360	28,167,360	28,167,360	28,167,360
NAV Per Share	\$19.07	\$19.88	\$20.24	\$20.98	\$21.16
Debt to Equity	0.79x	0.85x	0.86x	0.87x	0.94x
Asset Coverage	2.25x	2.17x	2.16x	2.14x	2.05x

# Net Asset Value per Share Bridge – Q3 2021

*NAV per share increased 0.9% in the quarter, representing the sixth consecutive quarter of appreciation and a record high for CCAP*



Note: Net asset value per share is based on the shares outstanding at the respective quarter-end. Dividend distributions per share is based on the shares outstanding on the declaration date. Net investment income per share and net realized/unrealized gains and losses per share are based on the weighted average number of shares outstanding for the period.

(1) Net of taxes.

(2) Includes the net change in unrealized appreciation (depreciation) on foreign currency forward contracts net of the benefit/(provision) for taxes on investments.

# Operating Results Detail

(\$ in thousands, except per share data)	For the Three Months Ended				
	9/30/2020	12/31/2020	3/31/2021	6/30/2021	9/30/2021
<b>Investment Income</b>					
Interest & Dividend income	\$18,674	\$20,281	\$20,479	\$23,567	\$25,224
Other income	-	-	92	232	254
<b>Total Investment Income</b>	<b>\$18,674</b>	<b>\$20,281</b>	<b>\$20,571</b>	<b>\$23,799</b>	<b>\$25,478</b>
<b>Expenses</b>					
Interest and other debt financing costs	\$3,504	\$4,001	\$4,194	\$4,594	\$5,695
Management fees, net of waiver	1,746	1,866	1,924	2,007	3,055
Income based incentive fees, net of waiver	-	-	-	-	1,732
Capital gain based incentive fees	-	-	1,577	3,816	757
Other general and administrative	631	692	692	691	692
Professional fees	354	400	497	497	522
Directors' fees	100	98	119	115	127
Income and excise taxes	131	61	130	1,103	170
Total Expenses and taxes	\$6,466	\$7,118	\$9,133	\$12,823	\$12,750
<b>Net Investment Income after taxes</b>	<b>\$12,208</b>	<b>\$13,163</b>	<b>\$11,438</b>	<b>\$10,976</b>	<b>\$12,728</b>
<b>Net Gain (Loss) on Investments</b>					
Net realized gain (loss) on investments	\$(518)	\$(13,538)	\$1,755	\$2,604	\$27,817
Net unrealized appreciation (depreciation) on forward contracts	(1,349)	(1,947)	695	(259)	1,523
Net unrealized appreciation (depreciation) on investments	28,161	37,117	7,797	19,426	(24,999)
Net realized and unrealized gains (losses) on investments	\$26,294	\$21,632	\$10,247	\$21,771	\$4,341
Provision for taxes on realized gain on investments	-	-	-	(372)	2
Benefit/(Provision) for taxes on unrealized appreciation (depreciation) on investments	(161)	(336)	(149)	209	(392)
<b>Net increase in Net Assets Resulting from Operations</b>	<b>\$38,341</b>	<b>\$34,459</b>	<b>\$21,536</b>	<b>\$32,584</b>	<b>\$16,679</b>
Net Investment Income Per Share	\$0.43	\$0.47	\$0.41	\$0.39	\$0.45
Dividend Distributions Declared	\$11,549	\$11,549	\$11,549	\$11,549	\$11,549
Weighted average common shares outstanding	28,167,360	28,167,360	28,167,360	28,167,360	28,167,360

