
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 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 June 30, 2018

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.**
For the transition period from _____ to _____
Commission file number 814-01132

Crescent Capital BDC, Inc.

(Exact Name of Registrant as Specified in Its Charter)

Delaware

(State or Other Jurisdiction of
Incorporation or Organization)

11100 Santa Monica Blvd., Suite 2000, Los Angeles, CA
(Address of Principal Executive Offices)

47-3162282

(I.R.S. Employer
Identification No.)

90025

(Zip Code)

Registrant's Telephone Number, Including Area Code: (310) 235-5900

Not applicable

Former Name, Former Address and Former Fiscal Year, If Changed Since Last Report.

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 and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☐ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the 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 ☒ (Do not check if a smaller reporting company)

Smaller reporting company ☐

Emerging growth company ☐

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

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Securities Exchange Act of 1934). Yes ☐ No ☒

The number of shares of the Registrant's common stock, \$.001 par value per share, outstanding at August 10, 2018 was 11,599,480.

CRESENT CAPITAL BDC, INC.

FORM 10-Q FOR THE QUARTER ENDED JUNE 30, 2018

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements that involve substantial risks and uncertainties. These forward-looking statements are not historical facts, but rather are based on current expectations, estimates and projections about us, our current or prospective portfolio investments, our industry, our beliefs, and our assumptions. We believe that it is important to communicate our future expectations to our investors. Words such as “anticipates,” “expects,” “intends,” “plans,” “believes,” “seeks,” “estimates,” “would,” “should,” “targets,” “projects,” and variations of these words and similar expressions are intended to identify forward-looking statements. 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 are difficult to predict, that could cause actual results to differ materially from those expressed or forecasted in the forward-looking statements.

The following factors and factors listed under “Risk Factors” in this report and other documents Crescent Capital BDC, Inc. has filed with the Securities and Exchange Commission, or SEC, provide examples of risks, uncertainties and events that may cause our actual results to differ materially from the expectations we describe in our forward-looking statements. The occurrence of the events described in these risk factors and elsewhere in this report could have a material adverse effect on our business, results of operation and financial position. The following factors are among those that may cause actual results to differ materially from our forward-looking statements:

- Potential fluctuation in quarterly operating results
- Potential impact of economic recessions or downturns
- Adverse developments in the credit markets
- Operation in a highly competitive market for investment opportunities
- Regulations governing our operation as a business development company
- Financing investments with borrowed money
- Lack of liquidity in investments
- Defaults by portfolio companies
- Uncertainty as to the value of certain portfolio investments
- Potential resignation of the Advisor and or the Administrator
- Changes in interest rates may affect our cost of capital and net investment income
- Potential adverse effects of price declines and illiquidity in the corporate debt markets
- Risks associated with original issue discount (“OID”) and payment-in-kind (“PIK”) interest income
- Risks regarding distributions
- Potential adverse effects of new or modified laws and regulations

Although we believe that the assumptions on which these forward-looking statements are based upon are reasonable, some of those assumptions are based on the work of third parties and any of those assumptions could prove to be inaccurate; as a result, forward-looking statements based on those assumptions also could prove to be inaccurate. In light of these and other uncertainties, the inclusion of a projection or forward-looking statement in this report 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 report. We do not undertake any obligation to update or revise any forward-looking statements or any other information contained herein, except as required by applicable law. You are advised to consult any additional disclosures that we may make directly to you or through reports that we in the future may file with the SEC, including annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K. The safe harbor provisions of Section 21E of the 1934 Act, which preclude civil liability for certain forward-looking statements, do not apply to the forward-looking statements in this report because we are an investment company.

See accompanying notes

Crescent Capital BDC, Inc.
Consolidated Statements of Assets and Liabilities

	As of June 30, 2018 (Unaudited)	As of December 31, 2017
Assets		
Investments, non-controlled and non-affiliated, at fair value (cost of \$397,019,243 and \$317,215,906, respectively)	\$ 397,254,529	\$ 319,126,672
Cash and cash equivalents	8,605,434	8,791,778
Cash denominated in foreign currency (cost of \$603,816 and \$452,924, respectively)	606,257	479,134
Receivable for investments sold	6,875	11,957
Interest receivable	1,431,394	1,333,277
Prepaid expenses and other assets	179,298	74,357
Total assets	\$ 408,083,787	\$ 329,817,175
Liabilities		
Debt (net of deferred financing costs of \$583,861 and \$856,042, respectively)	\$ 190,679,508	\$ 150,847,928
Payable for investments purchased	4,068,936	—
Distributions payable	3,876,873	2,707,232
Management fees payable - affiliate	795,245	734,504
Income incentive fee payable - affiliate	—	504,295
Due to Advisor - affiliate	77,848	38,924
Due to Administrator - affiliate	246,661	232,779
Professional fees payable	307,876	289,899
Directors' fees payable	61,563	57,063
Interest and other debt financing costs payable	1,275,864	1,018,332
Deferred tax liability	211,649	217,149
Accrued expenses and other liabilities	351,314	369,081
Total liabilities	\$ 201,953,337	\$ 157,017,186
Commitments and Contingencies (Note 7)		
Net Assets		
Preferred stock, par value \$0.001 per share (10,000 shares authorized, zero outstanding, respectively)	\$ —	\$ —
Common stock, par value \$0.001 per share (200,000,000 shares authorized, 10,341,086 and 8,597,116 shares issued and outstanding, respectively)	10,341	8,597
Paid-in capital in excess of par value	205,880,161	170,755,891
Accumulated net realized loss	(669,294)	(455,135)
Accumulated undistributed net investment income	508,368	536,613
Net unrealized appreciation (depreciation) on investments and foreign currency translation, net of deferred taxes	400,874	1,954,023
Total Net Assets	\$ 206,130,450	\$ 172,799,989
Total Liabilities and Net Assets	\$ 408,083,787	\$ 329,817,175
Net asset value per share	\$ 19.93	\$ 20.10

See accompanying notes

Crescent Capital BDC, Inc.
**Consolidated State ments of Operations
(Unaudited)**

	For the three months ended June 30,		For the six months ended June 30,	
	2018	2017	2018	2017
Investment Income:				
Interest income from non-controlled and non-affiliated investments	\$ 7,222,142	\$ 5,275,103	\$ 13,994,039	\$ 9,735,974
Paid-in-kind interest	28,810	16,845	67,894	20,698
Total investment income	7,250,952	5,291,948	14,061,933	9,756,672
Expenses:				
Interest and other debt financing costs	1,956,208	1,290,790	3,608,168	2,336,222
Management fees (net of waiver of \$572,946, \$379,136, \$1,043,788 and \$683,096, respectively)	795,246	668,292	1,532,998	1,272,519
Income incentive fees (net of waiver of \$560,906, \$0, \$560,906 and \$0, respectively)	—	392,977	554,977	614,535
Directors' fees	72,500	72,500	145,000	145,000
Professional fees	189,632	176,566	375,080	351,566
Organization expenses	32,452	16,226	56,790	40,564
Other general and administrative expenses	457,943	399,970	897,856	800,709
Total expenses	3,503,981	3,017,321	7,170,869	5,561,115
Net investment income before taxes	3,746,971	2,274,627	6,891,064	4,195,557
Income and excise taxes	7,600	1,600	6,821	1,689
Net investment income after taxes	3,739,371	2,273,027	6,884,243	4,193,868
Net realized and unrealized gains (losses) on investments:				
Net realized gain (loss) on investments	(44,196)	(277,325)	(219,319)	(261,931)
Net realized gain (loss) on foreign currency transactions	3,026	(1,011)	5,160	(1,996)
Net change in unrealized appreciation (depreciation) on investments and foreign currency translation	(1,397,426)	976,701	(1,558,648)	2,576,913
Net realized and unrealized gains (losses) on investments	(1,438,596)	698,365	(1,772,807)	2,312,986
Benefit/(Provision) for taxes on unrealized appreciation (depreciation) on investments	(25,907)	—	5,499	—
Net increase in net assets resulting from operations	\$ 2,274,868	\$ 2,971,392	\$ 5,116,935	\$ 6,506,854
Per Common Share Data:				
Net increase in net assets resulting from operations per share (basic and diluted):	\$ 0.23	\$ 0.40	\$ 0.55	\$ 0.92
Net investment income per share (basic and diluted):	\$ 0.38	\$ 0.31	\$ 0.74	\$ 0.59
Weighted average shares outstanding (basic and diluted):	9,902,467	7,446,092	9,357,106	7,095,592
Distributions declared per share:	\$ 0.37	\$ 0.29	\$ 0.70	\$ 0.57

See accompanying notes

Crescent Capital BDC, Inc.
**Consolidated Statements of Changes in Net Assets
(Unaudited)**

	For the six months ended June 30, 2018	For the six months ended June 30, 2017
Increase (decrease) in net assets resulting from operations:		
Net investment income	\$ 6,884,243	\$ 4,193,868
Net realized loss on investments and foreign currency transactions	(214,159)	(263,927)
Net change in unrealized appreciation (depreciation) on investments and foreign currency translation	(1,558,648)	2,576,913
Benefit/(Provision) for taxes on unrealized appreciation (depreciation) on investments	5,499	—
Net increase in net assets resulting from operations	<u>5,116,935</u>	<u>6,506,854</u>
Distributions to shareholders from:		
Net investment income	(6,912,488)	(4,163,870)
Total distributions to shareholders	<u>(6,912,488)</u>	<u>(4,163,870)</u>
Capital transactions:		
Issuance of common stock	35,000,000	25,000,000
Issuance of common stock pursuant to dividend reinvestment plan	205,458	35,636
Equity offering costs	(79,444)	(56,746)
Net increase in net assets resulting from capital transactions	<u>35,126,014</u>	<u>24,978,890</u>
Total increase in net assets	<u>33,330,461</u>	<u>27,321,874</u>
Net assets at beginning of period	172,799,989	128,056,028
Net assets at end of period	<u>\$ 206,130,450</u>	<u>\$ 155,377,902</u>
Accumulated undistributed (distributions in excess of) net investment income	\$ 508,368	\$ (19,520)
Changes in Shares		
Common stock, at beginning of period	8,597,116	6,376,850
Issuance of common stock	1,733,792	1,234,786
Issuance of common stock pursuant to dividend reinvestment plan	10,178	1,778
Common stock, at end of period	<u>10,341,086</u>	<u>7,613,414</u>

See accompanying notes

Crescent Capital BDC, Inc.
**Consolidated Statements of Cash Flows
(Unaudited)**

	For the six months ended June 30, 2018	For the six months ended June 30, 2017
Cash flows from operating activities:		
Net increase (decrease) in net assets resulting from operations	\$ 5,116,935	\$ 6,506,854
Adjustments to reconcile net increase (decrease) in net assets resulting from operations to net cash provided by (used for) operating activities:		
Purchases of investments	(133,962,061)	(90,236,677)
Paid-in-kind interest income	(67,894)	(20,698)
Proceeds from sales of investments and principal repayments	54,840,795	23,457,767
Net realized (gain) loss on investments	219,319	261,931
Net change in unrealized (appreciation) depreciation on investments and foreign currency translation	1,558,648	(2,576,913)
Amortization of premium and accretion of discount, net	(833,496)	(348,685)
Amortization of deferred financing costs	392,061	368,746
Increase (decrease) in operating assets and liabilities:		
(Increase) decrease in receivable for investments sold	5,082	321,952
(Increase) decrease in interest receivable	(98,117)	448,103
(Increase) decrease in due from Advisor - affiliate	—	(22,531)
(Increase) decrease in prepaid expenses and other assets	(104,941)	(100,761)
Increase (decrease) in payable for investments purchased	4,068,936	—
Increase (decrease) in management fees payable - affiliate	60,741	146,427
Increase (decrease) in income incentive fees payable - affiliate	(504,295)	(68,559)
Increase (decrease) in due to Advisor - affiliate	38,924	(27,247)
Increase (decrease) in due to Administrator - affiliate	13,882	14,604
Increase (decrease) in professional fees payable	17,977	122,183
Increase (decrease) in directors' fees payable	4,500	79,250
Increase (decrease) in interest and credit facility fees and expenses payable	257,532	315,776
Increase (decrease) in deferred tax liability	(5,500)	—
Increase (decrease) in accrued expenses and other liabilities	(17,767)	196,575
Net cash provided by (used for) operating activities	(68,998,739)	(61,161,903)
Cash flows from financing activities:		
Issuance of common stock	35,000,000	25,000,000
Financing costs paid related to revolving credit facility	(119,880)	(643,713)
Distributions paid	(5,537,389)	(3,708,411)
Equity offering costs	(79,444)	(56,746)
Borrowings on debt	101,700,000	76,000,000
Repayments on debt	(62,000,000)	(33,200,000)
Net cash provided by (used for) financing activities	68,963,287	63,391,130
Effect of exchange rate changes on cash denominated in foreign currency	(23,769)	15,573
Net increase (decrease) in cash, cash equivalents and foreign currency	(59,221)	2,244,800
Cash, cash equivalents and foreign currency, beginning of period	9,270,912	5,119,325
Cash, cash equivalents and foreign currency, end of period	\$ 9,211,691	\$ 7,364,125
Supplemental and non-cash financing activities:		
Cash paid during the period for interest	\$ 2,837,386	\$ 1,557,235
Issuance of common stock pursuant to distribution reinvestment plan	\$ 205,458	\$ 35,636
Accrued but unpaid equity offering costs	\$ 45,397	\$ 22,698
Accrued but unpaid distributions	\$ 3,876,873	\$ 2,169,823

See accompanying notes

CRESCENT CAPITAL BDC, INC.
Consolidated Schedule of Investments (Unaudited)
June 30, 2018

	Investment Type	Spread Above Index *	Interest Rate	Maturity Date	Principal Amount, Par Value or Shares	Cost	Percentage of Net Assets **	Fair Value
Investments (1)								
United States								
Debt Investments								
Automobiles & Components								
AP Exhaust Acquisition, LLC (2)	Senior Secured Second Lien	L + 850(3)	11.12%	05/2025	\$ 9,072,563	\$ 8,786,061	4.1%	\$ 8,528,261
Auto-Vehicle Parts, LLC (2)	Senior Secured First Lien	L + 450(4)	6.59%	01/2023	4,882,000	4,813,395	2.4	4,882,000
Auto-Vehicle Parts, LLC (2) (5) (6)	Senior Secured First Lien			01/2023	—	(8,118)	—	—
Continental Battery Company (2)	Senior Secured First Lien	L + 450(4)	6.59%	12/2022	3,482,500	3,427,378	1.7	3,482,500
Continental Battery Company (2) (5) (6)	Senior Secured First Lien			12/2022	—	(13,254)	—	—
POC Investors, LLC (2)	Senior Secured First Lien	L + 550(3)	7.84%	11/2021	5,377,325	5,317,462	2.6	5,397,729
POC Investors, LLC (2) (5)	Senior Secured First Lien	L + 550(4)	7.61%	11/2021	370,833	363,065	0.2	373,679
					<u>23,185,221</u>	<u>22,685,989</u>	<u>11.0</u>	<u>22,664,169</u>
Capital Goods								
Alion Science and Technology Corporation (2)	Unsecured Debt		11.00%	08/2022	5,000,000	4,897,597	2.4	4,875,000
Midwest Industrial Rubber (2)	Senior Secured First Lien	L + 550(3)	7.83%	12/2021	4,693,309	4,631,769	2.3	4,693,309
Midwest Industrial Rubber (2) (5)	Senior Secured First Lien	L + 550(3)	7.84%	12/2021	131,250	124,489	0.1	131,250
Potter Electric Signal Company (2) (5)	Senior Secured First Lien	L + 450(4)	6.60%	12/2022	67,500	62,473	0.0	65,250
Potter Electric Signal Company	Senior Secured First Lien	L + 450(7)	7.27%	12/2023	2,543,625	2,514,213	1.2	2,530,907
Potter Electric Signal Company (5) (6)	Senior Secured First Lien			12/2023	—	(7,820)	0.0	(3,500)
					<u>12,435,684</u>	<u>12,222,721</u>	<u>6.0</u>	<u>12,292,216</u>
Commercial & Professional Services								
Advantage Sales & Marketing, Inc.	Senior Secured First Lien	L + 325(4)	5.34%	07/2021	824,307	824,540	0.4	781,550
Advantage Sales & Marketing, Inc.	Senior Secured Second Lien	L + 650(4)	8.59%	07/2022	500,000	502,204	0.2	457,918
ASP MCS Acquisition Corp.	Senior Secured First Lien	L + 475(3)	7.08%	05/2024	5,321,250	5,298,097	2.5	5,148,309
BFC Solmetex LLC & Bonded Filter Co. LLC (2)	Senior Secured First Lien	L + 625(3)	8.58%	04/2023	4,700,000	4,602,470	2.3	4,700,000
BFC Solmetex LLC & Bonded Filter Co. LLC (2) (5) (6)	Senior Secured First Lien			04/2023	—	(9,249)	—	—
Brickman Group Ltd. LLC	Senior Secured Second Lien	L + 650(4)	8.59%	12/2021	234,043	234,745	0.1	236,069
CHA Holdings Inc (5) (6)	Senior Secured First Lien			04/2025	—	(5,200)	—	2,679
CHA Holdings Inc	Senior Secured First Lien	L + 450(8)	6.58%	04/2025	4,928,571	4,904,522	2.4	4,940,893
DFS Intermediate Holdings, LLC (2)	Senior Secured First Lien	L + 525(4)	7.34%	03/2022	7,258,125	7,145,039	3.5	7,258,125
DFS Intermediate Holdings, LLC (2) (5)	Senior Secured First Lien	L + 525(4)	7.34%	03/2022	2,630,686	2,555,837	1.2	2,630,686
GH Holding Company (2)	Senior Secured First Lien	L + 450(4)	6.59%	02/2023	1,496,250	1,489,175	0.7	1,496,250
GI Revelation Acquisition LLC	Senior Secured First Lien	L + 500(4)	7.09%	04/2025	4,000,000	3,980,400	2.0	4,035,820
Hepaco, LLC (2) (5) (6)	Senior Secured First Lien			08/2021	—	(3,916)	—	—
Hepaco, LLC (2)	Senior Secured First Lien	L + 500(4)	7.09%	08/2022	5,230,750	5,183,924	2.5	5,230,750
Hepaco, LLC (2) (5)	Senior Secured First Lien	L + 500(4)	9.00%	08/2022	189,619	177,144	0.1	189,619
Jordan Healthcare Inc. (2)	Senior Secured First Lien	L + 600(3)	8.33%	07/2022	4,083,046	4,047,447	2.0	4,089,238

See accompanying notes

CRESCENT CAPITAL BDC, INC.
Consolidated Schedule of Investments (Unaudited)
June 30, 2018