# Portfolio Highlights

---

# Disciplined Portfolio Construction

Designed to minimize losses via strong credit and non-credit risk mitigation

**\$1,139mm**

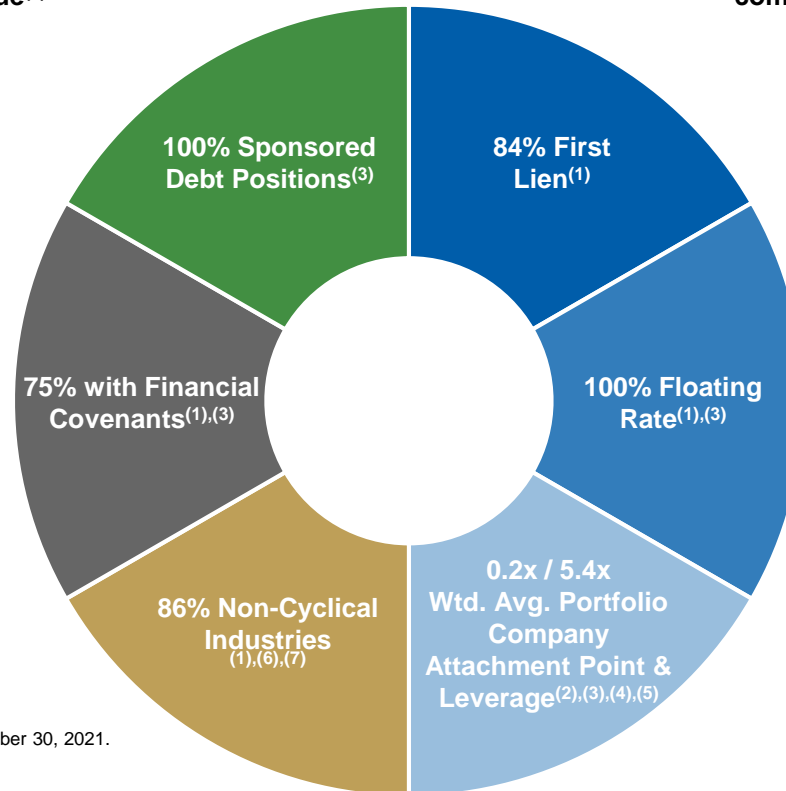
**Investments  
at fair value<sup>(1)</sup>**

**132**

**Portfolio companies**

**\$29mm**

**Median portfolio  
company EBITDA<sup>(2)</sup>**



(1) Based on fair value of investments as of September 30, 2021.

(2) At time of underwrite.

(3) Includes debt investments only.

(4) Represents leverage through CCAP owned investments.

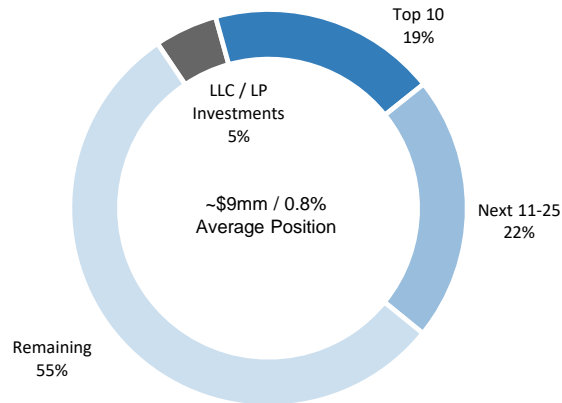
(5) Based on total commitments, defined as outstanding par amount plus unfunded amount.

(6) Excludes Senior Loan Fund, private fund investments, asset-based loans, and structured credit. Excluded assets comprise less than 10% of total fair value of investments.

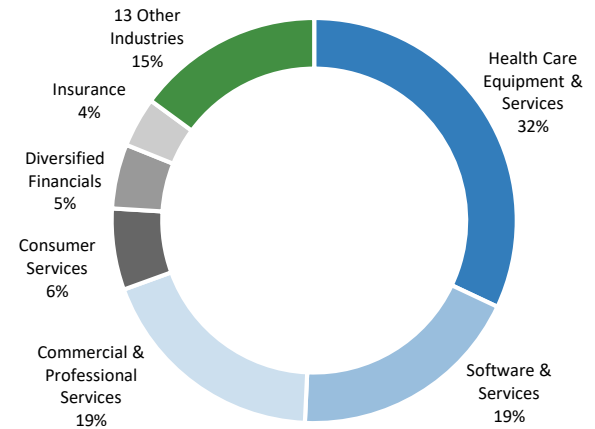
(7) Designation of "non-cyclical" based on CCAP management's general views on cyclicity. Management considers the following industries non-cyclical: commercial & professional services; healthcare equipment & services; software services; consumer services; insurance; pharmaceutical, biotech & life sciences; food & staples retailing; household & personal products; media; telecom services; and food, beverages & tobacco.