	Investment Type	Spread Above Index *	Interest Rate	Maturity Date	Principal Amount, Par Value or Shares	Cost	Percentage of Net Assets **	Fair Value
Jordan Healthcare Inc. (2) (5)	Senior Secured First Lien	L + 600(3)	8.33%	07/2022	\$ 344,850	\$ 333,103	0.2%	\$ 346,685
Jordan Healthcare Inc. (2) (5) (6)	Senior Secured First Lien			07/2022	—	(3,764)	0.0	682
MHS Acquisition Holdings, LLC (2)	Senior Secured Second Lien	L + 875(3)	11.08%	03/2025	8,101,633	7,894,272	3.8	7,816,151
MHS Acquisition Holdings, LLC (2) (5)	Senior Secured Second Lien	L + 875(3)	11.08%	03/2025	466,576	447,295	0.2	429,513
	Unsecured Debt		13.50 %					
MHS Acquisition Holdings, LLC (2)			PIK%	03/2026	777,427	765,486	0.3	660,874
SavATree, LLC (2)	Senior Secured First Lien	L + 525(3)	7.58%	06/2022	3,665,125	3,608,426	1.8	3,665,125
SavATree, LLC (2) (5) (6)	Senior Secured First Lien			06/2022	—	(8,627)	—	—
SavATree, LLC (2) (5)	Senior Secured First Lien	L + 525(3)	7.58%	06/2022	91,000	85,512	0.1	91,000
TecoStar Holdings, Inc. (2)	Senior Secured Second Lien	L + 850(4)	10.50%	11/2024	5,000,000	4,888,928	2.5	5,100,000
USAGM HoldCo LLC (2)	Senior Secured Second Lien		11.00%	07/2023	2,380,952	2,339,280	1.2	2,371,492
USAGM HoldCo LLC	Senior Secured Second Lien	L + 850(8)	10.60%	07/2023	10,000,000	9,710,768	4.8	9,947,900
Valet Waste Holdings, Inc. (2)	Senior Secured First Lien	L + 625(4)	8.34%	09/2021	4,766,304	4,723,776	2.3	4,790,136
Valet Waste Holdings, Inc. (2) (5)	Senior Secured First Lien	L + 700(4)	9.08%	09/2021	195,652	191,098	0.1	198,370
Xcentric Mold and Engineering Acquisition Company, LLC (2)	Senior Secured First Lien	L + 550(4)	7.50%	01/2022	4,986,875	4,913,532	2.4	4,986,875
Xcentric Mold and Engineering Acquisition Company, LLC (2) (5)	Senior Secured First Lien	L + 550(4)	7.50%	01/2022	262,500	252,671	0.1	262,500
					82,435,541	81,068,935	39.7	81,865,209
Consumer Durables & Apparel								
C.F. Stinson, LLC (2)	Senior Secured First Lien	L + 600(4) (9)	7.98%	06/2021	3,000,000	2,961,366	1.5	3,026,309
EiKo Global, LLC (2) (5) (6)	Senior Secured First Lien			06/2023	—	(8,852)	0.0	(4,429)
EiKo Global, LLC (2)	Senior Secured First Lien	L + 600(3)	7.98%	06/2023	2,500,000	2,450,675	1.2	2,475,397
					5,500,000	5,403,189	2.7	5,497,277
Consumer Services								
Counsel On Call, LLC (2)	Senior Secured First Lien	L + 500(4)	7.10%	09/2022	1,191,000	1,180,212	0.6	1,191,000
Counsel On Call, LLC (2) (5)	Senior Secured First Lien	L + 550(4)	7.61%	09/2022	228,571	225,007	0.1	228,571
Counsel On Call, LLC (2) (5) (6)	Senior Secured First Lien			09/2022	—	(2,674)	—	—
Iconic Group, Inc. (2) (5) (6)	Senior Secured First Lien			05/2024	—	(2,473)	0.0	(2,474)
Iconic Group, Inc. (2)	Senior Secured First Lien	L + 500(4)	7.06%	05/2024	1,350,000	1,336,616	0.7	1,336,637
New Mountain Learning (2)	Senior Secured First Lien	L + 550(3)	7.83%	03/2024	1,850,000	1,814,388	0.9	1,850,000
New Mountain Learning (2) (5) (6)	Senior Secured First Lien			03/2024	—	(20,926)	—	—
NS Intermediate Holdings, LLC (2)	Senior Secured First Lien	L + 500(4)	7.09%	09/2021	3,325,276	3,282,934	1.6	3,292,023
NS Intermediate Holdings, LLC (2) (5) (6)	Senior Secured First Lien			09/2021	—	(2,839)	0.0	(2,500)
Oncourse Learning Corporation (2)	Senior Secured First Lien	L + 650(3)	8.83%	09/2021	14,530,729	14,375,942	7.1	14,530,729
Oncourse Learning Corporation (2) (5)	Senior Secured First Lien	L + 650(3)	8.83%	09/2021	440,000	434,238	0.2	440,000
Pre-Paid Legal Services, Inc.	Senior Secured First Lien	L + 325(4)	5.23%	05/2025	3,957,000	3,937,559	1.9	3,981,731
Pre-Paid Legal Services, Inc.	Senior Secured Second Lien	L + 750(4)	9.48%	05/2026	7,000,000	6,930,871	3.4	7,087,500

See accompanying notes

CRESCENT CAPITAL BDC, INC.
Consolidated Schedule of Investments (Unaudited)
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	Investment Type	Spread Above Index *	Interest Rate	Maturity Date	Principal Amount, Par Value or Shares	Cost	Percentage of Net Assets **	Fair Value
SkillSoft Corporation	Senior Secured First Lien	L + 475(4)	6.84%	04/2021	\$ 969,713	\$ 959,317	0.4%	\$ 919,710
Teaching Strategies LLC (2) (5) (6)	Senior Secured First Lien			05/2024	—	(15,385)	—	—
Teaching Strategies LLC (2)	Senior Secured First Lien	L + 600(3)	8.33%	05/2024	9,375,000	9,144,641	4.5	9,375,000
United Language Group, Inc. (2)	Senior Secured First Lien	L + 500(4)	7.09%	12/2021	4,438,875	4,356,883	2.2	4,438,875
United Language Group, Inc. (2) (5)	Senior Secured First Lien	L + 500(4)	7.09%	12/2021	92,000	84,684	0.0	92,000
Vistage Worldwide, Inc.	Senior Secured First Lien	L + 400(4)	6.05%	02/2025	8,597,452	8,605,170	4.2	8,629,693
Wrench Group LLC (2) (5) (6)	Senior Secured First Lien			12/2023	—	(5,097)	—	—
Wrench Group LLC (2)	Senior Secured First Lien	L + 450(3)	6.83%	12/2024	4,738,796	4,692,199	2.3	4,738,796
Wrench Group LLC (2) (5) (6)	Senior Secured First Lien			12/2024	—	(1,454)	—	—
					62,084,412	61,309,813	30.1	62,127,291
Diversified Financials								
Edelman Financial Group, The	Senior Secured First Lien	L + 425(10)	6.73%	11/2024	3,468,073	3,460,045	1.7	3,481,789
Energy								
Murray Energy Corporation	Senior Secured First Lien	L + 725(4)	9.34%	04/2020	349,701	340,125	0.2	330,803
Food & Staples Retailing								
HLF Financing S.a.r.l. (11)	Senior Secured First Lien	L + 550(4)	7.59%	02/2023	4,531,250	4,458,286	2.2	4,577,990
Isagenix International, LLC	Senior Secured First Lien	L + 575(3)	8.08%	04/2025	7,000,000	6,960,245	3.4	7,021,875
					11,531,250	11,418,531	5.6	11,599,865
Health Care Equipment & Services								
Ameda, Inc. (2)	Senior Secured First Lien	L + 650(4)	8.59%	09/2022	2,630,125	2,587,990	1.3	2,599,175
Ameda, Inc. (2) (5)	Senior Secured First Lien	L + 650(4)	8.59%	09/2022	187,500	182,806	0.1	183,970
Beaver-Visitec International, Inc. (11)	Senior Secured First Lien	L + 400(4)	6.09%	08/2023	2,069,283	2,058,936	1.0	2,079,629
Beaver-Visitec International, Inc. (11)	Senior Secured First Lien	L + 500(4)	7.09%	08/2023	9,348,599	9,291,308	4.6	9,395,342
CDRH Parent, Inc.	Senior Secured First Lien	L + 425(3)	6.57%	07/2021	363,358	365,150	0.2	343,374
Centaury Health Solutions, Inc. (2)	Senior Secured First Lien	L + 575(4)	7.84%	01/2022	12,596,250	12,385,974	6.2	12,722,212
Centaury Health Solutions, Inc. (2) (5)	Senior Secured First Lien	L + 575(4)	7.84%	01/2022	656,250	641,184	0.3	672,000
Centaury Health Solutions, Inc. (2)	Senior Secured First Lien	L + 575(4)	7.84%	01/2022	900,000	883,359	0.4	909,000
ExamWorks Group, Inc. (2)	Senior Secured Second Lien	L + 725(4)	9.35%	07/2024	5,000,000	4,875,635	2.4	5,000,000
GrapeTree Medical Staffing, LLC (2)	Senior Secured First Lien	L + 500(4)	7.09%	10/2022	1,687,250	1,661,315	0.8	1,704,123
GrapeTree Medical Staffing, LLC (2) (5) (6)	Senior Secured First Lien			10/2022	—	(6,775)	0.0	4,500
Ivory Merger Sub, Inc.	Senior Secured First Lien	L + 350(3)	5.84%	03/2025	8,964,532	8,964,871	4.3	8,975,738
MDVIP, Inc. (2)	Senior Secured Second Lien	L + 800(4)	10.09%	11/2025	5,333,333	5,169,376	2.7	5,493,333
NMSC Holdings, Inc. (2)	Senior Secured Second Lien	L + 1000(10)	12.45%	10/2023	4,307,480	4,171,411	2.0	4,208,699
Onex Carestream Finance LP (11)	Senior Secured First Lien	L + 400(4)	6.09%	06/2019	214,464	214,543	0.1	214,814
Onex Carestream Finance LP (11)	Senior Secured Second Lien	L + 850(4)	10.59%	12/2019	153,081	153,081	0.1	153,272
Professional Physical Therapy (2) (12)	Senior Secured First Lien	L + 600(3)		12/2022	7,924,687	7,862,038	3.3	6,815,231

See accompanying notes

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	Investment Type	Spread Above Index *	Interest Rate	Maturity Date	Principal Amount, Par Value or Shares	Cost	Percentage of Net Assets **	Fair Value
PT Network, LLC (2) (5)	Senior Secured First Lien	P + 450(13)	9.50%	11/2021	\$ 200,000	\$ 198,633	0.1%	\$ 197,125
PT Network, LLC (2) (5) (6)	Senior Secured First Lien			11/2021	—	(4,698)	0.0	(13,298)
PT Network, LLC (2)	Senior Secured First Lien	L + 550(3)	7.84%	11/2021	4,746,879	4,730,701	2.3	4,712,759
Smile Doctors LLC (2) (5)	Senior Secured First Lien	L + 575(3)	8.11%	10/2022	191,667	189,534	0.1	191,667
Smile Doctors LLC (2)	Senior Secured First Lien	L + 575(3)	8.11%	10/2022	1,588,000	1,574,120	0.8	1,588,000
Smile Doctors LLC (2) (5)	Senior Secured First Lien	L + 575(3)	8.10%	10/2022	1,360,364	1,346,307	0.7	1,360,364
Upstream Rehabilitation, Inc. (2)	Senior Secured First Lien	L + 450(3)	6.83%	01/2024	2,139,250	2,129,292	1.0	2,139,250
Upstream Rehabilitation, Inc. (2) (5)	Senior Secured First Lien	L + 450(4)	6.55%	01/2024	56,667	55,748	0.0	56,667
					<u>72,619,019</u>	<u>71,681,839</u>	<u>34.8</u>	<u>71,706,946</u>
Household & Personal Products								
Paris Presents Incorporated	Senior Secured First Lien	L + 500(4)	7.09%	12/2020	1,580,070	1,570,096	0.8	1,587,970
Paris Presents Incorporated	Senior Secured Second Lien	L + 875(4)	10.84%	12/2021	504,468	497,088	0.3	506,360
Tranzonic (2)	Senior Secured First Lien	L + 475(4)	6.85%	03/2023	3,179,348	3,148,973	1.5	3,179,348
Tranzonic (2) (5) (6)	Senior Secured First Lien			03/2023	—	(5,211)	—	—
					<u>5,263,886</u>	<u>5,210,946</u>	<u>2.6</u>	<u>5,273,678</u>
Insurance								
Integro Parent Inc.	Senior Secured First Lien	L + 575(3)	8.06%	10/2022	487,642	481,341	0.2	486,423
Integro Parent Inc.	Senior Secured Second Lien	L + 925(3)	11.58%	10/2023	380,282	375,214	0.2	378,381
Integro Parent Inc.	Senior Secured Second Lien	L + 925(3)	11.56%	10/2023	2,915,493	2,871,748	1.4	2,900,915
					<u>3,783,417</u>	<u>3,728,303</u>	<u>1.8</u>	<u>3,765,719</u>
Materials								
Emerald Performance Materials, LLC	Senior Secured First Lien	L + 350(4)	5.59%	08/2021	963,247	965,592	0.5	965,655
Maroon Group, LLC (2) (5) (6)	Senior Secured First Lien			08/2022	—	(12,095)	—	—
Maroon Group, LLC (2) (5)	Senior Secured First Lien	P + 500(13)	10.00%	08/2022	42,000	38,614	0.0	42,000
Maroon Group, LLC (2)	Senior Secured First Lien	L + 600(3)	8.34%	08/2022	2,450,000	2,426,172	1.2	2,450,000
					<u>3,455,247</u>	<u>3,418,283</u>	<u>1.7</u>	<u>3,457,655</u>
Media								
Acosta Holdco, Inc.	Senior Secured First Lien	L + 325(4)	5.34%	09/2021	970,365	970,941	0.4	735,658
Tribune Media Company (11)	Senior Secured First Lien	L + 300(4)	5.09%	12/2020	155,650	156,037	0.1	155,650
Vivid Seats Ltd. (2)	Senior Secured Second Lien	P + 775(13)	12.75%	06/2025	2,500,000	2,366,159	1.2	2,550,000
					<u>3,626,015</u>	<u>3,493,137</u>	<u>1.7</u>	<u>3,441,308</u>
Pharmaceuticals, Biotechnology & Life Sciences								
Trinity Partners, LLC (2)	Senior Secured First Lien	L + 500(4)	7.10%	02/2023	1,596,000	1,566,036	0.8	1,596,000
Trinity Partners, LLC (2) (5) (6)	Senior Secured First Lien			02/2023	—	(8,359)	—	—
					<u>1,596,000</u>	<u>1,557,677</u>	<u>0.8</u>	<u>1,596,000</u>
Retailing								
Slickdeals Holdings, LLC (2) (5) (6)	Senior Secured First Lien			06/2023	—	(19,792)	—	—
Slickdeals Holdings, LLC (2)	Senior Secured First Lien	L + 625(3)	8.58%	06/2024	10,909,110	10,611,130	5.3	10,909,110

See accompanying notes

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	Investment Type	Spread Above Index *	Interest Rate	Maturity Date	Principal Amount, Par Value or Shares	Cost	Percentage of Net Assets **	Fair Value
Strategic Partners, Inc.	Senior Secured First Lien	L + 375(4)	5.84%	06/2023	\$ 6,419,034	\$ 6,406,282	3.1%	\$ 6,483,224
					17,328,144	16,997,620	8.4	17,392,334
Software & Services								
Ansira Partners, Inc. (5)	Senior Secured First Lien	L + 575(4)	7.73%	12/2022	109,091	103,371	0.1	106,705
Ansira Partners, Inc.	Senior Secured First Lien	L + 650(4)	7.84%	12/2022	6,971,689	6,917,067	3.4	6,954,260
Avaap USA LLC (2)	Senior Secured First Lien	L + 475(4)	6.84%	03/2023	1,845,375	1,810,194	0.9	1,845,375
Avaap USA LLC (2) (5) (6)	Senior Secured First Lien			03/2023	—	(3,306)	—	—
Avaap USA LLC (2) (5)	Senior Secured First Lien	L + 475(4)	6.84%	03/2023	61,250	54,637	0.0	61,250
C-4 Analytics, LLC (2)	Senior Secured First Lien	L + 525(4)	7.34%	08/2023	10,470,875	10,309,587	5.1	10,575,584
C-4 Analytics, LLC (2) (5) (6)	Senior Secured First Lien			08/2023	—	(9,000)	0.0	6,000
List Partners, Inc. (2)	Senior Secured First Lien	L + 500(3)	7.33%	01/2023	3,736,250	3,666,644	1.8	3,736,250
List Partners, Inc. (2) (5) (6)	Senior Secured First Lien			01/2023	—	(12,418)	—	—
Mediaocean LLC	Senior Secured First Lien	L + 425(4)	6.35%	08/2022	8,414,704	8,365,527	4.1	8,456,777
Merrill Communications, LLC	Senior Secured First Lien	L + 525(3)	7.61%	06/2022	874,993	877,034	0.4	885,930
SMS Systems Maintenance Services, Inc. (2)	Senior Secured Second Lien	L + 850(3)	10.83%	10/2024	4,703,478	4,570,241	1.8	3,648,090
SMS Systems Maintenance Services, Inc. (2)	Senior Secured Second Lien		10.00%	10/2024	9,015,000	8,765,130	3.2	6,695,530
Transportation Insight, LLC (2)	Senior Secured First Lien	L + 525(4)	7.34%	09/2019	1,979,114	1,970,040	1.0	1,979,114
Winxnet Holdings LLC (2) (5) (6)	Senior Secured First Lien			06/2023	—	(4,000)	0.0	(3,998)
Winxnet Holdings LLC (2) (5) (6)	Senior Secured First Lien			06/2023	—	(8,000)	0.0	(3,998)
Winxnet Holdings LLC (2)	Senior Secured First Lien	L + 600(4)	8.09%	06/2023	2,000,000	1,960,042	1.0	1,980,011
Zoom Information, Inc. (2)	Senior Secured First Lien	L + 600(3) (9)	8.33%	08/2022	9,000,000	8,794,771	4.4	9,180,000
					59,181,819	58,127,561	27.2	56,102,880
Technology Hardware & Equipment								
Onvoy, LLC (2)	Senior Secured Second Lien	L + 1050(3)	12.83%	02/2025	2,635,052	2,523,480	1.2	2,558,381
Transportation								
Pilot Air Freight, LLC (2)	Senior Secured First Lien	L + 525(4)	7.34%	10/2022	3,299,750	3,274,781	1.6	3,314,088
Pilot Air Freight, LLC (2) (5)	Senior Secured First Lien	L + 525(4)	7.34%	10/2022	657,103	657,103	0.3	663,831
					3,956,853	3,931,884	1.9	3,977,919
Total Debt Investments					\$ 374,435,334	\$ 368,580,078	179.1%	\$ 369,131,439
United States								
Equity Investments								
Automobiles & Components								
AP Centric (2) (14)	Common Stock				927	927,437	0.4	794,511
Capital Goods								
Alion Science and Technology Corporation (2) (14)	Common Stock				535,714	535,714	0.2	457,336
Commercial & Professional Services								
MHS Acquisition Holdings, LLC (2) (14)	Common Stock				913	912,639	0.2	469,652
TecoStar Holdings, Inc. (2) (14)	Common Stock				500,000	500,000	0.3	584,773
Universal Services Equity Investments (2) (14)	Common Stock				1,000,000	1,000,000	0.8	1,600,000