# Portfolio Diversity

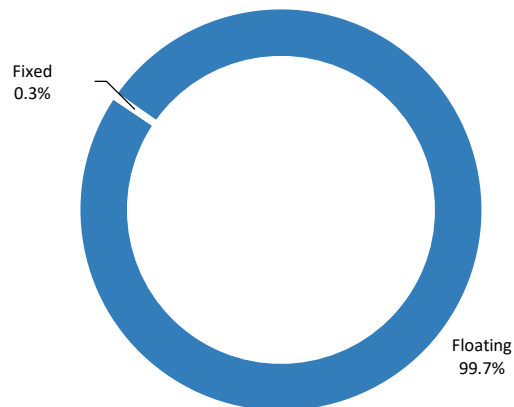
## Diversification by Obligor



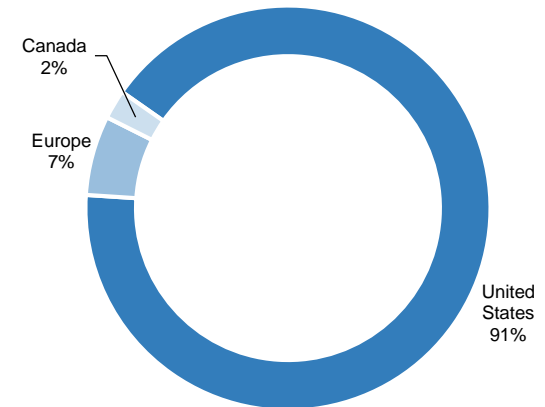
## Diversification by Industry



## Portfolio Composition by Interest Rate Type<sup>(1)</sup>



## Geography



Note: Based on CCAP's fair value of investments as of September 30, 2021. The Company's portfolio, at any given point in time, may be comprised of some, all or none of the asset types shown. An investment in the Company is different from a direct investment in any of the asset types shown above.

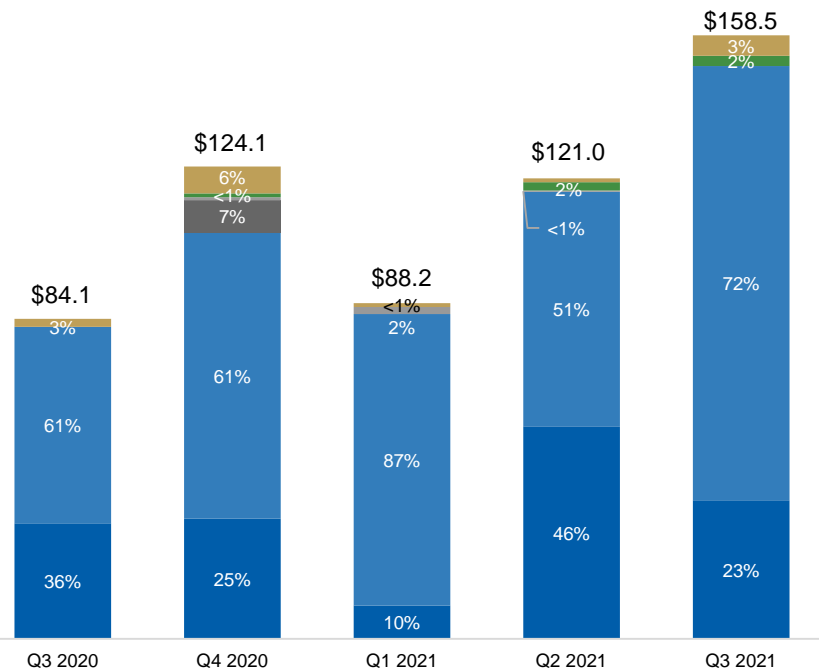
(1) Includes debt investments only.