See accompanying notes

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	Investment Type	Spread Above Index *	Interest Rate	Maturity Date	Principal Amount, Par Value or Shares	Cost	Percentage of Net Assets **	Fair Value
USAGM HoldCo LLC (2) (14)	Common Stock				238,095	\$ 238,095	0.2%	\$ 380,953
					1,739,008	2,650,734	1.5	3,035,378
Consumer Services								
Legalshield (2) (14)	Common Stock				527	526,882	0.3	526,882
Diversified Financials								
Gacp II LP (2) (5) (11) (14)	Common Stock				10,749,818	10,749,818	5.2	10,749,818
Health Care Equipment & Services								
ExamWorks Group, Inc. (2) (14)	Common Stock				7,500	750,000	0.4	878,772
MDVIP, Inc. (2) (14)	Common Stock				46,806	666,666	0.4	824,084
					54,306	1,416,666	0.8	1,702,856
Insurance								
Integro Equity (2) (14)	Common Stock				4,468	454,072	0.3	580,832
Media								
Vivid Seats Ltd. (2) (14)	Common Stock				608,108	608,108	0.4	820,695
Vivid Seats Ltd. (2) (14)	Preferred Stock				1,891,892	1,891,892	1.0	2,135,768
					2,500,000	2,500,000	1.4	2,956,463
Retailing								
Slickdeals Holdings, LLC (2) (14)	Common Stock				109	1,090,911	0.5	1,090,911
Software & Services								
SMS Systems Maintenance Services, Inc. (2) (14)	Common Stock				1,142,789	1,144,520	0.1	117,917
Technology Hardware & Equipment								
Onvoy, LLC (2) (14)	Common Stock, Class A				3,649	364,948	0.1	306,414
Onvoy, LLC (2) (14)	Common Stock, Class B				2,536	—	—	—
					6,185	364,948	0.1	306,414
Total Equity Investments United States					\$ 16,733,851	\$ 22,361,702	10.8%	\$ 22,319,318
Total United States						\$ 390,941,780	189.9%	\$ 391,450,757
France								
Debt Investments								
Technology Hardware & Equipment								
Parkeon, Inc. (11)	Senior Secured First Lien	L + 575(15)	4.75%	04/2023	€ 1,994,499	2,085,973	1.1	2,325,779
Total Debt Investments France					€ 1,994,499	\$ 2,085,973	1.1%	\$ 2,325,779
Total France						\$ 2,085,973	1.1%	\$ 2,325,779
United Kingdom								
Debt Investments								
Software & Services								
CB-SDG Limited (2) (11)	Senior Secured First Lien	L + 650, 0.50% (16)	7.71%	07/2022	£ 1,987,393	3,015,908	1.3	2,623,856
CB-SDG Limited (2) (5) (11)	Senior Secured First Lien	L + 650, 0.50% (16)	7.71%	07/2022	646,951	975,582	0.4	854,137
Total Debt Investments United Kingdom					£ 2,634,344	\$ 3,991,490	1.7%	\$ 3,477,993
Total United Kingdom						\$ 3,991,490	1.7%	\$ 3,477,993
Total Investments						\$ 397,019,243	192.7%	\$ 397,254,529

* The majority of the investments bear interest at a rate that may be determined by reference to London Interbank Offered Rate ("LIBOR" or "L") or Prime ("P") and which reset daily, monthly, quarterly or semiannually. For each, the Company has provided the spread over LIBOR or Prime and the weighted average current interest rate in effect at June 30, 2018. Certain investments are subject to a LIBOR or Prime interest rate floor. For fixed rate loans, a spread above a reference rate is not applicable.

** Percentage is based on net assets of \$206,130,450 as of June 30, 2018.

(1) All positions held are non-controlled/non-affiliated investments as defined by the Investment Company Act of 1940, as amended ("1940 Act"). Non-controlled/non-affiliated investments are investments that are neither controlled investments nor affiliated investments.

See accompanying notes

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- (2) The fair value of the investment was determined using significant unobservable inputs. See Note 2 “Summary of Significant Accounting Policies”.
- (3) The interest rate on these loans is subject to the greater of a LIBOR floor or 3 month LIBOR plus a base rate. The 3 month LIBOR as of June 30, 2018 was 2.34%. For some of these loans, the interest rate is based on the last reset date.
- (4) The interest rate on these loans is subject to the greater of a LIBOR floor or 1 month LIBOR plus a base rate. The 1 month LIBOR as of June 30, 2018 was 2.09%. For some of these loans, the interest rate is based on the last reset date.
- (5) Position or portion thereof is an unfunded loan commitment, and no interest is being earned on the unfunded portion. See Note 7 “Commitments and Contingencies”.
- (6) The negative cost, if applicable, is the result of the capitalized discount or unfunded commitment being greater than the principal amount outstanding on the loan. The negative fair value, if applicable, is the result of the capitalized discount or unfunded commitment on the loan.
- (7) The interest rate on these loans is subject to the greater of a LIBOR floor or 12 month LIBOR plus a base rate. The 12 month LIBOR as of June 30, 2018 was 2.76%. For some of these loans, the interest rate is based on the last reset date.
- (8) The interest rate on these loans is subject to the greater of a LIBOR floor or 2 month LIBOR plus a base rate. The 2 month LIBOR as of June 30, 2018 was 2.17%. For some of these loans, the interest rate is based on the last reset date.
- (9) These loans are first lien/last-out term loans. In addition to the interest earned based on the stated interest rate of this loan, which is the amount reflected in this schedule, the Company is entitled to receive additional interest as a result of an agreement among lenders whereby the loan has been allocated to “first-out” and “last-out” tranches, whereby the “first-out” tranche will have priority as to the “last-out” tranche with respect to payments of principal, interest and any amounts due thereunder. The Company holds the “last-out” tranche.
- (10) The interest rate on these loans is subject to the greater of a LIBOR floor or 6 month LIBOR plus a base rate. The 6 month LIBOR as of June 30, 2018 was 2.50%. For some of these loans, the interest rate is based on the last reset date.
- (11) Investment is not a qualifying investment as defined under section 55 (a) of the Investment Company Act of 1940. Qualifying assets must represent at least 70% of total assets at the time of acquisition.
- (12) The investment is on non-accrual status as of June 30, 2018.
- (13) The interest rate on these loans is subject to the U.S. Prime rate, which as of June 30, 2018 was 5.00%.
- (14) Non-income producing security.
- (15) The interest rate on these loans is subject to the greater of a EURIBOR floor or 3 month EURIBOR plus a base rate. The 3 month EURIBOR as of June 30, 2018 was (0.32)%. For some of these loans, the interest rate is based on the last reset date.
- (16) The interest rate on these loans is subject to the greater of a GBP LIBOR floor or 3 month GBP LIBOR plus a base rate. The 3 month GBP LIBOR as of June 30, 2018 was 0.67%. For some of these loans, the interest rate is based on the last reset date.

See accompanying notes

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Consolidated Schedule of Investments
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	Investment Type	Spread Above Index *	Interest Rate	Maturity Date	Principal Amount, Par Value or Shares	Cost	Percentage of Net Assets **	Fair Value
Investments (1)								
United States								
Debt Investments								
Automobiles & Components								
AP Exhaust Acquisition, LLC	Senior Secured Second Lien	L + 850(2)	10.07%	05/2025	\$ 9,072,563	\$ 8,772,269	5.1%	\$ 8,755,023
Continental Battery Company (3) (4) (5)	Senior Secured First Lien			12/2022	—	(14,728)	0.0	(8,417)
Continental Battery Company (4)	Senior Secured First Lien	L + 450(2)	5.97%	12/2022	3,500,000	3,439,279	2.0	3,465,339
POC Investors, LLC (4)	Senior Secured First Lien	L + 550(2)	7.19%	11/2021	5,455,000	5,386,590	3.1	5,455,000
POC Investors, LLC (3) (4)	Senior Secured First Lien	P + 450(6)	9.00%	11/2021	291,666	282,750	0.2	291,666
					18,319,229	17,866,160	10.4	17,958,611
Capital Goods								
Alion Science and Technology Corporation (4)	Unsecured Debt		11.00%	08/2022	5,000,000	4,888,189	2.9	5,000,000
MB Aerospace Holdings Inc. (7)	Senior Secured First Lien	L + 550(8)	7.13%	12/2022	4,316,796	4,285,785	2.5	4,316,796
Midwest Industrial Rubber (4)	Senior Secured First Lien	L + 550(2)	7.19%	12/2021	4,059,000	4,001,434	2.4	4,059,000
Midwest Industrial Rubber (3) (4) (5)	Senior Secured First Lien			12/2021	—	(5,829)	—	—
Potter Electric Signal Company (3) (4)	Senior Secured First Lien	P + 350(6)	8.00%	12/2022	45,000	39,415	0.0	40,525
Potter Electric Signal Company (3) (4) (5)	Senior Secured First Lien			12/2023	—	(8,688)	0.0	(6,962)
Potter Electric Signal Company (4)	Senior Secured First Lien	L + 450(2)	6.11%	12/2023	2,550,000	2,518,322	1.5	2,524,637
Pro Mach Group, Inc.	Senior Secured First Lien	L + 375(8)	5.32%	10/2021	731,156	734,727	0.4	736,822
					16,701,952	16,453,355	9.7	16,670,818
Commercial & Professional Services								
ADMI Corp.	Senior Secured First Lien	L + 375(2)	5.13%	04/2022	975,000	982,876	0.6	985,667
Advantage Sales & Marketing, Inc.	Senior Secured First Lien	L + 325(2)	4.63%	07/2021	828,589	828,859	0.5	809,946
Advantage Sales & Marketing, Inc.	Senior Secured Second Lien	L + 650(2)	7.88%	07/2022	500,000	502,431	0.3	470,000
ASP MCS Acquisition Corp.	Senior Secured First Lien	L + 475(8)	6.25%	05/2024	5,348,125	5,323,240	3.1	5,388,236
Brickman Group Ltd. LLC	Senior Secured Second Lien	L + 650(8)	7.99%	12/2021	234,042	234,832	0.1	235,652
DFS Intermediate Holdings, LLC (3) (4)	Senior Secured First Lien							
		L + 525(8)	6.82%	03/2022	551,400	509,092	0.3	551,400
DFS Intermediate Holdings, LLC (4)	Senior Secured First Lien	L + 525(8)	6.61%	03/2022	7,294,875	7,168,177	4.2	7,294,875
Hepaco, LLC (3) (4)	Senior Secured First Lien	P + 400(6)	8.50%	08/2021	125,000	120,465	0.1	125,000
Hepaco, LLC (4)	Senior Secured First Lien	L + 500(2)	6.67%	08/2022	5,257,250	5,205,291	3.0	5,257,250
Hepaco, LLC (3) (4)	Senior Secured First Lien	L + 500(2)	6.49%	08/2022	190,571	176,591	0.1	190,571
Jordan Healthcare Inc. (3) (4) (5)	Senior Secured First Lien			07/2022	—	(13,197)	—	—
Jordan Healthcare Inc. (4)	Senior Secured First Lien	L + 600(2)	7.69%	07/2022	4,103,615	4,064,096	2.4	4,103,615
Jordan Healthcare Inc. (3) (4) (5)	Senior Secured First Lien			07/2022	—	(3,999)	—	—
MHS Acquisition Holdings, LLC (4)	Senior Secured Second Lien	L + 875(2)	10.44%	03/2025	8,101,633	7,881,618	4.5	7,878,838
MHS Acquisition Holdings, LLC (3) (4)	Senior Secured Second Lien	L + 875(2)	10.44%	03/2025	466,576	445,780	0.2	437,651
MHS Acquisition Holdings, LLC (4)	Unsecured Debt		13.50 PIK%	03/2026	545,279	536,003	0.3	509,835
MHS Acquisition Holdings, LLC (4)	Unsecured Debt		13.50%	03/2026	140,887	138,336	0.1	131,730

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PowerTeam Services, LLC	Senior Secured First Lien	L + 325(2)	4.94%	05/2020	\$ 975,408	\$ 974,174	0.6%	\$ 979,680
SavATree, LLC (4)	Senior Secured First Lien	L + 525(2)	6.94%	06/2022	3,683,625	3,620,467	2.1	3,683,625
SavATree, LLC (3) (4) (5)	Senior Secured First Lien			06/2022	—	(9,717)	—	—
SavATree, LLC (3) (4) (5)	Senior Secured First Lien			06/2022	—	(6,183)	—	—
TecoStar Holdings, Inc. (4)	Senior Secured Second Lien	L + 850(2)	9.88%	11/2024	5,000,000	4,882,850	3.0	5,150,000
USAGM HoldCo LLC (4)	Senior Secured Second Lien		11.00%	07/2023	2,000,000	1,957,275	1.2	2,051,324
USAGM HoldCo LLC	Senior Secured Second Lien	L + 850(2)	9.88%	07/2023	10,000,000	9,689,631	5.8	9,991,700
Valet Waste Holdings, Inc. (4)	Senior Secured First Lien	L + 700(8)	8.57%	09/2021	4,790,761	4,742,306	2.8	4,832,273
Valet Waste Holdings, Inc. (3) (4) (5)	Senior Secured First Lien			09/2021	—	(5,253)	0.0	4,709
Vencore, Inc.	Senior Secured First Lien	L + 475(2)	6.44%	11/2019	481,973	482,292	0.3	487,169
William Morris Endeavor Entertainment, LLC	Senior Secured Second Lien	L + 725(2)	8.63%	05/2022	166,667	163,744	0.1	167,500
Xcentric Mold and Engineering Acquisition Company, LLC (4)	Senior Secured First Lien	L + 550(8)	6.88%	01/2022	5,012,125	4,929,254	2.9	5,012,125
Xcentric Mold and Engineering Acquisition Company, LLC (3) (4)	Senior Secured First Lien	L + 550(8)	6.88%	01/2022	175,000	163,783	0.1	175,000
					66,948,401	65,685,114	38.7	66,905,371
Consumer Durables & Apparel								
C.F. Stinson, LLC (4)	Senior Secured First Lien	L + 600(8) (9)	7.88%	06/2021	3,000,000	2,956,173	1.8	3,030,000
Consumer Services								
Catapult Learning, LLC (4)	Senior Secured First Lien	L + 650(2) (9)	7.88%	07/2020	4,934,211	4,906,471	2.8	4,884,868
Counsel On Call, LLC (3) (4) (5)	Senior Secured First Lien			09/2022	—	(6,979)	0.0	(7,001)
Counsel On Call, LLC (4)	Senior Secured First Lien	L + 550(8)	7.07%	09/2022	1,197,000	1,185,060	0.7	1,185,028
NS Intermediate Holdings, LLC (3) (4) (5)	Senior Secured First Lien			09/2021	—	(3,273)	0.0	2,238
NS Intermediate Holdings, LLC (4)	Senior Secured First Lien	L + 550(8)	7.07%	09/2021	2,532,110	2,497,657	1.5	2,554,778
Oncourse Learning Corporation (3) (4)	Senior Secured First Lien	L + 650(2)	7.83%	09/2021	13,190,175	13,033,704	7.6	13,190,175
SkillSoft Corporation	Senior Secured First Lien	L + 475(8)	6.32%	04/2021	969,713	957,665	0.5	936,292
Teaching Company, LLC (4)	Senior Secured First Lien	L + 475(2)	6.44%	02/2023	4,962,500	4,918,925	2.9	5,012,125
Wrench Group LLC (3) (4) (5)	Senior Secured First Lien			03/2022	—	(5,753)	—	—
Wrench Group LLC (4)	Senior Secured First Lien	L + 450(2)	6.19%	03/2022	3,772,222	3,730,704	2.2	3,772,222
Wrench Group LLC (3) (4) (5)	Senior Secured First Lien			12/2024	—	(2,615)	—	—
Wrench Group LLC (4)	Senior Secured First Lien	L + 450(2)	6.19%	12/2024	850,000	844,099	0.5	850,000
					32,407,931	32,055,665	18.7	32,380,725
Diversified Financials								
Edelman Financial Group, The	Senior Secured First Lien	L + 425(2)	5.65%	11/2024	3,485,500	3,476,920	2.0	3,531,247
Energy								
Murray Energy Corporation	Senior Secured First Lien	L + 725(2)	8.94%	04/2020	351,585	339,560	0.2	311,446
Food & Staples Retailing								
Good Source Solutions, Inc. (4)	Senior Secured First Lien	L + 725(2)	8.94%	07/2021	2,598,346	2,578,786	1.5	2,619,644