# Investment Activity

Conservative investment strategy with 84% of portfolio in first lien loans

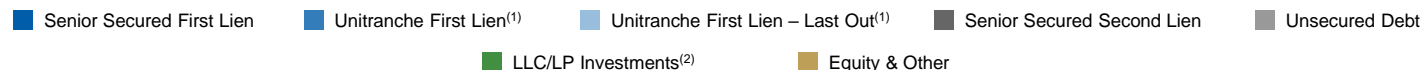
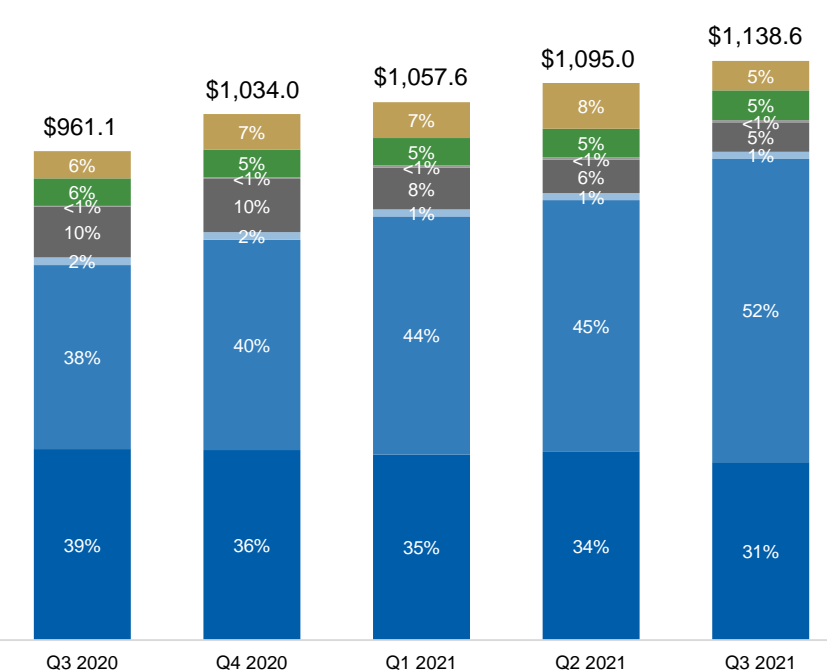
## New Investment Fundings