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HLF Financing S.a r.l. (7)	Senior Secured First Lien	L + 550(8)	7.07%	02/2023	\$ 4,718,750	\$ 4,635,945	2.7%	\$ 4,718,019
					7,317,096	7,214,731	4.2	7,337,663
Food, Beverage & Tobacco								
Shearer's Foods, Inc.	Senior Secured First Lien	L + 425(2)	5.94%	06/2021	735,000	730,176	0.4	736,837
Health Care Equipment & Services								
Ameda, Inc. (4)	Senior Secured First Lien	L + 600(8)	7.35%	09/2022	2,643,375	2,596,923	1.5	2,610,648
Ameda, Inc. (3) (4) (5)	Senior Secured First Lien			09/2022	—	(5,242)	0.0	(3,714)
Beaver-Visitec International, Inc. (7)	Senior Secured First Lien	L + 500(2)	6.69%	08/2023	9,396,174	9,333,914	5.4	9,396,174
CDRH Parent, Inc.	Senior Secured First Lien	L + 425(2)	5.75%	07/2021	365,246	367,319	0.2	321,051
Centauri Health Solutions, Inc (3) (4)	Senior Secured First Lien	L + 550(8)	6.87%	01/2022	1,181,250	1,164,103	0.7	1,197,000
Centauri Health Solutions, Inc (4)	Senior Secured First Lien	L + 550(8)	6.87%	01/2022	8,237,750	8,099,349	4.8	8,320,127
ExamWorks Group, Inc. (4)	Senior Secured Second Lien	L + 1050(2)	10.50%	07/2024	5,000,000	4,868,280	3.0	5,150,000
GrapeTree Medical Staffing, LLC (4)	Senior Secured First Lien	L + 500(8)	6.37%	10/2022	1,695,750	1,667,116	1.0	1,695,750
GrapeTree Medical Staffing, LLC (3) (4) (5)	Senior Secured First Lien			10/2022	—	(7,556)	—	—
MDVIP, Inc. (4)	Senior Secured Second Lien	L + 800(2)	9.41%	11/2025	5,333,333	5,161,946	3.1	5,333,333
NMSC Holdings, Inc. (4)	Senior Secured Second Lien	L + 1000(2)	11.69%	10/2023	4,307,480	4,162,549	2.5	4,307,480
NVA Holdings, Inc.	Senior Secured First Lien	L + 350(2)	5.19%	08/2021	4,013,697	3,943,661	2.3	4,052,168
Onex Carestream Finance LP (7)	Senior Secured First Lien	L + 400(2)	5.69%	06/2019	214,464	214,583	0.1	215,134
Onex Carestream Finance LP (7)	Senior Secured Second Lien	L + 850(2)	10.19%	12/2019	153,081	153,081	0.1	151,168
Professional Physical Therapy	Senior Secured First Lien	P + 500(6)	9.50%	12/2022	7,944,750	7,881,928	4.5	7,825,579
PT Network, LLC (3) (4) (5)	Senior Secured First Lien			11/2021	—	(6,944)	—	—
PT Network, LLC (4)	Senior Secured First Lien	L + 550(2)	6.86%	11/2021	4,770,793	4,752,367	2.8	4,770,793
Smile Doctors LLC (3) (4)	Senior Secured First Lien	P + 475(6)	9.25%	10/2022	58,333	55,952	0.0	58,333
Smile Doctors LLC (4)	Senior Secured First Lien	L + 575(2)	7.32%	10/2022	1,596,000	1,580,685	0.9	1,596,000
Smile Doctors LLC (3) (4)	Senior Secured First Lien	L + 575(2)	7.11%	10/2022	296,060	280,351	0.2	296,060
Snow Companies LLC (4)	Senior Secured First Lien	L + 600(8)	7.35%	01/2022	9,256,500	9,101,027	5.4	9,256,500
Zest Holdings, LLC	Senior Secured First Lien	L + 425(8)	5.82%	08/2023	4,912,875	4,881,278	2.9	4,965,074
					71,376,911	70,246,670	41.4	71,514,658
Household & Personal Products								
Paris Presents Incorporated	Senior Secured First Lien	L + 500(8)	6.57%	12/2020	1,723,494	1,710,533	1.0	1,723,494
Paris Presents Incorporated	Senior Secured Second Lien	L + 875(8)	10.32%	12/2021	504,468	496,189	0.3	501,946
					2,227,962	2,206,722	1.3	2,225,440
Insurance								
Integro Parent Inc.	Senior Secured First Lien	L + 575(2)	7.13%	10/2022	455,883	449,455	0.3	454,743
Integro Parent Inc.	Senior Secured First Lien	L + 575(2)	7.31%	10/2022	34,259	33,768	0.0	34,174
Integro Parent Inc.	Senior Secured Second Lien	L + 925(2)	10.63%	10/2023	2,408,451	2,367,126	1.4	2,360,282

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Integro Parent Inc.	Senior Secured Second Lien	L + 925(2)	10.61%	10/2023	\$ 380,282	\$ 374,743	0.2%	\$ 372,676
					3,278,875	3,225,092	1.9	3,221,875
Materials								
Emerald Performance Materials, LLC	Senior Secured First Lien	L + 350(8)	5.07%	08/2021	966,381	969,084	0.5	974,842
IBC Capital Limited (7)	Senior Secured First Lien	L + 375(2)	5.29%	09/2021	828,697	820,264	0.5	829,836
Tank Holding Corp.	Senior Secured First Lien	L + 425(2)	5.59%	03/2022	858,427	864,170	0.5	864,599
					2,653,505	2,653,518	1.5	2,669,277
Media								
Acosta Holdco, Inc.	Senior Secured First Lien	L + 325(8)	4.82%	09/2021	975,253	975,914	0.5	861,475
Tribune Media Company (7)	Senior Secured First Lien	L + 300(8)	4.57%	12/2020	155,650	156,110	0.1	156,072
Vivid Seats Ltd. (4)	Senior Secured Second Lien	L + 875(8)	10.32%	06/2025	2,500,000	2,359,918	1.4	2,476,663
					3,630,903	3,491,942	2.0	3,494,210
Real Estate								
DTZ U.S. Borrower, LLC (7)	Senior Secured Second Lien	L + 825(2)	9.63%	11/2022	425,532	420,617	0.3	426,596
Retailing								
Academy, Ltd.	Senior Secured First Lien	L + 400(2)	5.57%	07/2022	920,172	923,909	0.4	728,661
Petco Animal Supplies, Inc.	Senior Secured First Lien	L + 300(2)	4.38%	01/2023	163,750	161,376	0.1	124,348
Strategic Partners, Inc.	Senior Secured First Lien	L + 450(8)	6.07%	06/2023	6,435,122	6,421,364	3.7	6,475,341
					7,519,044	7,506,649	4.2	7,328,350
Software & Services								
Ansira Partners, Inc. (4)	Senior Secured First Lien	L + 650(2)	8.19%	12/2022	6,480,000	6,424,409	3.7	6,431,400
Ansira Partners, Inc. (3) (4)	Senior Secured First Lien	L + 650(2)	8.19%	12/2022	526,850	518,968	0.3	519,710
C-4 Analytics, LLC (4)	Senior Secured First Lien	L + 525(8)	6.60%	08/2023	10,523,625	10,348,612	6.1	10,523,625
C-4 Analytics, LLC (3) (4) (5)	Senior Secured First Lien			08/2023	—	(9,867)	—	—
Epicor Software Corporation	Senior Secured First Lien	L + 375(8)	5.32%	06/2022	968,400	969,651	0.6	972,032
Informatica Corporation (7)	Senior Secured First Lien	L + 350(2)	5.19%	08/2022	819,327	820,167	0.5	823,350
Mediaocean LLC	Senior Secured First Lien	L + 425(8)	5.82%	08/2022	8,457,689	8,402,969	4.9	8,499,977
Merrill Communications, LLC	Senior Secured First Lien	L + 525(2)	6.63%	06/2022	874,992	877,258	0.5	882,649
Ministry Brands Intermediate, LLC (3)	Senior Secured First Lien	L + 500(2)	6.38%	12/2022	406,144	401,553	0.2	406,144
Ministry Brands Intermediate, LLC	Senior Secured First Lien	L + 500(2)	6.38%	12/2022	5,200,325	5,155,302	3.1	5,200,325
SMS Systems Maintenance Services, Inc. (4)	Senior Secured Second Lien	L + 850(2)	9.75%	10/2024	4,703,478	4,562,956	2.3	4,009,934
SMS Systems Maintenance Services, Inc. (4)	Senior Secured Second Lien		10.00%	10/2024	9,015,000	8,751,579	4.4	7,528,573
Transportation Insight, LLC (4)	Senior Secured First Lien	L + 525(8)	6.82%	09/2019	2,127,655	2,114,282	1.2	2,127,655
Zoom Information, Inc. (4)	Senior Secured First Lien	L + 600(2) (9)	9.56%	08/2022	9,000,000	8,774,982	5.3	9,180,000
					59,103,485	58,112,821	33.1	57,105,374
Technology Hardware & Equipment								
Onvoy, LLC (4)	Senior Secured Second Lien	L + 1050(2)	12.19%	02/2025	2,635,052	2,518,250	1.3	2,307,906

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Transportation								
Kenan Advantage Group, Inc.	Senior Secured First Lien	L + 300(8)	4.57%	07/2022	\$ 776,460	\$ 778,044	0.5%	\$ 780,016
Pilot Air Freight, LLC (4)	Senior Secured First Lien	L + 525(8)	6.82%	10/2022	3,316,500	3,288,946	1.9	3,316,500
					4,092,960	4,066,990	2.4	4,096,516
Total Debt Investments United States					\$ 306,210,923	\$ 301,227,125	175.5%	\$ 303,252,920
Equity Investments								
Automobiles & Components								
AP Centric (4) (10)	Common Stock				927	927,437	0.5	890,572
Capital Goods								
Alion Science and Technology Corp. (4) (10)	Common Stock				535,714	535,714	0.2	425,403
Commercial & Professional Services								
MHS Acquisition Holdings, LLC (4) (10)	Common Stock				891	890,485	0.4	646,655
TecoStar Holdings Inc. (4) (10)	Common Stock				500,000	500,000	0.3	500,000
Universal Services Equity Investments (4) (10)	Common Stock				1,000,000	1,000,000	1.1	1,823,696
USAGM HoldCo, LLC (4) (10)	Common Stock				238,095	238,095	0.2	434,213
					1,738,986	2,628,580	2.0	3,404,564
Health Care Equipment & Services								
ExamWorks Group, Inc. (4) (10)	Common Stock				7,500	750,000	0.4	755,805
MDVIP, Inc. (4) (10)	Common Stock				46,807	666,667	0.4	666,667
					54,307	1,416,667	0.8	1,422,472
Insurance								
Integro Equity (4) (10)	Common Stock				4,225	422,535	0.3	437,407
Media								
Vivid Seats Ltd. (4) (10)	Common Stock				608,108	608,108	0.3	488,893
Vivid Seats Ltd. (4) (10)	Preferred Stock				1,891,892	1,891,892	1.1	2,011,108
					2,500,000	2,500,000	1.4	2,500,001
Software & Services								
SMS Systems Maintenance Services, Inc. (4) (10)	Common Stock				1,142,789	1,144,520	0.3	552,848
Technology Hardware & Equipment								
Onvoy, LLC (4) (10)	Common Stock, Class A				3,649	364,948	0.2	301,172
Onvoy, LLC (4) (10)	Common Stock, Class B				2,536	—	—	—
					6,185	364,948	0.2	301,172
Total Equity Investments United States					\$ 5,983,133	\$ 9,940,401	5.7%	\$ 9,934,439
Total United States						\$ 311,167,526	181.2%	\$ 313,187,359
France								
Debt Investments								
Technology Hardware & Equipment								
Parkeon, Inc. (7)	Senior Secured First Lien	L + 575(11)	5.75%	04/2023	€ 1,994,499	2,069,877	1.4	2,383,020
Total Debt Investments France					€ 1,994,499	\$ 2,069,877	1.4%	\$ 2,383,020
Total France						\$ 2,069,877	1.4%	\$ 2,383,020
United Kingdom								
Debt Investments								
Software & Services								
CB-SDG Limited (4) (7)		L + 650, 0.5 % PIK(12)	7.50%	07/2022	£ 1,983,314	3,006,739	1.6	2,682,927
CB-SDG Limited (3) (4) (7)	Senior Secured First Lien	L + 650 0.5 % PIK(12)	7.00%	07/2022	645,624	971,764	0.5	873,366
Total Debt Investments United Kingdom					£ 2,628,938	\$ 3,978,503	2.1%	\$ 3,556,293
Total United Kingdom						\$ 3,978,503	2.1%	\$ 3,556,293
Total Investments						\$ 317,215,906	184.7%	\$ 319,126,672

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Consolidated Schedule of Investments
December 31, 2017

- * The majority of the investments bear interest at a rate that may be determined by reference to London Interbank Offered Rate ("LIBOR" or "L") or Prime ("P") and which resets daily, monthly, quarterly or semiannually. For each, the Company has provided the spread over LIBOR or Prime and the weighted average current interest rate in effect at December 31, 2017. Certain investments are subject to a LIBOR or Prime interest rate floor. For fixed rate loans, a spread above a reference rate is not applicable.
- ** Percentage is based on net assets of \$172,799,989 as of December 31, 2017.
- (1) All positions held are non-controlled/non-affiliated investments as defined by the Investment Company Act of 1940, as amended ("1940 Act"). Non-controlled/non-affiliated investments are investments that are neither controlled investments nor affiliated investments.
 - (2) The interest rate on these loans is subject to the greater of a LIBOR floor or 3 month LIBOR plus a base rate. The 3 month LIBOR as of December 31, 2017 was 1.69%. For some of these loans, the interest rate is based on the last reset date.
 - (3) Position or portion thereof is an unfunded loan commitment, and no interest is being earned on the unfunded portion. See Note 7 "Commitments and Contingencies".
 - (4) The fair value of the investment was determined using significant unobservable inputs. See Note 2 "Summary of Significant Accounting Policies".
 - (5) The negative cost, if applicable, is the result of the capitalized discount or unfunded commitment being greater than the principal amount outstanding on the loan. The negative fair value, if applicable, is the result of the capitalized discount or unfunded commitment on the loan.
 - (6) The interest rate on these loans is subject to the U.S. Prime rate, which as of December 31, 2017 was 4.50%.
 - (7) Investment is not a qualifying investment as defined under section 55 (a) of the Investment Company Act of 1940. Qualifying assets must represent at least 70% of total assets at the time of acquisition.
 - (8) The interest rate on these loans is subject to the greater of a LIBOR floor or 1 month LIBOR plus a base rate. The 1 month LIBOR as of December 31, 2017 was 1.56%. For some of these loans, the interest rate is based on the last reset date.
 - (9) These loans are first lien/last-out term loans. In addition to the interest earned based on the stated interest rate of this loan, which is the amount reflected in this schedule, the Company is entitled to receive additional interest as a result of an agreement among lenders whereby the loan has been allocated to "first-out" and "last-out" tranches, whereby the "first-out" tranche will have priority as to the "last-out" tranche with respect to payments of principal, interest and any amounts due thereunder. The Company holds the "last-out" tranche.
 - (10) Non-income producing security.
 - (11) The interest rate on these loans is subject to the greater of a EURIBOR floor or 3 month EURIBOR plus a base rate. The 3 month EURIBOR as of December 31, 2017 was (0.33)%. For some of these loans, the interest rate is based on the last reset date.
 - (12) The interest rate on these loans is subject to the greater of a GBP LIBOR floor or 3 month GBP LIBOR plus a base rate. The 3 month GBP LIBOR as of December 31, 2017 was 0.52%. For some of these loans, the interest rate is based on the last reset date.

PIK Payment In-Kind

See accompanying notes

CRESCENT CAPITAL BDC, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2018 (Unaudited)

Note 1. Organization and Basis of Presentation

Crescent Capital BDC, Inc. (the “Company”) was formed on February 5, 2015 (“Inception”) as a Delaware corporation structured as an externally managed, closed-end, non-diversified management investment company. The Company commenced investment operations on June 26, 2015 (“Commencement”). The Company has elected to be treated as a business development company (“BDC”) under the Investment Company Act of 1940, as amended (the “1940 Act”). In addition, the Company has elected to be treated for U.S. federal income tax purposes as a regulated investment company (a “RIC”) under Subchapter M of the Internal Revenue Code of 1986, as amended (the “Code”). As a RIC, the Company will not be taxed on its income to the extent that it distributes such income each year and satisfies other applicable income tax requirements.

The Company is managed by CBDC Advisors, LLC (the “Advisor”), an investment adviser that is registered with the Securities and Exchange Commission (the “SEC”) under the Investment Advisers Act of 1940, as amended. CBDC Administration, LLC (the “Administrator”) provides the administrative services necessary for the Company to operate. Company management consists of investment and administrative professionals from the Advisor and Administrator along with the Company’s Board of Directors (the “Board”). The Advisor directs and executes the investment operations and capital raising activities of the Company subject to oversight from the Board, which sets the broad policies of the Company. The Board has delegated investment management of the Company’s investment assets to the Advisor. The Board consists of five directors, three of whom are independent.

On July 23, 2015, the Company formed CBDC Universal Equity, Inc., a wholly-owned subsidiary. This subsidiary allows the Company to hold equity securities of portfolio companies organized as a pass-through entity while continuing to satisfy the requirements of a RIC under the Code. On February 25, 2016, the Company formed Crescent Capital BDC Funding, LLC (“CBDC SPV”), a Delaware limited liability company and wholly owned subsidiary. The financial statements of these two entities are consolidated into the financial statements of the Company. All intercompany balances and transactions have been eliminated.

The Company’s primary investment objective is to maximize the total return to the Company’s stockholders in the form of current income and capital appreciation through debt and related equity investments. The Company will seek to achieve its investment objectives by investing primarily in secured debt (including senior secured, unitranche and second lien debt) and unsecured debt (including senior unsecured, mezzanine and subordinated debt), as well as related equity securities of private U.S. middle-market companies. The Company may purchase interests in loans or make debt investments, either (i) directly from its target companies as primary market or private credit investments (*i.e.* , private credit transactions), or (ii) primary or secondary market bank loan or high yield transactions in the broadly syndicated “over-the-counter” market (*i.e.* , broadly syndicated loans and bonds). Although the Company’s focus is to invest in private credit transactions, in certain circumstances it will also invest in broadly syndicated loans and bonds.

“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. The term “mezzanine” refers to an investment in a company that, among other factors, includes debt that generally ranks senior to a borrower’s equity securities and junior in right of payment to such borrower’s other indebtedness. The Company may make multiple investments in the same portfolio company.

Basis of Presentation

The Company’s functional currency is the United States dollar and these consolidated financial statements have been prepared in that currency. The Company’s consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”) and pursuant to Regulation S-X.

Additionally, the accompanying consolidated financial statements of the Company and related financial information have been prepared pursuant to the requirements for reporting on Form 10-Q and Article 10 of Regulation S-X. Accordingly, certain disclosures accompanying annual consolidated financial statements prepared in accordance with GAAP are omitted. In the opinion of management, the unaudited interim financial results included herein contain all adjustments and reclassifications that are necessary for the fair presentation of consolidated financial statements for the periods included herein. The current period’s results of operations will not necessarily be indicative of results that ultimately may be achieved for the year ended December 31, 2018.

See accompanying notes

The Company is an investment company and, therefore, applies the specialized accounting and reporting guidance in Accounting Standards Codification (“ASC”) Topic 946, *Financial Services – Investment Companies*.

Note 2. Summary of Significant Accounting Policies

Use of Estimates

The preparation of the consolidated financial statements in conformity with GAAP requires management to make certain estimates and assumptions that may affect the amounts reported in the consolidated financial statements and accompanying notes. These consolidated financial statements reflect adjustments that in the opinion of management are necessary for the fair statement of the results for the periods presented. Although management believes that the estimates and assumptions are reasonable, changes in the economic environment, financial markets and any other parameters used in determining these estimates could cause actual results to differ materially.

Cash and Cash Equivalents

Cash and cash equivalents consist of demand deposits and highly liquid investments (e.g., money market funds, U.S. Treasury notes, and similar type instruments) with original maturities of three months or less. Cash and cash equivalents other than money market mutual funds, are carried at cost plus accrued interest, which approximates fair value. Money market mutual funds are carried at their net asset value, which approximates fair value. The Company deposits its cash and cash equivalents with highly-rated banking corporations and, at times, cash deposits may exceed the insured limits under applicable law.

Investment Transactions

Investments purchased on a secondary market are recorded on the trade date. Loan originations are recorded on the date of the binding commitment. Realized gains or losses are recorded on the First In, First Out (“FIFO”) method as the difference between the net proceeds received (excluding prepayment fees, if any) and the amortized cost basis of the investment without regard to unrealized gains or losses previously recognized, and include investments written off during the period, net of recoveries. The net change in unrealized gains or losses primarily reflects the change in investment fair values as of the last business day of the reporting period and also includes the reversal of previously recorded unrealized gains or losses with respect to investments realized during the period.

Investment Valuation

Investments for which market quotations are readily available are typically valued at those market quotations. To validate market quotations, the Company utilizes a number of factors to determine if the quotations are representative of fair value, including the source and number of the quotations. Debt and equity securities that are not publicly traded or whose market prices are not readily available are valued at fair value as determined in good faith by the Board, based on, among other things, the input of the Advisor, the Company’s Audit Committee and independent third-party valuation firms engaged at the direction of the Board.

The Board oversees and supervises a multi-step valuation process, which includes, among other procedures, the following:

- The valuation process begins with each investment being initially valued by the investment professionals responsible for the portfolio investment in conjunction with the portfolio management team.
- The Advisor’s management reviews the preliminary valuations with the investment professionals. Agreed upon valuation recommendations are presented to the Audit Committee.
- The Audit Committee reviews the valuations presented and recommends values for each investment to the Board.
- The Board reviews the recommended valuations and determines the fair value of each investment; valuations that are not based on readily available market quotations are valued in good faith based on, among other things, the input of the Advisor, Audit Committee and, where applicable, other third parties.

The Company applies Financial Accounting Standards Board ASC 820, *Fair Value Measurement* (ASC 820), as amended, which establishes a framework for measuring fair value in accordance with GAAP and required disclosures of fair value measurements. ASC 820 determines fair value to be the price that would be received for an investment in a current sale, which assumes an orderly transaction between market participants on the measurement date. Market participants are defined as buyers and sellers in the principal or most advantageous market (which may be a hypothetical market) that are independent, knowledgeable, and willing and able to transact. In accordance with ASC 820, the Company considers its principal market to be the market that has the greatest volume and level of activity. ASC 820 specifies a fair value hierarchy that prioritizes and ranks the level of observability of inputs used in the determination of fair value. In accordance with ASC 820, these levels are summarized below:

See accompanying notes

Level 1—Valuations based on quoted prices in active markets for identical assets or liabilities that the Company has the ability to access.

Level 2—Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

Level 3—Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

In addition to using the above inputs in investment valuations, the Company applies the valuation policy approved by its Board that is consistent with ASC 820. Consistent with the valuation policy, the Company evaluates the source of inputs, including any markets in which its investments are trading (or any markets in which securities with similar attributes are trading), in determining fair value. When a security is valued based on prices provided by reputable dealers or pricing services (that is, broker quotes), the Company subjects those prices to various criteria in making the determination as to whether a particular investment would qualify for classification as a Level 2 or Level 3 investment. For example, the Company reviews pricing methodologies provided by dealers or pricing services in order to determine if observable market information is being used, versus unobservable inputs. Some additional factors considered include the number of prices obtained as well as an assessment as to their quality. Transfers between levels, if any, are recognized at the beginning of the period in which the transfers occur. During the six months ended June 30, 2018, the Company recorded \$0 in transfers from Level 3 to Level 2 and \$44,613,267 in transfers from Level 2 to Level 3 due to a decrease in observable inputs in market data. During the six months ended June 30, 2017, the Company recorded \$0 in transfers from Level 3 to Level 2 and \$4,850,000 in transfers from Level 2 to Level 3 due to a decrease in observable inputs in market data.

Due to the inherent uncertainty of determining the fair value of investments that do not have a readily available market value, the fair value of the Company's investments may fluctuate from period to period. Additionally, the fair value of such investments may differ significantly from the values that would have been used had a ready market existed for such investments and may differ materially from the values that may ultimately be realized. Further, such investments are generally less liquid than publicly traded securities and may be subject to contractual and other restrictions on resale. If the Company were required to liquidate a portfolio investment in a forced or liquidation sale, it could realize amounts that are different from the amounts presented and such differences could be material.

In addition, changes in the market environment and other events that may occur over the life of the investments may cause the gains or losses ultimately realized on these investments to be different than the unrealized gains or losses reflected herein. See Note 4. Investments and Note 5. Fair Value of Financial Instruments for additional information on the Company's investment portfolio.

Foreign Currency

Foreign currency amounts are translated into U.S. dollars on the following basis:

- cash and cash equivalents, fair value of investments, outstanding debt on revolving credit facilities, other assets and liabilities: at the spot exchange rate on the last business day of the period; and
- purchases and sales of investments, borrowings and repayments of such borrowings, income and expenses: at the rates of exchange prevailing on the respective dates of such transactions.

Although net assets and fair values are presented based on the applicable foreign exchange rates described above, the Company does not isolate that portion of the results of operations resulting from changes in foreign exchange rates on investments from the fluctuations arising from changes in fair values of investments held. Gains or losses on foreign currency transactions are included with net realized gain (loss) on foreign currency transactions on the Consolidated Statements of Operations. Fluctuations arising from the translation of foreign currency on investments and borrowings are included with net change in unrealized appreciation (depreciation) on investments and foreign currency translation on the Consolidated Statements of Operations.

The Company's current approach to hedging the foreign currency exposure in its non-U.S. dollar denominated investments is primarily to borrow local currency under the Company's revolving credit facility to partially or fully fund these investments.

Equity Offering and Organization Expenses

The Company has agreed to repay the Advisor for initial organization costs and equity offering costs incurred prior to the commencement of its operations up to a maximum of \$1.5 million on a pro rata basis over the first \$350 million of invested capital not to exceed 3 years from the initial capital commitment on June 26, 2015. To the extent such costs relate to equity offerings, these costs are charged as a reduction of capital upon the issuance of common shares. To the extent such costs relate to organization costs, these costs are expensed in the Consolidated Statements of Operations upon the issuance of common shares. The Advisor is responsible for

See accompanying notes

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organization and private equity offerings costs in excess of \$1.5 million. In connection with the 2018 Annual Meeting of Stockholders, the Company received shareholder approval to extend the period during which capital may be called from stockholders (the “Commitment Period”). The Commitment Period was extended to the earlier of (i) a Qualified IPO and (ii) June 30, 2020. With the approval of the Commitment Period extension, the Advisor agreed to extend the reimbursement period for the initial organization costs and equity offering costs to June 30, 2019. See Note 7. Commitments, Contingencies and Indemnifications for additional discussion of certain related party transactions with the Advisor.

Debt Issuance Costs

The Company records costs related to issuance of debt obligations as deferred financing costs. These costs are deferred and amortized using the effective yield method for revolving credit facilities, over the stated maturity life of the obligation. As of June 30, 2018 and December 31, 2017, there were \$583,861 and \$856,042, respectively, of deferred financing costs netted against debt balances on the Company’s Consolidated Statements of Assets and Liabilities.

Interest and Dividend Income Recognition

Interest income is recorded on an accrual basis and includes the amortization of purchase discounts and premiums. Discounts and premiums to par value on securities purchased are accreted or amortized into interest income over the contractual life of the respective security using the effective yield method. The amortized cost of investments represents the original cost adjusted for the accretion and amortization of discounts and premiums, if any. Upon prepayment of a loan or debt security, any prepayment premiums, unamortized upfront loan origination fees and unamortized discounts are recorded as interest income.

Dividend income from preferred equity securities is recorded on an accrual basis to the extent that such amounts are payable by the portfolio company and are expected to be collected. Dividend income from common equity securities is recorded on the record date for private portfolio companies or on the ex-dividend date for publicly-traded portfolio companies.

Certain investments have contractual payment-in-kind (“PIK”) interest or dividends. PIK represents accrued interest or accumulated dividends that are added to the loan principal or cost basis of the investment on the respective interest or dividend payment dates rather than being paid in cash and generally becomes due at maturity or upon being called by the issuer. PIK is recorded as interest or dividend income, as applicable. If at any point the Company believes PIK is not expected to be realized, the investment generating PIK will be placed on non-accrual status. Accrued PIK interest or dividends are generally reversed through interest or dividend income, respectively, when an investment is placed on non-accrual status.

Loans are generally placed on non-accrual status when principal or interest payments are past due 30 days or more or when there is reasonable doubt that principal or interest will be collected in full. Accrued and unpaid interest is generally reversed when a loan is placed on non-accrual status. Interest payments received on non-accrual loans may be recognized as income or applied to principal depending upon management’s judgment regarding collectability. Non-accrual loans are restored to accrual status when past due principal and interest is paid current and, in management’s judgment, are likely to remain current. Management may determine to not place a loan on non-accrual status if the loan has sufficient collateral value and is in the process of collection. As of June 30, 2018, the Company had one investment on non-accrual status, which represented 2.0% and 1.7% of the total investments at cost and fair value, respectively. As of December 31, 2017, no loans had been placed on non-accrual status by the Company.

Other Income

From time to time, the Company may receive fees for services provided to portfolio companies by the Advisor under the Investment Advisory Agreement. The services that the Advisor provides vary by investment, but generally include syndication, structuring or diligence fees, and fees for providing managerial assistance to the portfolio companies. The Company may also generate revenue in the form of commitment or origination fees. Loan origination fees, original issue discount and market discount or premium are capitalized; such amounts are accreted or amortized into income over the life of the loan. Fees for providing managerial assistance to the portfolio companies are generally non-recurring and are recognized as revenue when services are provided.

In certain instances where the Company is invited to participate as a co-lender in a transaction and does not provide significant services in connection with the investment, all or a portion of any loan fees received by the Company in such situations will be deferred and amortized over the investment’s life using the effective yield method.

Income Taxes

The Company has elected to be treated as a BDC under the 1940 Act. The Company also has elected to be treated as a RIC under the Internal Revenue Code. So long as the Company maintains its status as a RIC, it will generally not pay corporate-level U.S. federal income or excise taxes on any ordinary income or capital gains that it distributes at least annually to its stockholders as dividends. As a result, any tax liability related to income earned and distributed by the Company represents obligations of the Company’s stockholders and will not be reflected in the consolidated financial statements of the Company.

See accompanying notes

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The Company evaluates tax positions taken or expected to be taken in the course of preparing its consolidated financial statements to determine whether the tax positions are “more-likely-than-not” to be sustained by the applicable tax authority. Tax positions not deemed to meet the “more-likely-than-not” threshold are reversed and recorded as a tax benefit or expense in the current year. All penalties and interest associated with income taxes are included in income tax expense. Conclusions regarding tax positions are subject to review and may be adjusted at a later date based on factors including, but not limited to, on-going analyses of tax laws, regulations and interpretations thereof. The Company accounts for income taxes in conformity with ASC Topic 740 — *Income Taxes* (“ASC Topic 740”). ASC Topic 740 provides guidelines for how uncertain tax positions should be recognized, measured, presented and disclosed in financial statements.

The Company intends to comply with the applicable provisions of the Code, pertaining to regulated investment companies and to make distributions of taxable income sufficient to relieve it from substantially all federal income taxes. As of June 30, 2018, all tax filings of the Company since the inception on February 5, 2015 remain subject to examination by federal tax authorities. No such examinations are currently pending.

In order for the Company not to be subject to federal excise taxes, it must distribute annually an amount at least equal to the sum of (i) 98% of its ordinary income (taking into account certain deferrals and elections), (ii) 98.2% of its net capital gains from the current year and (iii) any undistributed ordinary income and net capital gains from preceding years. The Company, at its discretion, may carry forward taxable income in excess of calendar year dividends and pay a 4% excise tax on this income. If the Company chooses to do so, this generally would increase expenses and reduce the amount available to be distributed to stockholders. The Company will accrue excise tax on estimated undistributed taxable income as required. For the three and six months ended June 30, 2018, the Company incurred an excise tax of \$0 and \$0, respectively, of which \$0 remained payable and included in accrued expenses and other liabilities on the Consolidated Statements of Assets and Liabilities. There were no excise tax expenses or payables for the three and six months ended June 30, 2017.

CBDC Universal Equity, Inc. is a taxable entity (the “Taxable Subsidiary”). The Taxable Subsidiary permits the Company to hold equity investments in portfolio companies which are “pass through” entities for tax purposes and continue to comply with the “source income” requirements contained in RIC tax provisions of the Code. The Taxable Subsidiary is not consolidated with the Company for income tax purposes and may generate income tax expense, benefit, and the related tax assets and liabilities, as a result of its ownership of certain portfolio investments. The income tax expense, or benefit, if any, and related tax assets and liabilities are reflected in the Company’s consolidated financial statements. For the six months ended June 30, 2018, the Company recognized a benefit/(provision) for taxes on unrealized appreciation/(depreciation) on investments of \$5,499 related to the Taxable Subsidiary. There is a corresponding deferred tax liability of \$211,649 related to the Taxable Subsidiary as of June 30, 2018. There were no deferred tax assets or liabilities related to the Taxable Subsidiary at June 30, 2017.

Dividends and Distributions

Dividends and distributions to common stockholders are recorded on the record date. The amount to be paid out as a dividend is determined by the Board each quarter and is generally based upon the earnings estimated by management. Net realized capital gains, if any, are distributed at least 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 for those stockholders electing not to receive cash. As a result, if the Board authorizes, and the Company declares, a cash dividend, then the Company’s stockholders who have “opted in” to the Company’s dividend reinvestment plan will have their cash dividends automatically reinvested in additional shares of the Company’s common stock, rather than receiving the cash dividend.

New Accounting Standards

In May 2014, the FASB issued Accounting Standards Update (“ASU”) 2014-09 (“ASU 2014-09”), “*Revenue from Contracts with Customers (Topic 606)*.” The guidance in this ASU supersedes the revenue recognition requirements in Topic 605, Revenue Recognition. Under the new guidance, an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The amendments in ASU 2014-09 were effective for annual reporting periods beginning after December 15, 2017, including interim periods within that reporting period. This standard did not have a material impact on the consolidated financial statements, primarily because the majority of the Company’s revenue is accounted for under FASB ASC Topic 320, “*Investments – Debt and Equity Securities*”, which is scoped out of this standard.

See accompanying notes

Note 3. Agreements and Related Party Transactions

Administration Agreement

On June 2, 2015, the Company entered into the Administration Agreement with the Administrator. Under the terms of the Administration Agreement, the Administrator provides administrative services to the Company. These services include providing office space, equipment and office services, maintaining financial records, preparing reports to stockholders and reports filed with the SEC, and managing the payment of expenses and the performance of administrative and professional services rendered by others. Certain of these services are reimbursable to the Administrator under the terms of the Administration Agreement. In addition, the Administrator is permitted to delegate its duties under the Administration Agreement to affiliates or third parties. To the extent the Administrator outsources any of its functions, the Company will pay the fees associated with such functions on a direct basis, without incremental profit to the Administrator. The Administration Agreement may be terminated by either party without penalty on 60 days' written notice to the other party.

For the three and six months ended June 30, 2018, the Company incurred administrative services expenses of \$164,228 and \$330,092, respectively, which are included in other general and administrative expenses on the Consolidated Statements of Operations, under the terms of the Administration Agreement, of which \$246,661 was payable at June 30, 2018. For the three and six months ended June 30, 2017, the Company incurred administrative services expenses of \$141,589 and \$283,179, respectively, which are included in other general and administrative expenses on the Consolidated Statements of Operations, under the terms of the Administration Agreement, of which \$169,007 was payable at June 30, 2017.

No person who is an officer, director or employee of the Administrator or its affiliates and who serves as a director of the Company receives any compensation from the Company for his or her services as a director. However, the Company reimburses the Administrator (or its affiliates) for an allocable portion of the compensation paid by the Administrator or its affiliates to the Company's Chief Compliance Officer, Chief Financial Officer, and other professionals who spend time on such related activities (based on the percentage of time those individuals devote, on an estimated basis, to the business and affairs of the Company). The allocable portion of the compensation for these officers and other professionals are included in the administration expenses paid to Administrator. Directors who are not affiliated with the Administrator or its affiliates receive compensation for their services and reimbursement of expenses incurred to attend meetings.

On June 5, 2015, the Company entered into sub-administration, accounting, transfer agent, and custodian agreements with State Street Bank and Trust Company ("SSB") to perform certain administrative, custodian, transfer agent and other services on behalf of the Company. The sub-administration agreements with SSB have an initial term of three years ending June 5, 2018 and shall automatically renew for 1-year terms unless a written notice of non-renewal is delivered by the Company or SSB. The Company does not reimburse the Administrator for any services for which it pays a separate sub-administrator and custodian fee to SSB. For the three and six months ended June 30, 2018, the Company incurred expenses of \$190,507 and \$367,613, respectively, which is included in other general and administrative expenses on the Consolidated Statements of Operations, under the terms of the sub-administration agreements, of which \$190,495 was payable at June 30, 2018. For the three and six months ended June 30, 2017, the Company incurred expenses of \$163,232 and \$324,009, respectively, which is included in other general and administrative expenses on the Consolidated Statements of Operations, under the terms of the sub-administration agreements, of which \$163,565 was payable at June 30, 2017.

Investment Advisory Agreement

On June 2, 2015, the Company entered into the Investment Advisory Agreement with the Advisor. Under the terms of the Investment Advisory Agreement, the Advisor will provide investment advisory services to the Company and its portfolio investments. The Advisor's services under the Investment Advisory Agreement are not exclusive, and the Advisor is free to furnish similar or other services to others so long as its services to the Company are not impaired. Under the terms of the Investment Advisory Agreement, the Company will pay the Advisor the Base Management Fee, as discussed below, and may also pay certain Incentive Fees, as discussed below.

The Base Management Fee is calculated and payable quarterly in arrears at an annual rate of 1.5% of the Company's gross assets, including assets acquired through the incurrence of debt but excluding any cash and cash equivalents. The Base Management Fee is calculated based on the average value of gross assets at the end of the two most recently completed calendar quarters, and appropriately adjusted for any share issuances or repurchases during the current calendar quarter.

The Advisor, however, has agreed to waive its right to receive management fees in excess of the sum of (i) 0.25% of the aggregate committed but undrawn capital and (ii) 0.75% of the aggregate gross assets excluding cash and cash equivalents (including capital drawn to pay the Company's expenses) during any period prior to a qualified initial public offering, as defined by the Investment

See accompanying notes

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Advisory Agreement (“Qualified IPO”). The Advisor will not be permitted to recoup any waived amounts at any time and the waiver agreement may only be modified or terminated prior to a Qualified IPO with the approval of the Board. For purposes of the Investment Advisory Agreement, cash equivalents means U.S. government securities and commercial paper maturing within one year of purchase.

For the three and six months ended June 30, 2018, the Company incurred management fees, which are net of waived amounts, of \$795,246 and \$1,532,998, respectively, of which \$795,245 was payable at June 30, 2018. For the three and six months ended June 30, 2017, the Company incurred management fees, which are net of waived amounts, of \$668,292 and \$1,272,519, respectively, of which \$668,293 was payable at June 30, 2017.

The Advisor has voluntarily waived its right to receive management fees on our investment in Great American Capital Partners II LP (“GACP II”) for any period in which GACP II remains in our investment portfolio. For the three and six months ended June 30, 2018, management fees of \$10,050 were waived attributable to the Company’s investment in GACP II.