At Cost. \$ in millions



## End of Period Investments

At Fair Value. \$ in millions

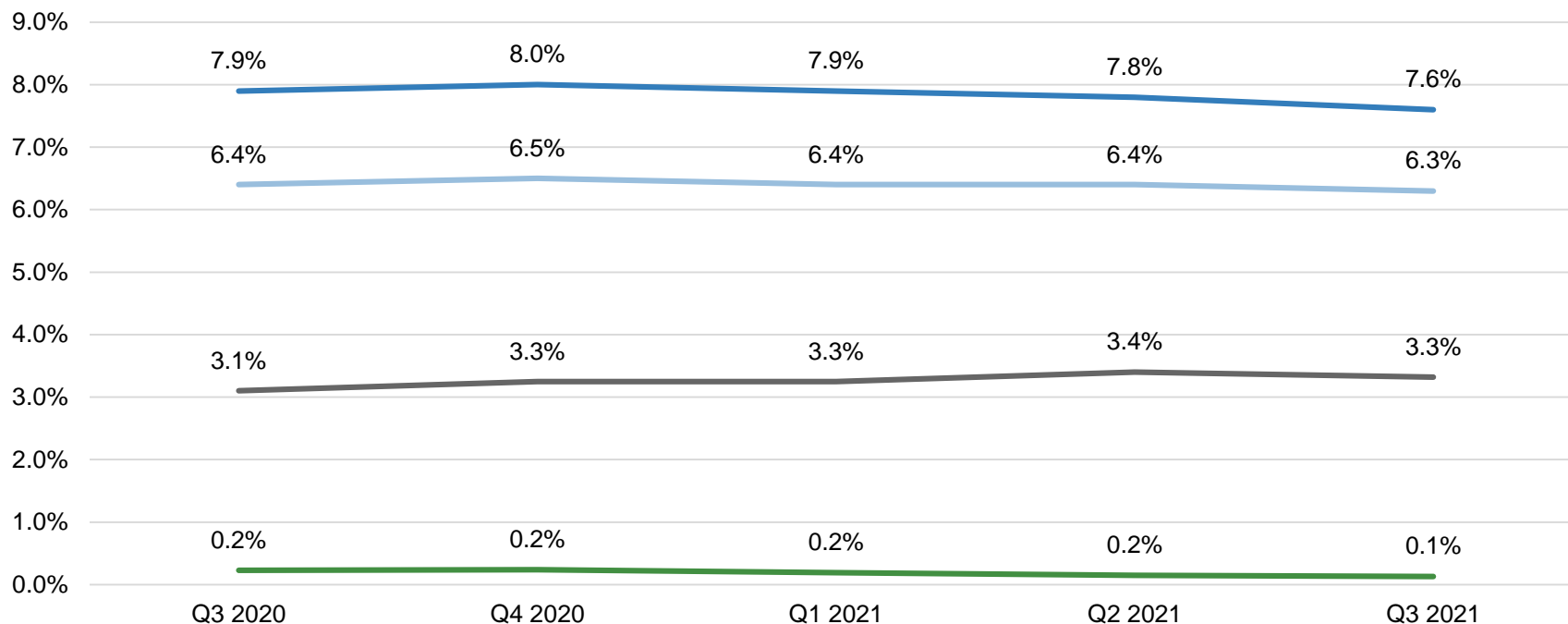


Note: Figures may not sum due to rounding.

- (1) Unitranche loans are first lien loans that may extend deeper in a company's capital structure than traditional first lien debt and may provide for a waterfall of cash flow priority among different lenders in the unitranche loan. In certain instances, the Company may find another lender to provide the "first out" portion of such loan and retain the "last out" portion of such loan, in which case, the "first out" portion of the loan would generally receive priority with respect to payment of principal, interest and any other amounts due thereunder over the "last out" portion that the Company would continue to hold. In exchange for the greater risk of loss, the "last out" portion earns a higher interest rate.
- (2) Includes limited partnership interests in GACP II LP and WhiteHawk III Onshore Fund LP, along with equity commitment in the CBDC Senior Loan Fund, LLC.

# Portfolio Net Interest Margin<sup>(1)</sup>

- Weighted Average Yield of Income Producing Securities (at Cost)
- Weighted Average Spread Over LIBOR of Floating Rate Debt Investments
- Weighted Average Stated Interest Rate on Debt Outstanding
- 3 Month London Interbank Offered Rate ("LIBOR")