The Incentive Fees consists of two parts. The first part, the income incentive fee, is calculated and payable quarterly in arrears and (a) equals 100% of the excess of the pre-incentive fee net investment income for the immediately preceding calendar quarter, over a preferred return of 1.5% per quarter (6% annualized) (the “Hurdle”), and a catch-up feature until the Advisor has received, (i) prior to a Qualified IPO, 15%, or (ii) after a Qualified IPO, 17.5%, of the pre-incentive fee net investment income for the current quarter up to, (i) prior to a Qualified IPO, 1.7647%, or (ii) after a Qualified IPO, 1.8182% (the “Catch-up”), and (b) (i) prior to a Qualified IPO, 15% or (ii) after a Qualified IPO, 17.5%, of all remaining pre-incentive fee net investment income above the “Catch-up.”

Pre-incentive fee net investment income means interest income, dividend income and any other income (including any other fees (other than fees for providing managerial assistance), such as commitment, origination, structuring, diligence and consulting fees or other fees that the Company receives from portfolio companies) accrued during each calendar quarter, minus operating expenses for such quarter (including the base management fee, expenses payable under the Administration Agreement and any interest expense and distributions paid on any issued and outstanding debt or 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 market discount, OID, debt instruments with PIK interest, preferred stock with PIK dividends and zero coupon securities), accrued income that the Company has 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. Pre-incentive fee net investment income will be compared to a “Hurdle Amount” equal to the product of (i) the Hurdle rate of 1.50% per quarter (6.00% annualized) and (ii) net assets (defined as total assets less indebtedness, before taking into account any incentive fees payable during the period), at the end of the immediately preceding calendar quarter, subject to a “catch-up” provision incurred at the end of each calendar quarter.

In connection with the 2018 Annual Meeting of Stockholders, the Company received shareholder approval to extend the Commitment Period. The Commitment Period was extended to the earlier of (i) a Qualified IPO and (ii) June 30, 2020. In exchange for the Commitment Period extension, the Advisor agreed to waive its rights under the Investment Advisory Agreement to the income incentive fee for the period from April 1, 2018 through the earlier of (i) the date of a Qualified IPO or (ii) the dissolution and wind down of the Company.

Upon a Qualified IPO and the Advisor begins to earn income incentive fees, the Advisor will voluntarily waive the income incentive fees attributable to the investment income accrued by the Company as a result of its investment in GACP II.

For the three and six months ended June 30, 2018, the Company incurred income incentive fees, which are net of waived amounts, of \$0 and \$554,977, respectively, of which \$0 was payable at June 30, 2018. For the three and six months ended June 30, 2017, the Company incurred income incentive fees of \$392,977 and \$614,535, respectively, of which \$392,978 was payable at June 30, 2017.

The second part, the capital gains incentive fee, is determined and payable in arrears as of the end of each fiscal year (or upon a Qualified IPO or termination of the Investment Advisory Agreement), (i) prior to a Qualified IPO, 15.0%, or (ii) after a Qualified IPO, 17.5% of the Company’s realized capital gains, if any, on a cumulative basis from inception through the end of the fiscal year, computed net of all realized capital losses and unrealized capital depreciation on a cumulative basis, less the aggregate amount of any previously paid capital gain incentive fees. If a Qualified IPO occurs on a date other than the first day of a calendar quarter, the income incentive fee shall be calculated for such calendar quarter at a weighted rate calculated based on the fee rates applicable before and after a Qualified IPO based on the number of days in such calendar quarter before and after a Qualified IPO. If a Qualified IPO occurs on a date other than the first day of a fiscal year, a capital gains incentive fee shall be calculated as of the day before the Qualified IPO, with such capital gains incentive fee paid to the Advisor following the end of the fiscal year in which the Qualified IPO occurred. For the avoidance of doubt, such capital gains incentive fee shall be equal to 15.0% of the Company’s realized capital gains on a cumulative basis from inception through the day before the Qualified IPO, computed net of all realized capital losses and unrealized capital depreciation on a cumulative basis, less the aggregate amount of any previously paid capital gains incentive fees.

See accompanying notes

Following a Qualified IPO, solely for the purposes of calculating the capital gains incentive fee, the Company will be deemed to have previously paid capital gains incentive fees prior to a Qualified IPO equal to the product obtained by multiplying (a) the actual aggregate amount of previously paid capital gains incentive fees for all periods prior to a Qualified IPO by (b) the percentage obtained by dividing (x) 17.5% by (y) 15.0%. In the event that the Investment Advisory Agreement shall terminate as of a date that is not a fiscal year end, the termination date shall be treated as though it were a fiscal year end for purposes of calculating and paying a capital gains incentive fee.

In connection with the 2018 Annual Meeting of Stockholders, the Company received shareholder approval to extend the deadline to consummate a Qualified IPO (the “Qualified IPO Deadline”). The Qualified IPO Deadline was extended to June 30, 2022. In exchange for the Qualified IPO Deadline extension, the Advisor agreed to waive its rights under the Investment Advisory Agreement to the capital gain incentive fee for the period from April 1, 2018 through the earlier of (i) the date of a Qualified IPO or (ii) the dissolution and wind down of the Company.

No capital gains incentive fees were incurred for the six months ended June 30, 2018 and 2017.

From time to time, the Advisor may pay amounts owed by the Company to third-party providers of goods or services, including the Board, and the Company will subsequently reimburse the Advisor for such amounts paid on its behalf. Amounts payable to the Advisor are settled in the normal course of business without formal payment terms. See Note 7. Commitments, Contingencies and Indemnifications for additional discussion of certain related party transactions with the Advisor.

A portion of the outstanding shares of the Company’s common stock are owned by Crescent Capital Group LP (“CCG LP”). CCG LP is also the majority member of the Advisor and sole member of the Administrator. The Company has entered into a license agreement with CCG LP under which CCG LP granted the Company a non-exclusive, royalty-free license to use the name “Crescent Capital”. The Advisor has entered into a resource sharing agreement with CCG LP. CCG LP will provide the Advisor with the resources necessary for the Advisor to fulfill its obligations under the Investment Advisory Agreement.

Directors’ Fees

Each of the Company’s independent directors receive (i) an annual fee of \$75,000, and (ii) \$2,500 plus reimbursement of reasonable out-of-pocket expenses incurred in connection with attending each regular Board meeting and \$500 each special meeting. The Company’s independent directors also receive \$1,000 plus reimbursement of reasonable out-of-pocket expenses incurred in connection with each committee meeting attended. The Chairman of the Audit Committee receives an additional annual fee of \$7,500. The Chairperson of the Nominating and Corporate Governance Committee and the Compensation Committee receive an additional annual fee of \$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 six months ended June 30, 2018, the Company recorded directors’ fees of \$72,500 and \$145,000, respectively, of which \$61,563 was payable at June 30, 2018. For the three and six months ended June 30, 2017, the Company recorded directors’ fees of \$72,500 and \$145,000, respectively, of which \$127,625 was payable at June 30, 2017.

Note 4. Investments

The Company’s investments at any time may include securities and other financial instruments or other assets of any sort, including, without limitation, corporate and government bonds, convertible securities, collateralized loan obligations, term loans, trade claims, equity securities, privately negotiated securities, direct placements, working interests, warrants and investment derivatives (including, but not limited to credit default swaps, recovery swaps, total return swaps, options, forward contracts, and futures) (all of the foregoing collectively referred to in these consolidated financial statements as “investments”).

Under the 1940 Act, the Company is required to separately identify non-controlled investments where it owns 5% or more of a portfolio company’s outstanding voting securities and/or has the power to exercise control over the management or policies of such portfolio company as investments in “affiliated” companies. In addition, under the 1940 Act, the Company is required to separately identify investments where it owns more than 25% of a portfolio company’s outstanding voting securities and/or has the power to exercise control over the management or policies of such portfolio company as investments in “controlled” companies. Detailed information with respect to the Company’s non-controlled, non-affiliated; non-controlled, affiliated; and controlled affiliated investments is contained in the accompanying consolidated financial statements, including the Consolidated Schedule of Investments. The information in the tables below is presented on an aggregate portfolio basis, without regard to whether they are non-controlled non-affiliated, non-controlled affiliated or controlled affiliated investments. As of June 30, 2018 and December 31, 2017, all investments held are non-controlled/non-affiliated investments.

Certain Risk Factors

In the ordinary course of business, the Company manages a variety of risks including market risk and liquidity 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.

See accompanying notes

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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.

The Company's investments may, at any time, include securities and other financial instruments or obligations that are illiquid or thinly traded, making 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.

Investments denominated in foreign currencies and foreign currency transactions may involve certain considerations and risks not typically associated with those of domestic origin, including unanticipated movements in the value of the foreign currency relative to the U.S. dollar.

Investments at fair value consisted of the following at June 30, 2018:

Investment Type	Cost	Fair Value	Unrealized Appreciation/ (Depreciation)
Senior Secured First Lien	\$ 290,921,471	\$293,331,572	\$ 2,410,101
Senior Secured Second Lien	78,072,987	76,067,765	(2,005,222)
Unsecured Debt	5,663,083	5,535,874	(127,209)
Preferred Stock	1,891,892	2,135,768	243,876
Common Stock	20,469,810	20,183,550	(286,260)
Total Investments	<u>\$ 397,019,243</u>	<u>\$397,254,529</u>	<u>\$ 235,286</u>

Investments at fair value consisted of the following at December 31, 2017:

Investment Type	Cost	Fair Value	Unrealized Appreciation/ (Depreciation)
Senior Secured First Lien	\$ 230,985,313	\$233,486,423	\$ 2,501,110
Senior Secured Second Lien	70,727,664	70,064,245	(663,419)
Unsecured Debt	5,562,528	5,641,565	79,037
Preferred Stock	1,891,892	2,011,108	119,216
Common Stock	8,048,509	7,923,331	(125,178)
Total Investments	<u>\$ 317,215,906</u>	<u>\$319,126,672</u>	<u>\$ 1,910,766</u>

The industry composition of investments at fair value at June 30, 2018 and December 31, 2017 is as follows:

Industry	Fair Value June 30, 2018	Percentage of Fair Value	Fair Value December 31, 2017	Percentage of Fair Value
Automobiles & Components	\$ 23,458,680	5.91%	\$ 18,849,183	5.91%
Capital Goods	12,749,552	3.21	17,096,221	5.36
Commercial & Professional Services	84,900,587	21.37	70,309,935	22.03
Consumer Durables & Apparel	5,497,277	1.38	3,030,000	0.95
Consumer Services	62,654,173	15.77	32,380,725	10.15
Diversified Financials	14,231,607	3.58	3,531,247	1.11
Energy	330,803	0.08	311,446	0.10
Food & Staples Retailing	11,599,865	2.92	7,337,663	2.30
Food, Beverage & Tobacco	—	—	736,837	0.23
Health Care Equipment & Services	73,409,802	18.48	72,937,130	22.85
Household & Personal Products	5,273,678	1.33	2,225,440	0.70
Insurance	4,346,551	1.09	3,659,282	1.15
Materials	3,457,655	0.87	2,669,277	0.84
Media	6,397,771	1.61	5,994,211	1.88
Pharmaceuticals, Biotechnology & Life Sciences	1,596,000	0.40	426,596	0.13
Retailing	18,483,245	4.65	7,328,350	2.29
Software & Services	59,698,790	15.03	61,214,515	19.18
Technology Hardware & Equipment	5,190,574	1.31	4,992,098	1.56
Transportation	3,977,919	1.01	4,096,516	1.28
Total Investments	<u>\$ 397,254,529</u>	<u>100.00%</u>	<u>\$ 319,126,672</u>	<u>100.00%</u>

See accompanying notes

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The geographic composition of investments at fair value at June 30, 2018 and December 31, 2017 is as follows:

Geographic Region	Fair Value	Percentage of Fair Value	Fair Value	Percentage of Fair Value
United States	\$ 391,450,757	98.53%	\$ 313,187,359	98.14%
United Kingdom	3,477,993	0.88	3,556,293	1.11
France	2,325,779	0.59	2,383,020	0.75
Total Investments	<u>\$ 397,254,529</u>	<u>100.00%</u>	<u>\$ 319,126,672</u>	<u>100.00%</u>

Note 5. Fair Value of Financial Instruments

Investments

The following table presents fair value measurements of investments as of June 30, 2018:

Fair Value Hierarchy				
	Level 1	Level 2	Level 3	Total
Senior Secured First Lien	\$ —	\$ 46,459,644	\$ 246,871,928	\$ 293,331,572
Senior Secured Second Lien	—	17,882,659	58,185,106	76,067,765
Unsecured Debt	—	—	5,535,874	5,535,874
Preferred Stock	—	—	2,135,768	2,135,768
Common Stock	—	—	20,183,550	20,183,550
Total Investments	<u>\$ —</u>	<u>\$ 64,342,303</u>	<u>\$ 332,912,226</u>	<u>\$ 397,254,529</u>

The following table presents fair value measurements of investments as of December 31, 2017:

Fair Value Hierarchy				
	Level 1	Level 2	Level 3	Total
Senior Secured First Lien	\$ —	\$ 79,571,639	\$ 153,914,784	\$ 233,486,423
Senior Secured Second Lien	—	23,432,543	46,631,702	70,064,245
Unsecured Debt	—	—	5,641,565	5,641,565
Preferred Stock	—	—	2,011,108	2,011,108
Common Stock	—	—	7,923,331	7,923,331
Total Investments	<u>\$ —</u>	<u>\$ 103,004,182</u>	<u>\$ 216,122,490</u>	<u>\$ 319,126,672</u>

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The following table provides a reconciliation of the beginning and ending balances for total investments that use Level 3 inputs for the six months ended June 30, 2018, based off of the fair value hierarchy at June 30, 2018:

	Senior Secured First Lien	Senior Secured Second Lien	Unsecured Debt	Preferred Stock	Common Stock	Total
Balance as of January 1, 2018	\$153,914,784	\$ 46,631,702	\$5,641,565	\$2,011,108	\$ 7,923,331	\$216,122,490
Amortized discounts/premiums	517,192	96,973	9,910	-	-	624,075
Paid in-kind interest	7,436	-	60,458	-	-	67,894
Net realized gain (loss)	1,890	-	-	-	-	1,890
Net change in unrealized appreciation (depreciation)	(15,136)	(1,414,514)	(206,246)	124,660	(161,082)	(1,672,318)
Purchases	99,995,494	881,018	30,187	-	12,421,301	113,328,000
Sales/return of capital/principal repayments/paydowns	(40,173,072)	-	-	-	-	(40,173,072)
Transfers in	32,623,340	11,989,927	-	-	-	44,613,267
Transfers out	-	-	-	-	-	-
Balance as of June 30, 2018	<u>\$246,871,928</u>	<u>\$ 58,185,106</u>	<u>\$5,535,874</u>	<u>\$2,135,768</u>	<u>\$20,183,550</u>	<u>\$332,912,226</u>
Net change in unrealized appreciation (depreciation) from investments still held as of June 30, 2018	<u>\$ 346,343</u>	<u>\$ (1,414,514)</u>	<u>\$ (206,246)</u>	<u>\$ 124,660</u>	<u>\$ (161,082)</u>	<u>\$ (1,310,839)</u>

During the six months ended June 30, 2018, the Company recorded \$0 in transfers from Level 3 to Level 2 and \$44,613,267 in transfers from Level 2 to Level 3 due to a decrease in observable inputs in market data.

The following table provides a reconciliation of the beginning and ending balances for total investments that use Level 3 inputs for the six months ended June 30, 2017, based off of the fair value hierarchy at June 30, 2017:

	Senior Secured First Lien	Senior Secured Second Lien	Unsecured Debt	Preferred Stock	Common Stock	Total
Balance as of January 1, 2017	\$ 65,399,107	\$ 21,353,680	\$4,950,000	\$ -	\$3,943,634	\$ 95,646,421
Amortized discounts/premiums	138,112	59,471	8,692	-	-	206,275
Paid in-kind interest	20	-	20,678	-	-	20,698
Net realized gain (loss)	12,303	17,282	-	-	-	29,585
Net change in unrealized appreciation (depreciation)	1,438,736	1,227,831	53,930	-	(109,040)	2,611,457
Purchases	39,663,491	29,534,167	512,130	1,891,892	3,436,518	75,038,198
Sales/return of capital/principal repayments/paydowns	(2,911,591)	(928,125)	-	-	-	(3,839,716)
Transfers in	-	4,850,000	-	-	-	4,850,000
Transfers out	-	-	-	-	-	-
Balance as of June 30, 2017	<u>\$103,740,178</u>	<u>\$ 56,114,306</u>	<u>\$5,545,430</u>	<u>\$1,891,892</u>	<u>\$7,271,112</u>	<u>\$174,562,918</u>
Net change in unrealized appreciation (depreciation) from investments still held as of June 30, 2017	<u>\$ 1,571,043</u>	<u>\$ 1,245,732</u>	<u>\$ 53,930</u>	<u>\$ -</u>	<u>\$ (109,040)</u>	<u>\$ 2,761,665</u>

During the six months ended June 30, 2017, the Company recorded \$0 in transfers from Level 3 to Level 2 and \$4,850,000 in transfers from Level 2 to Level 3 due to a decrease in observable inputs in market data.

See accompanying notes

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The following tables present the fair value of Level 3 investments and the ranges of significant unobservable inputs used to value the Company's Level 3 investments as of June 30, 2018 and December 31, 2017. These ranges represent 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 first lien investments 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.

Quantitative information about Level 3 Fair Value Measurements

	Fair value as of June 30, 2018	Valuation Techniques	Unobservable Input	Range (Weighted Average)
Senior Secured First Lien	\$196,798,395	Discounted Cash Flows	Discount Rate	6.8%-12.5%(8.1%)
	\$50,073,533	Broker Quoted	Broker Quote	N/A
Senior Secured Second Lien	\$54,399,450	Discounted Cash Flows	Discount Rate	7.2%-16.6%(12.0%)
	\$3,785,656	Broker Quoted	Broker Quote	N/A
Unsecured Debt	\$5,535,874	Discounted Cash Flows	Discount Rate	11.8%-17.0%(12.4%)
Preferred Stock	\$2,135,768	Market Multiple	Comparable EBITDA Multiple	16.0x
Common Stock	\$20,183,550	Market Multiple	Comparable EBITDA Multiple	7.2x-16.0x(11.9x)

Quantitative information about Level 3 Fair Value Measurements

	Fair value as of December 31, 2017	Valuation Techniques	Unobservable Input	Range (Weighted Average)
Senior Secured First Lien	\$153,914,784	Discounted Cash Flows	Discount Rate	5.6%-9.5%(6.9%)
Senior Secured Second Lien	\$46,631,702	Discounted Cash Flows	Discount Rate	8.0%-14.3%(11.0%)
Unsecured Debt	\$5,641,565	Discounted Cash Flows	Discount Rate	11.0%-14.9%(11.4%)
Preferred Stock	\$2,011,108	Market Multiple	Comparable EBITDA Multiple	15.8x
Common Stock	\$7,923,331	Market Multiple	Comparable EBITDA Multiple	7.4x-15.8x(11.7x)

As noted above, the discounted cash flows and market multiple approaches were used in the determination of fair value of certain Level 3 assets as of June 30, 2018 and December 31, 2017. The significant unobservable inputs used in the discounted cash flow approach is the discount rate used to discount the estimated future cash flows expected to be received from the underlying investment, which include both future principal and interest payments. An increase in the discount rate would result in a decrease in the fair value. Included in the consideration and selection of discount rates is risk of default, rating of the investment, call provisions and comparable company investments. The significant unobservable inputs used in the market multiple approach are the multiples of similar companies' earnings before income taxes, depreciation and amortization ("EBITDA") and comparable market transactions. Increases or decreases in market EBITDA multiples would result in an increase or decrease in the fair value.