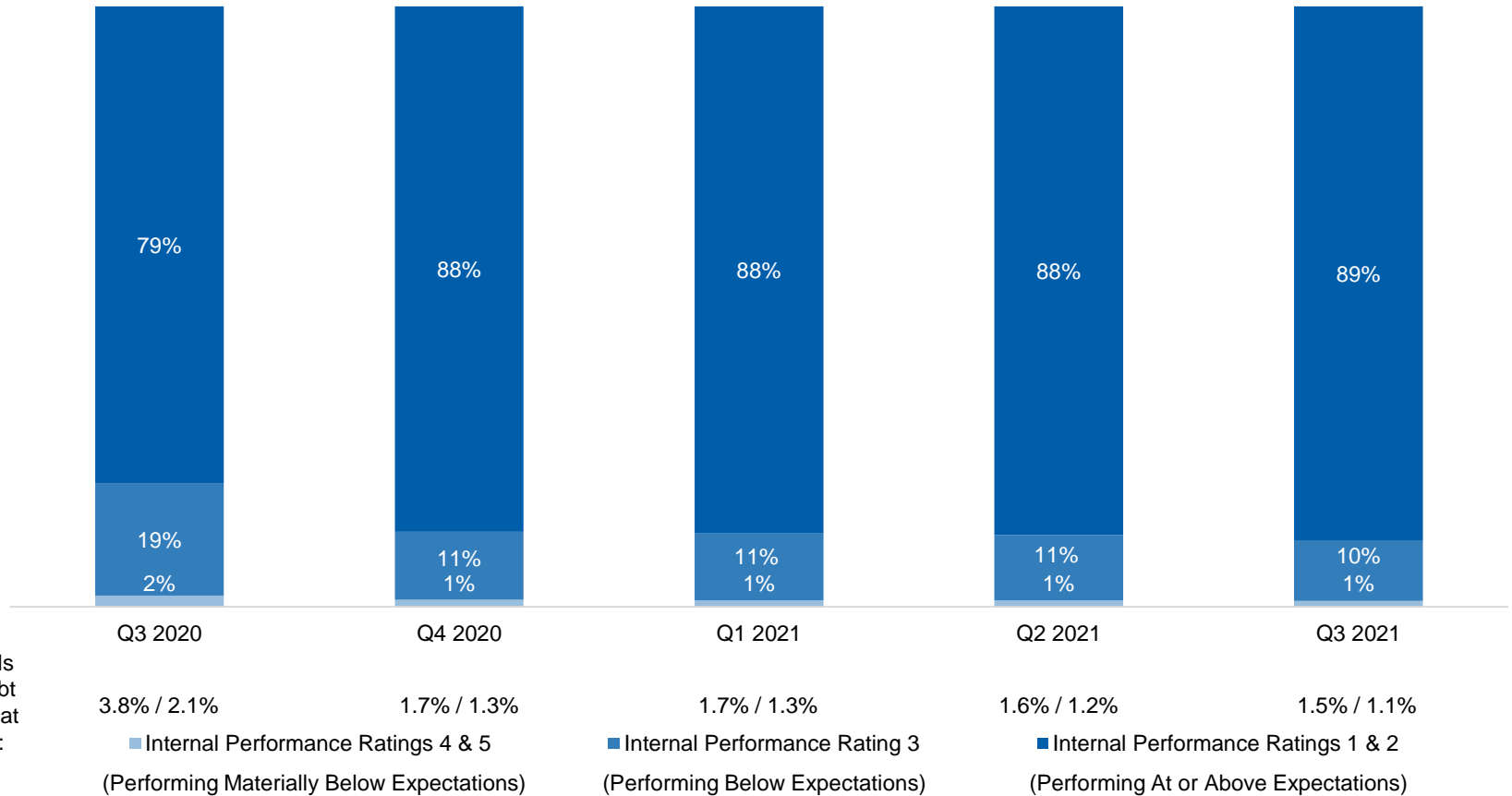
(1) As of quarter end.



# Investment Portfolio Performance Ratings

## Internal Performance Rating Migration

% of Portfolio at Fair Value



Note: As part of CCAP's monitoring process, each of our investments is graded quarterly on a risk scale of 1 to 5. Our assessment is based on the following categories: (1) Investment is performing above expectations and the trends and risk factors are generally favorable. (2) Investment is generally performing as expected and the risk factors are neutral to favorable. (3) Investment is performing below expectations and may be out of compliance with debt covenants; however, loan payments are generally not past due. (4) Investment is performing materially below expectations and is generally out of compliance with debt covenants. The risk factors have increased materially since investment. (5) Investment is performing substantially below expectations and the risk factors have substantially increased since investment. Investments are not anticipated to be repaid in full.

# Alcentra Capital Corp. Acquisition – Performance Update

*In January 2020, CCAP completed its strategic acquisition of Alcentra Capital Corp. In addition to providing enhanced scale and diversification, the acquired portfolio has, to date, delivered strong investment performance*

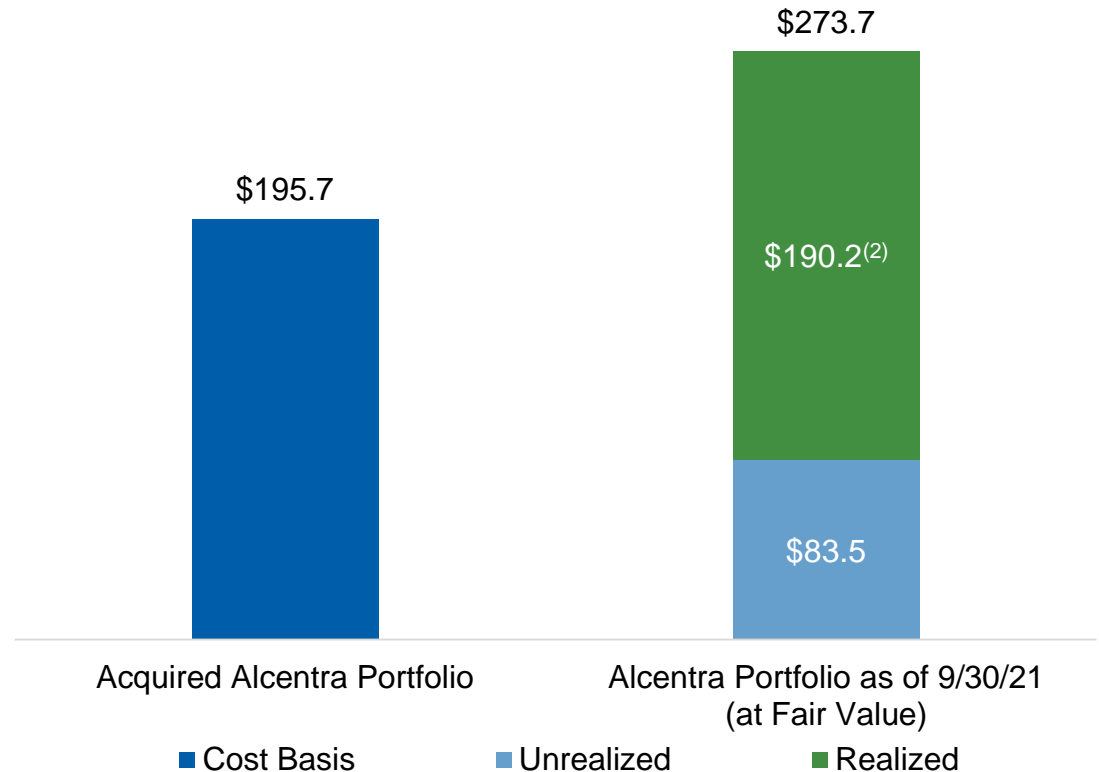
\$ in millions

**27.7%**

**IRR on Acquired Portfolio<sup>(1)</sup>**

**97.2%**

**Of Cost Realized<sup>(1)</sup>**



(1) Based on investment performance and realization activity from January 31, 2020 (the date CCAP completed its acquisition of Alcentra Capital Corporation) through September 30, 2021.

(2) Includes paydowns and realized income.

# Capital Structure

---

# Liquidity Management

Short term flexibility of \$173.1 million of undrawn debt capacity as of quarter-end with no near-term maturities