Financial Instruments Not Carried at Fair Value

Debt

The carrying value of the Company's debt, as of June 30, 2018 and December 31, 2017, approximates its fair value as the debt, issued at market terms, includes variable interest rates, as discussed in Note 6.

See accompanying notes

Note 6. Debt

Debt consisted of the following as of June 30, 2018 and December 31, 2017:

June 30, 2018				
	Aggregate Principal Amount Committed	Drawn Amount (4)	Amount Available (1)	Carrying Value (2)
SPV Asset Facility	\$ 125,000,000	\$ 119,328,575	\$ 5,671,425	\$ 119,328,575
Revolving Credit Facility	-	-	-	-
Revolving Credit Facility II (3)(5)	85,000,000	72,309,591	13,040,297	71,934,794
Total Debt	\$ 210,000,000	\$ 191,638,166	\$ 18,711,722	\$ 191,263,369
December 31, 2017				
	Aggregate Principal Amount Committed	Drawn Amount (4)	Amount Available (1)	Carrying Value (2)
SPV Asset Facility	\$ 125,000,000	\$ 86,628,575	\$ 38,371,425	\$ 86,628,575
Revolving Credit Facility	-	-	-	-
Revolving Credit Facility II (3)(5)	75,000,000	65,309,591	9,955,454	65,075,395
Total Debt	\$ 200,000,000	\$ 151,938,166	\$ 48,326,879	\$ 151,703,970

- (1) The amount available reflects any limitations related to the respective debt facilities' borrowing bases and foreign currency translation adjustments.
- (2) The difference between drawn amount and the carrying value is attributable to the effect of foreign currency translation adjustments.
- (3) The Company had outstanding debt denominated in Pound Sterling (GBP) of 2.5 million and Euro (EUR) of 1.8 million on its Revolving Credit Facility and Revolving Credit Facility II.
- (4) For borrowings in non-USD, the drawn amount represents the USD equivalent at the time of borrowing (i.e. cost).
- (5) Total drawn amount payable after the effect of foreign currency translation as of June 30, 2018 and December 31, 2017, was \$71,959,703 and \$65,044,546, respectively.

As of June 30, 2018 and December 31, 2017, the Company was in compliance with the terms and covenants of its debt arrangements.

SPV Asset Facility

On March 28, 2016 Crescent Capital BDC Funding, LLC ("CBDC SPV"), a Delaware limited liability company and wholly owned and consolidated subsidiary of the Company, entered into a loan and security agreement (the "SPV Asset Facility") with the Company as the collateral manager, seller and equityholder, CBDC SPV as the borrower, the banks and other financial institutions from time to time party thereto as lenders, and Wells Fargo Bank, National Association ("Wells Fargo"), as administrative agent, collateral agent, and lender. The SPV Asset Facility is effective as of March 28, 2016. On February 8, 2017, the Company amended the SPV Asset Facility increasing the facility limit from \$75 million to \$125 million.

The maximum commitment amount under the SPV Asset Facility is \$125 million, and may be increased with the consent of Wells Fargo or reduced upon request of the Company. Proceeds of the advances under the SPV Asset Facility may be used to acquire portfolio investments, to make distributions to the Company in accordance with the SPV Asset Facility, and to pay related expenses. The maturity date is the earlier of: (a) the date the Borrower voluntarily reduces the commitments to zero, (b) the Facility Maturity Date (March 28, 2021) and (c) the date upon which Wells Fargo declares the obligations due and payable after the occurrence of an Event of Default. Borrowings under the SPV Asset Facility bear interest at London Interbank Offered Rate ("LIBOR") plus a margin with no LIBOR floor. The Company pays unused facility fees of 0.50% per annum on committed but undrawn amounts under the SPV Asset Facility. The SPV Asset Facility includes customary covenants, including certain limitations on the incurrence of additional indebtedness and liens, as well as usual and customary events of default for revolving credit facilities of this nature.

Also on March 28, 2016, the Company, as Seller, and CBDC SPV, as Purchaser, entered into a loan sale agreement whereby the Company will sell certain assets to CBDC SPV. CBDC SPV will be consolidated into the Company's financial statements and no gain or loss is expected to result from the sale of assets to CBDC SPV. The Company retains a residual interest in assets contributed to or acquired by CBDC SPV through its 100% ownership of CBDC SPV. The facility size is subject to availability under the borrowing base, which is based on the amount of CBDC SPV's assets from time to time, and satisfaction of certain conditions, including an asset coverage test and certain concentration limits.

See accompanying notes

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Costs incurred in connection with obtaining the SPV Asset Facility have been recorded as deferred financing costs and are being amortized over the life of the SPV Asset Facility on an effective yield basis. As of June 30, 2018 and December 31, 2017, deferred financing costs related to the SPV Asset Facility were \$464,638 and \$776,117, respectively, and were included in debt on the Consolidated Statements of Assets and Liabilities.

Revolving Credit Facility II

On June 29, 2017, the Company entered into the “Revolving Credit Facility II” with Capital One, National Association (“CONA”), as Administrative Agent, Lead Arranger, Managing Agent and Committed Lender. Proceeds from the Revolving Credit Facility II may be used for investment activities, expenses, working capital requirements and general corporate purposes. The Company’s obligations to the Committed Lender are secured by a first priority security interest in the unused capital commitments (See Note 7. Commitments, Contingencies and Indemnifications) and certain investments and cash held by the Company. The Revolving Credit Facility II contains certain covenants, including, but not limited to maintaining an asset coverage ratio of total assets to total borrowings of at least 2 to 1. The maximum principal amount of the Revolving Credit Facility II is \$75 million, subject to availability under the borrowing base.

Borrowings under the Revolving Credit Facility II bear interest at the London Interbank Offered Rate (“LIBOR”) plus a margin with no LIBOR floor. The Company may elect either the LIBOR or prime rate at the time of draw-down, and loans may be converted from one rate to another at any time, subject to certain conditions. The Company pays unused facility fees of 0.20% per annum on committed but undrawn amounts under the Revolving Credit Facility II. Interest is payable monthly in arrears. Any amounts borrowed under the Revolving Credit Facility II, and all accrued and unpaid interest, will be due and payable, on June 29, 2018. On June 28, 2018, the Company amended the Revolving Credit Facility II increasing the facility limit from \$75 million to \$85 million and extending the maturity date to June 29, 2019.

Costs incurred in connection with obtaining the Revolving Credit Facility II have been recorded as deferred financing costs and are being amortized over the life of the Revolving Credit Facility II on an effective yield basis. As of June 30, 2018 and December 31, 2017, deferred financing costs related to the Revolving Credit Facility II were \$119,223 and \$79,925, respectively, and were included in debt on the Consolidated Statements of Assets and Liabilities.

Revolving Credit Facility

On June 29, 2015, the Company entered into the “Revolving Credit Facility” with Natixis, New York Branch (“Natixis”), as administrative agent (the “Administrative Agent”), and Natixis and certain of its affiliates as lenders. Proceeds from the Revolving Credit Facility may be used for investment activities, expenses, working capital requirements and general corporate purposes. The Company’s obligations to the lenders are secured by a first priority security interest in the unused capital commitments (See Note 7. Commitments, Contingencies and Indemnifications) and certain investments and cash held by the Company. The Revolving Credit Facility contains certain covenants, including, but not limited to maintaining an asset coverage ratio of total assets to total borrowings of at least 2 to 1. The maximum principal amount of the Revolving Credit Facility is \$75 million, subject to availability under the borrowing base. On October 23, 2015, the Company amended the Revolving Credit Facility to include a multi-currency tranche allowing the Company to borrow up to 15% of the principal amount committed under an alternative currency including Euro, Canadian Dollar and Pound Sterling (GBP). On June 29, 2016, the Company amended the Revolving Credit Facility decreasing the facility limit from \$75 million to \$50 million and extending the maturity date to June 29, 2017. The Company paid down in full and terminated the Revolving Credit Facility on June 29, 2017.

Borrowings under the Revolving Credit Facility bore interest at either (i) London Interbank Offered Rate (“LIBOR”) plus a margin with no LIBOR floor or (ii) at lenders’ cost of funds plus a margin. The Company paid unused facility fees of 0.20% per annum on committed but undrawn amounts under the Revolving Credit Facility. Interest was payable monthly in arrears.

The summary information regarding the SPV Asset Facility, Revolving Credit Facility, and the Revolving Credit Facility II for the three and six months ended June 30, 2018 and 2017 were as follows:

	For the three months ended June 30,		For the six months ended June 30,	
	2018	2017	2018	2017
Borrowing interest expense	\$ 1,716,550	\$ 1,039,257	\$ 3,107,391	\$ 1,859,909
Facility fees	42,662	55,556	108,716	107,567
Amortization of financing costs	196,996	195,977	392,061	368,746
Total	\$ 1,956,208	\$ 1,290,790	\$ 3,608,168	\$ 2,336,222
Weighted average interest rate	4.11%	3.18%	3.93%	3.09%
Average outstanding balance	\$167,452,665	\$130,888,883	\$159,340,902	\$121,303,940

Note 7. Commitments, Contingencies and Indemnifications

The Company's investment portfolio may contain debt investments that are in the form of lines of credit and unfunded delayed draw commitments, which require the Company to provide funding when requested by portfolio companies in accordance with the terms of the underlying loan agreements. As of June 30, 2018 and December 31, 2017, the Company had unfunded commitments denominated in USD totaling \$42,976,332 and \$21,116,031, respectively, under loan and financing agreements. The Company also had outstanding an unfunded commitment denominated in GBP totaling £377,841 and £377,841 at June 30, 2018 and December 31, 2017, respectively.

Other Commitments and Contingencies

As of June 30, 2018, the Company had \$391.7 million in total capital commitments from investors. Of this amount, \$10.0 million was from Crescent Capital Group LP ("CCG LP") and its affiliates. The remaining unfunded capital commitments totaled \$185.7 million as of June 30, 2018.

Up to June 25, 2015, the Company's efforts had been limited to organizational activities, the cost of which has been borne by the Advisor. The Company has agreed to repay the Advisor for initial organization costs and equity offering costs incurred prior to the commencement of its operations up to a maximum of \$1.5 million on a pro rata basis over the first \$350 million of invested capital not to exceed 3 years from the initial capital commitment. The Advisor incurred costs on behalf of the Company of \$794,450 of equity offering costs and \$567,895 of organization costs through Commencement. For the six months ended June 30, 2018, the Advisor allocated to the Company \$79,444 of equity offering costs and \$56,790 of organization costs, of which \$77,848 was included in Due to Advisor on the Consolidated Statements of Assets and Liabilities at June 30, 2018. Since June 26, 2015 (Commencement) through June 30, 2018, the Advisor has allocated to the Company \$467,590 of equity offering costs and \$334,247 of organization costs.

In the normal course of business, the Company enters into contracts which provide a variety of representations and warranties, and that provide 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.

Note 8. Stockholders' Equity

Since commencement, the Company has entered into subscription agreements (collectively, the "Subscription Agreements") with several investors, including CCG LP and its affiliates, providing for the private placement of the Company's common stock. Under the terms of the Subscription Agreements, investors are required to fund capital drawdowns to purchase the Company's common stock up to the amount of their respective capital commitments on an as-needed basis as determined by the Company with a minimum of 10 business days' prior notice. The remaining unfunded capital commitments related to these Subscription Agreements totaled \$185.7 million and \$220.7 million as of June 30, 2018 and December 31, 2017, respectively.

The following table summarizes the total shares issued and amount received related to capital drawdowns delivered pursuant to the Subscription Agreements during the six months ended June 30, 2018 and 2017:

Quarter Ended	For the six months ended June 30, 2018	
	Shares	Amount
June 30, 2018	991,916	\$ 20,000,000
March 31, 2018	741,876	15,000,000
Total Capital Drawdowns	1,733,792	\$ 35,000,000

Quarter Ended	For the six months ended June 30, 2017	
	Shares	Amount
June 30, 2017	490,701	\$ 10,000,000
March 31, 2017	744,085	15,000,000
Total Capital Drawdowns	1,234,786	\$ 25,000,000

See accompanying notes

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Prior to the listing of the Company's shares on an exchange, stockholders who "opt in" to the Company's dividend reinvestment plan will have their cash dividends and distributions automatically reinvested in additional shares of the Company's common stock, rather than receiving cash dividends and distributions. The number of shares to be issued to a stockholder is determined by dividing the total dollar amount of the cash dividend or distribution payable to a stockholder by the net asset value per share of the common stock as of the last day of the Company's fiscal quarter or such other date and price per share as determined by the Board preceding the date such dividend was declared.

The Company has authorized 200,000,000 shares of its common stock with a par value of \$0.001 per share. The Company has authorized 10,000 shares of its preferred stock with a par value of \$0.001 per share. Shares of preferred stock have not been issued. On February 5, 2015, the Company issued 1,000 common shares to CCG LP. On April 15, 2015, CCG LP contributed \$499,000 of additional paid-in-capital to the Company. On June 29, 2015, CCG LP exchanged its 1,000 shares issued on February 5, 2015 for 25,000 common shares, which were subsequently redeemed on June 30, 2015.

At June 30, 2018 and December 31, 2017, CCG LP and its affiliates owned 2.76% and 3.32%, respectively, of the outstanding common shares of the Company.

For the six months ended June 30, 2018, distributions made by the Company are as follows:

Quarter Ended	Total Amount	Per Share Amount
June 30, 2018	\$ 3,876,874	\$ 0.37
March 31, 2018	\$ 3,035,614	\$ 0.32

For the six months ended June 30, 2017, distributions made by the Company are as follows:

Quarter Ended	Total Amount	Per Share Amount
June 30, 2017	\$ 2,169,823	\$ 0.29
March 31, 2017	\$ 1,994,047	\$ 0.28

Note 9. Earnings Per Share

In accordance with the provisions of ASC Topic 260 – *Earnings per Share* ("ASC 260"), basic earnings per share is computed by dividing earnings available to common shareholders 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. As of June 30, 2018 and December 31, 2017, there are no dilutive shares.

The following table sets forth the computation of the weighted average basic and diluted net increase in net assets per share from operations for the following periods:

	For the three months ended June 30,		For the six months ended June 30,	
	2018	2017	2018	2017
Net increase (decrease) in net assets resulting from operations	\$2,274,868	\$2,971,392	\$5,116,935	\$6,506,854
Weighted average common shares outstanding	9,902,467	7,446,092	9,357,106	7,095,592
Net increase (decrease) in net assets resulting from operations per common share-basic and diluted	\$ 0.23	\$ 0.40	\$ 0.55	\$ 0.92

See accompanying notes

Note 10. Income Taxes

As of June 30, 2018, the Company's aggregate investment unrealized appreciation and depreciation for federal income tax purposes was:

Tax cost	\$ 397,026,436
Gross unrealized appreciation	\$ 7,571,978
Gross unrealized depreciation	(7,343,885)
Net unrealized investment appreciation	\$ 228,093

As of December 31, 2017, the Company's aggregate investment unrealized appreciation and depreciation for federal income tax purposes was:

Tax cost	\$ 317,447,028
Gross unrealized appreciation	\$ 5,965,295
Gross unrealized depreciation	(4,285,767)
Net unrealized investment appreciation	\$ 1,679,528

Note 11. Financial Highlights

Below is the schedule of financial highlights of the Company for the six months ended June 30, 2018 and 2017, relating to the common shares issued through June 30, 2018 and 2017 pursuant to the Subscription Agreements:

	For the six months ended June 30, 2018	For the six months ended June 30, 2017
Per Share Data: (1)		
Net asset value, beginning of period	\$ 20.10	\$ 20.08
Net investment income after tax	0.74	0.59
Net realized and unrealized gains (losses) on investments (2)	(0.19)	0.33
Net increase (decrease) in net assets resulting from operations	0.55	0.92
Distributions declared from net investment income (3)	(0.70)	(0.57)
Offering costs	(0.02)	(0.02)
Total increase (decrease) in net assets	(0.17)	0.33
Net asset value, end of period	\$ 19.93	\$ 20.41
Shares outstanding, end of period	10,341,086	7,613,414
Weighted average shares outstanding	9,357,106	7,095,592
Total return (4)(5)	5.35%	8.96%
Ratio/Supplemental Data:		
Net assets, end of period	\$ 206,130,450	\$ 155,377,902
Ratio of total expenses to average net assets (6)(7)	7.64%	7.80%
Ratio of expenses (without incentive fees and interest and other debt expenses) to average net assets (6)	3.19%	3.79%
Ratio of net investment income to average net assets (6)	7.40%	5.94%
Ratio of interest and credit facility expenses to average net assets (5)	3.86%	3.29%
Ratio of incentive fees to average net assets (5)	0.59%	0.87%
Portfolio turnover rate (8)	15.94%	9.04%
Asset coverage ratio (9)	2.07	2.12

(1) Based on actual number of shares outstanding at the end of the corresponding period or the weighted average shares outstanding for the period, unless otherwise noted, as appropriate.

See accompanying notes

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- (2) The amount shown does not correspond with the aggregate realized and unrealized gains (losses) on investment transactions for the period as it includes the effect of the timing of equity issuances.
- (3) The per share data for distributions per share reflects the actual amount of distributions declared per share for the applicable period.
- (4) Total return based on net asset value is calculated as the change in net asset value per share during the period plus declared dividends per share during the period, divided by the beginning net asset value per share.
- (5) Annualized.
- (6) Annualized except for organization expenses.
- (7) The ratio of total expenses to average net assets in the table above reflects the Advisor's voluntary waivers of its right to receive a portion of the management fees and income incentive fees with respect to the Company's ownership in GACP II. Excluding the effects of waivers, the ratio of total expenses to average net assets would have been 7.65% for the six months ended June 30, 2018. The GACP II investment was made in 2018, and as such, the 2017 ratios were not affected.
- (8) Not annualized.
- (9) Asset coverage ratio is equal to (i) the sum of (A) net assets at end of period and (B) total debt outstanding at end of period, divided by (ii) total debt outstanding at the end of the period.

Note 12. Subsequent Events

The Company's management evaluated subsequent events through the date of issuance of the consolidated financial statements included herein. Other than the item below, there has been no subsequent events that occurred during such period that would require disclosure in this Form 10-Q or would be required to be recognized in the consolidated financial statements as of June 30, 2018 and for the six months ended June 30, 2018.

The Company issued common shares and received gross proceeds of approximately \$25 million subsequent to June 30, 2018.

See accompanying notes

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The information contained in this section should be read in conjunction with the financial statements and notes thereto appearing elsewhere in this report. This discussion also should be read in conjunction with the "Cautionary Statement Regarding Forward Looking Statements" set forth on page 1 of this Quarterly Report on Form 10-Q. In this report, "we," "us," "our" and "Company" refer to Crescent Capital BDC, Inc. and its consolidated subsidiaries.