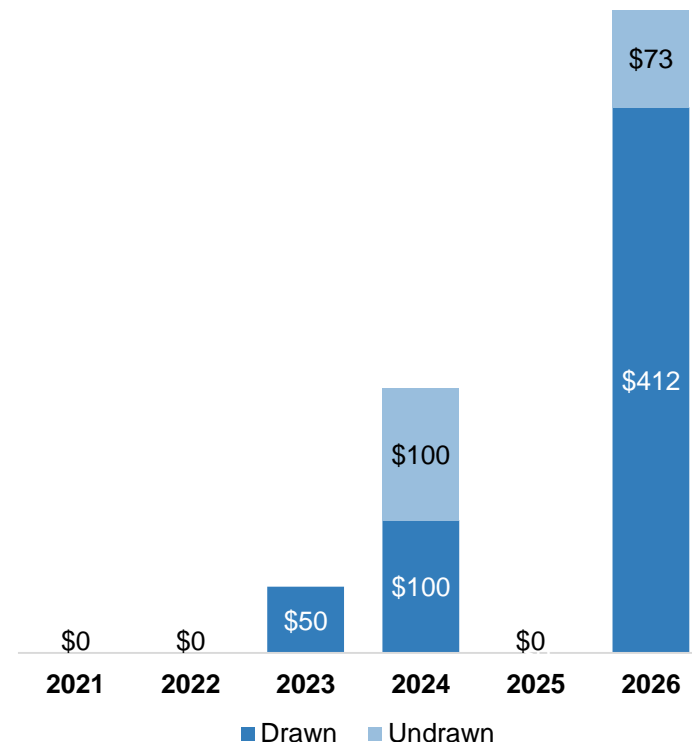
## Debt Summary

(\$ in millions)

	Total Committed Amount	Principal Amount Outstanding	Interest Rate	Maturity Date
SPV Asset Facility	\$350.0	\$276.7	L+165 L+210	6/22/26
1 Corporate Revolving Facility	\$200.0	\$100.2	L+235	8/20/24
2023 Unsecured Notes	\$50.0	\$50.0	5.95%	7/30/23
2026 Unsecured Notes	\$135.0	\$135.0	4.00%	2/17/26
<b>Total Debt</b>	<b>\$735.0</b>	<b>\$561.9</b>	<b>3.32%<sup>(1)</sup></b>	
1 Corporate Revolving Facility	\$300.0	\$100.2 <sup>(2)</sup>	L+187.5	10/27/26
<b>Pro Forma Total Debt</b>	<b>\$835.0</b>	<b>\$561.9<sup>(2)</sup></b>	<b>3.23%</b>	

## Debt Maturities

(\$ in millions)



1 On October 27, 2021, CCAP entered into a new senior secured revolving credit facility, upsizing by \$100 million with an improved cost of debt

Note: As of September 30, 2021. Leverage Facility Capacity represents maximum principal amount of the facility subject to borrowing base advance rates and certain other limits/restrictions.

(1) Cost of debt as of quarter end. Includes amortization of deferred financing costs.

(2) Assumes new facility closed on September 30, 2021.

# Appendix

---

# Reconciliation of Adjusted Net Investment Income

\$ in thousands, except per share data	As of				
	9/30/2020	12/31/2020	3/31/2021	6/30/2021	9/30/2021
Net investment income	\$12,208	\$13,163	\$11,438	\$10,976	\$12,728
Capital gains based incentive fees	-	-	1,577	3,816	757
Adjusted net investment income	\$12,208	\$13,163	\$13,015	\$14,792	\$13,485
<b>Per share:</b>					
Net investment income	\$0.43	\$0.47	\$0.41	\$0.39	\$0.45
Capital gains based incentive fees	-	-	0.05	0.14	0.03
Adjusted net investment income	\$0.43	\$0.47	\$0.46	\$0.53	\$0.48

Note: On a supplemental basis, the Company is disclosing Adjusted net investment income and per share adjusted net investment income, each of which is a financial measure that is calculated and presented on a basis of methodology other than in accordance with U.S. GAAP ("non-GAAP"). Adjusted net investment income represents net investment income, excluding capital gains based incentive fees. The Company's management uses this non-GAAP financial measure internally to analyze and evaluate financial results and performance and believes that this non-GAAP financial measure is useful to investors as an additional tool to evaluate ongoing results and trends for the Company without giving effect to capital gains incentive fees. The Company's investment advisory agreement provides that a capital gains based incentive fee is determined and paid annually with respect to realized capital gains (but not unrealized capital appreciation) to the extent such realized capital gains exceed realized capital losses and unrealized capital depreciation on a cumulative basis. The Company believes that Adjusted net investment income is a useful performance measure because it reflects the net investment income produced on the Company's investments during a period without giving effect to any changes in the value of such investments and any related capital gains incentive fees between periods. The presentation of Adjusted net investment income is not intended to be a substitute for financial results prepared in accordance with GAAP and should not be considered in isolation.