OVERVIEW

We are a specialty finance company focused on lending to middle-market companies and are incorporated under the laws of the State of Delaware on February 5, 2015 (Inception). We have elected to be treated as a business development company (BDC) under the Investment Company Act of 1940, as amended (the 1940 Act). In addition, the Company has elected to be treated for U.S. federal income tax purposes as a regulated investment company (a "RIC") under Subchapter M of the Internal Revenue Code of 1986, as amended (the "Code"). As such, we are required to comply with various regulatory requirements, such as the requirement to invest at least 70% of our assets in "qualifying assets," source of income limitations, asset diversification requirements, and the requirement to distribute annually at least 90% of our taxable income and tax-exempt interest.

The Company is managed by CBDC Advisors, LLC (the "Advisor"), an investment adviser that is registered with the Securities and Exchange Commission (the "SEC") under the Investment Advisers Act of 1940. CBDC Administration, LLC (the "Administrator") provides the administrative services necessary for the Company to operate. Company management consists of investment and administrative professionals from the Advisor and Administrator along with the Company's Board of Directors (the "Board"). The Advisor directs and executes the investment operations and capital raising activities of the Company subject to oversight from the Board, which sets the broad policies of the Company. The Board has delegated investment management of the Company's investment assets to the Advisor. The Board consists of five directors, three of whom are independent.

The Company's primary investment objective is to maximize the total return to the Company's stockholders in the form of current income and capital appreciation through debt and related equity investments. The Company seeks to achieve its investment objectives by investing primarily in secured debt (including senior secured first-lien, unitranche and senior secured second-lien debt) and unsecured debt (including senior unsecured, mezzanine and subordinated debt), as well as related equity securities of private U.S. middle-market companies. We may purchase interests in loans or make debt investments, either (i) directly from its target companies as primary market or private credit investments (*i.e.* , private credit transactions), or (ii) primary or secondary market bank loan or high yield transactions in the broadly syndicated "over-the-counter" market (*i.e.* , broadly syndicated loans and bonds). Although our focus is to invest in less liquid private credit transactions, broadly syndicated loans and bonds are generally more liquid than and complement our private credit transactions.

"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. The term "mezzanine" refers to an investment in a company that, among other factors, includes debt that generally ranks senior to a borrower's equity securities and junior in right of payment to such borrower's other indebtedness. The Company may make multiple investments in the same portfolio company. From February 5, 2015 (Inception) through June 25, 2015, the Company devoted substantially all of its efforts to establishing the business and raising capital commitments from private investors. On June 26, 2015, the Company entered into subscription agreements with several investors, including Crescent Capital Group LP and its affiliates (CCG LP), providing for the private placement of the Company's common stock. The Company commenced investment operations on June 26, 2015 (Commencement).

KEY COMPONENTS OF OPERATIONS

Investments

We expect our investment activity to vary substantially from period to period depending on many factors, the general economic environment, the amount of capital we have available to us, the level of merger and acquisition activity for middle-market companies, including the amount of debt and equity capital available to such companies and the competitive environment for the type of investments we make. In addition, as part of our risk strategy on investments, we may reduce certain levels of investments through partial sales or syndication to additional investors.

See accompanying notes

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We must not invest in any assets other than “qualifying assets” specified in the 1940 Act, unless, at the time the investments are made, at least 70% of our total assets are qualifying assets (with certain limited exceptions). Qualifying assets include investments in “eligible portfolio companies.” Pursuant to rules adopted by the SEC, “eligible portfolio companies” include certain companies that do not have any securities listed on a national securities exchange and public companies whose securities are listed on a national securities exchange but whose market capitalization is less than \$250 million.

The Investment Advisor

Our investment activities are managed by the Advisor, which will be responsible for originating prospective investments, conducting research and due diligence investigations on potential investments, analyzing investment opportunities, negotiating and structuring our investments and monitoring our investments and portfolio companies on an ongoing basis. The Advisor has entered into a Resource Sharing Agreement (the “Resource Sharing Agreement”) with Crescent Capital Group LP (“CCG LP”), pursuant to which CCG LP will provide the Advisor with experienced investment professionals (including the members of the Advisor’s investment committee) and access to the resources of CCG LP so as to enable the Advisor to fulfill its obligations under the Investment Advisory Agreement. Through the Resource Sharing Agreement, the Advisor intends to capitalize on the deal origination, credit underwriting, due diligence, investment structuring, execution, portfolio management and monitoring experience of CCG LP’s investment professionals.

In connection with the 2018 Annual Meeting of Stockholders, the Company received shareholder approval to extend the period during which capital may be called from stockholders (the “Commitment Period”). The Commitment Period was extended to the earlier of (i) that date of an initial public offering of the Company’s common stock that results in an unaffiliated public float of at least the lower of (i) \$75 million and (ii) 15% of the aggregate capital commitments received by the Company prior to the date of such initial public offering (a “Qualified IPO”) and (ii) June 30, 2020. In exchange for the Commitment Period extension, the Advisor agreed to waive its rights under the Investment Advisory Agreement to the income incentive fee for the period from April 1, 2018 through the earlier of (i) the date of a Qualified IPO or (ii) the dissolution and wind down of the Company.

Revenues

We generate revenue primarily in the form of interest income on debt investments and, to a lesser extent, capital gains and distributions, if any, on equity securities that we may acquire in portfolio companies. Certain investments may have contractual PIK interest or dividends. PIK represents accrued interest or accumulated dividends that are added to the loan principal of the investment on the respective interest or dividend payment dates rather than being paid in cash and generally becomes due at maturity or upon being called by the issuer. PIK is recorded as interest or dividend income, as applicable.

Dividend income from preferred equity securities is recorded on an accrual basis to the extent that such amounts are payable by the portfolio company and are expected to be collected. Dividend income from common equity securities is recorded on the record date for private portfolio companies or on the ex-dividend date for publicly-traded portfolio companies.

In addition, we may receive fees for services provided to portfolio companies by the Advisor under the Investment Advisory Agreement. The services that the Advisor provides vary by investment, but generally include syndication, structuring or diligence fees, and fees for providing managerial assistance to our portfolio companies. We also generate revenue in the form of commitment or origination fees. Loan origination fees, original issue discount and market discount or premium are capitalized, and we accrete or amortize such amounts into income over the life of the loan. Fees for providing managerial assistance to our portfolio companies are generally non-recurring and are recognized as revenue when services are provided. In certain instances where the Company is invited to participate as a co-lender in a transaction and does not provide significant services in connection with the investment, all or a portion of any loan fees received by the Company in such situations will be deferred and amortized over the investment’s life using the effective yield method.

Expenses

Our primary operating expenses include the payment of Management fees and Incentive fees to the Advisor under the Investment Advisory Agreement, our allocable portion of overhead expenses under the administration agreement with our Administrator (the “Administration Agreement”), operating costs associated with our sub-administration, custodian and transfer agent agreements with State Street Bank and Trust Company (the “Sub-Administration Agreements”) and other operating costs described below. The Management and Incentive fees compensate our investment adviser for its 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:

- allocated organization costs from the Advisor incurred prior to the commencement of our operations up to a maximum of \$1.5 million;
- the cost of calculating our net asset value, including the cost of any third-party valuation services;

See accompanying notes

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- fidelity bond, directors' and officers' liability insurance and other insurance premiums;
- direct costs, such as printing, mailing, long distance telephone and staff;
- fees and expenses associated with independent audits and outside legal costs;
- independent directors' fees and expenses;
- administration fees and expenses, if any, payable under the Administration Agreement (including payments based upon our allocable portion of the Administrator's overhead in performing its obligations under the Administration Agreement, rent and the allocable portion of the cost of certain professional services provided to the Company, including but not limited to, our chief compliance officer, chief financial officer and their respective staffs);
- U.S. federal, state and local taxes;
- the cost of effecting sales and repurchases of shares of our common stock and other securities;
- fees payable to third parties relating to making investments, including out-of-pocket fees and expenses associated with performing due diligence and reviews of prospective investments;
- out-of-pocket fees and expenses associated with marketing efforts;
- federal and state registration fees and any stock exchange listing fees;
- brokerage commissions;
- costs associated with our reporting and compliance obligations under the 1940 Act and other applicable U.S. federal and state securities laws;
- debt service and other costs of borrowings or other financing arrangements; and
- all other expenses reasonably incurred by us in connection with making investments and administering our business.

We have agreed to repay the Advisor for initial organization costs and equity offering costs incurred prior to the commencement of operations up to a maximum of \$1.5 million on a pro rata basis over the first \$350 million of invested capital not to exceed 3 years from the initial capital commitment. The Advisor has agreed to extend the reimbursement period for the initial organization costs and equity offering costs to June 30, 2019. The Advisor is responsible for organization and private equity offerings costs in excess of \$1.5 million.

We expect our general and administrative expenses to be relatively stable or decline as a percentage of total assets during periods of asset growth and to increase during periods of asset declines. Incentive Fees and costs relating to future offerings of securities would be incremental.

Leverage

Our financing facilities allow us to borrow money and lever our investment portfolio, subject to the limitations of the 1940 Act, with the objective of increasing our yield. This is known as "leverage" and could increase or decrease returns to our stockholders. The use of leverage involves significant risks. As a BDC, with certain limited exceptions, we will only be permitted to borrow amounts such that our asset coverage ratio, as defined in the 1940 Act, equals at least 2 to 1 after such borrowing. Short-term credits necessary for the settlement of securities transactions and arrangements with respect to securities lending will not be considered borrowings for these purposes. The amount of leverage that we employ will depend on our Advisor's and our Board assessment of market conditions and other factors at the time of any proposed borrowing.

See accompanying notes

PORTFOLIO INVESTMENT ACTIVITY

We seek to create a broad and varied portfolio that generally includes senior secured first-lien, unitranche, senior secured second lien and subordinated loans and minority equity securities of U.S. middle market companies. The size of our individual investments will vary proportionately with the size of our capital base. We generally invest in securities that have been rated below investment grade by independent rating agencies or that would be rated below investment grade if they were rated. These securities have speculative characteristics with respect to the issuer's capacity to pay interest and repay principal. In addition, many of our debt investments have floating interest rates that reset on a periodic basis and typically do not fully pay down principal prior to maturity.

As of June 30, 2018 and December 31, 2017, our portfolio at fair value was comprised of the following:

(\$ in millions)	June 30, 2018		December 31, 2017	
	Fair Value (1)	Percentage	Fair Value (1)	Percentage
Senior secured first-lien	\$ 255.4	57.9%	\$ 212.0	62.2%
Unitranche	66.6	15.1	42.5	12.5
Senior secured second-lien	76.6	17.4	70.7	20.7
Unsecured	5.5	1.3	5.6	1.7
Equity	36.6	8.3	9.9	2.9
Total investments	\$ 440.7	100.0%	\$ 340.7	100.0%

(1) Includes unfunded commitments at fair value of \$43.5 million and \$21.6 million as of June 30, 2018 and December 31, 2017, respectively.

The following table shows the asset mix of our new investment commitments for the three months ended June 30, 2018 and June 30, 2017, and for the six months ended June 30, 2018 and June 30, 2017:

(\$ in millions)	Three Months Ended June 30, 2018		Three Months Ended June 30, 2017	
	Cost	Percentage	Cost	Percentage
Senior secured first-lien	\$ 40.5	37.7%	\$ 11.4	36.5%
Unitranche	32.8	30.6	—	—
Senior secured second-lien	7.4	6.9	16.0	51.0
Unsecured	—	—	—	—
Equity	26.7	24.8	3.9	12.5
Total investment commitments	\$ 107.4	100.0%	\$ 31.3	100.0%

(\$ in millions)	Six Months Ended June 30, 2018		Six Months Ended June 30, 2017	
	Cost	Percentage	Cost	Percentage
Senior secured first-lien	\$ 86.3	56.2%	\$ 56.4	60.2%
Unitranche	32.8	21.4	—	—
Senior secured second-lien	7.8	5.1	31.3	33.4
Unsecured	0.0	0.0	0.6	0.7
Equity	26.7	17.3	5.3	5.7
Total investment commitments	\$ 153.6	100.0%	\$ 93.6	100.0%

For the three months ended June 30, 2018, we had principal repayments of \$22.5 million. For this period, we had sales of securities in one portfolio company aggregating approximately \$0.9 million in net proceeds. For the three months ended June 30, 2018, we had a net of unfunded commitments portfolio increase of \$70.5 million aggregate principal amount (amortized cost).

For the three months ended June 30, 2017, we had principal repayments of \$7.4 million. For this period, we had sales of securities in four portfolio companies aggregating approximately \$2.9 million in net proceeds. For the three months ended June 30, 2017, we had a net of unfunded commitments portfolio increase of \$22.1 million aggregate principal amount (amortized cost).

See accompanying notes

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For the six months ended June 30, 2018, we had principal repayments of \$52.5 million. For this period, we had sales of securities in five portfolio companies aggregating approximately \$2.4 million in net proceeds. For the six months ended June 30, 2018, we had a net of unfunded commitments portfolio increase of \$79.8 million aggregate principal amount (amortized cost).

For the six months ended June 30, 2017, we had principal repayments of \$15.6 million. For this period, we had sales of securities in twelve portfolio companies aggregating approximately \$7.8 million in net proceeds. For the six months ended June 30, 2017, we had a net of unfunded commitments portfolio increase of \$66.9 million aggregate principal amount (amortized cost).

The following table presents certain selected information regarding our investment portfolio at fair value as of June 30, 2018 and December 31, 2017:

	June 30, 2018	December 31, 2017
Weighted average total yield to maturity of debt and income producing securities (at fair value)	8.5%	8.0%
Weighted average total yield to maturity of debt and income producing securities (at cost)	8.6%	8.3%
Weighted average interest rate of debt and income producing securities	8.2%	7.9%
Percentage of debt bearing a floating rate	92.9%	91.3%
Percentage of debt bearing a fixed rate	7.1%	8.7%
Number of portfolio companies	80	80

The following table shows the amortized cost of our performing and non-accrual investments as of June 30, 2018 and December 31, 2017.

(\$ in millions)	June 30, 2018		December 31, 2017	
	Amortized Cost (1)	Percentage	Amortized Cost (1)	Percentage
Performing	\$ 432.7	98.2%	\$ 338.9	100.0%
Non-accrual	7.9	1.8	—	—
Total assets	\$ 440.6	100.0%	\$ 338.9	100.0%

(1) Includes unfunded commitments at cost of \$43.6 million and \$21.7 million as of June 30, 2018 and December 31, 2017, respectively.

Loans are generally placed on non-accrual status when there is reasonable doubt that principal or interest will be collected in full. Non-accrual loans are restored to accrual status when past due principal and interest is paid current and, in management's judgment, are likely to remain current. Management may determine to not place a loan on non-accrual status if the loan has sufficient collateral value and is in the process of collection. See Note 2 to the consolidated financial statements included in Part I, Item 1 of this 10-Q for more information on the accounting policies.

The Advisor monitors our portfolio companies on an ongoing basis. The Advisor monitors the financial trends of each portfolio company to determine if it is meeting its business plans and to assess the appropriate course of action for each company. The Advisor has a number of methods of evaluating and monitoring the performance and fair value of our investments, which may include the following:

- assessment of success of the portfolio company in adhering to its business plan and compliance with covenants;
- review of monthly and quarterly financial statements and financial projections for portfolio companies.
- contact with portfolio company management and, if appropriate, the financial or strategic sponsor, to discuss financial position, requirements and accomplishments;
- comparisons to other companies in the industry; and
- possible attendance at, and participation in, board meetings.

See accompanying notes

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As part of the monitoring process, the Advisor regularly assesses the risk profile of each of our investments and, on a quarterly basis, grades each investment on a risk scale of 1 to 5. Risk assessment is not standardized in our industry and our risk assessment may not be comparable to ones used by our competitors. Our assessment is based on the following categories:

- 1 Involves the least amount of risk in our portfolio. The investment/borrower is performing above expectations since investment, and the trends and risk factors are generally favorable, which may include the financial performance of the borrower or a potential exit.
- 2 Involves an acceptable level of risk that is similar to the risk at the time of investment. The investment/borrower is generally performing as expected, and the risk factors are neutral to favorable.
- 3 Involves an investment/borrower performing below expectations and indicates that the investment's risk has increased somewhat since investment. The borrower's loan payments are generally not past due and more likely than not the borrower will remain in compliance with debt covenants. An investment rating of 3 requires closer monitoring.
- 4 Involves an investment/borrower performing materially below expectations and indicates that the loan's risk has increased materially since investment. In addition to the borrower being generally out of compliance with debt covenants, loan payments may be past due (but generally not more than 180 days past due). Placing loans on non-accrual status should be considered for investments rated 4.
- 5 Involves an investment/borrower performing substantially below expectations and indicates that the loan's risk has substantially increased since investment. Most or all of the debt covenants are out of compliance and payments are substantially delinquent. Loans rated 5 are not anticipated to be repaid in full and the fair market value of the loan should be reduced to the anticipated recovery amount. Loans with an investment rating of 5 should be placed on non-accrual status.

The following table shows the distribution of our investments on the 1 to 5 investment performance rating scale at fair value as of June 30, 2018 and December 31, 2017. Investment performance ratings are accurate only as of those dates and may change due to subsequent developments relating to a portfolio company's business or financial condition, market conditions or developments, and other factors.

Investment Performance Rating	June 30, 2018 (1)		December 31, 2017 (1)	
	Investments at Fair Value (\$ in millions)	Percentage of Total Portfolio	Investments at Fair Value (\$ in millions)	Percentage of Total Portfolio
1	\$ 11.8	2.7%	\$ 0.8	0.3%
2	384.2	87.2	295.5	86.7
3	37.9	8.6	44.4	13.0
4	6.8	1.5	—	—
5	—	—	—	—
Total	\$ 440.7	100.0%	\$ 340.7	100.0%

(1) Includes unfunded commitments at fair value of \$43.5 million and \$21.6 million as of June 30, 2018 and December 31, 2017, respectively.

As of June 30, 2018, the Company had one investment on non-accrual status, which represented 2.0% and 1.7% of the total investments at cost and fair value, respectively. As of December 31, 2017, no loans had been placed on non-accrual status by the Company. The remaining debt investments were performing and current on their interest payments as of June 30, 2018 and December 31, 2017.

See accompanying notes

RESULTS OF OPERATIONS

Operating results for the three months ended June 30, 2018 and June 30, 2017 and for the six months ended June 30, 2018 and June 30, 2017, were as follows:

	For the three months ended June 30, 2018	For the three months ended June 30, 2017	For the six months ended June 30, 2018	For the six months ended June 30, 2017
Total investment income	\$ 7,250,952	\$ 5,291,948	\$ 14,061,933	\$ 9,756,672
Less: Total expenses	3,503,981	3,017,321	7,170,869	5,561,115
Net investment income before taxes	\$ 3,746,971	\$ 2,274,627	\$ 6,891,064	\$ 4,195,557
Income and excise taxes	7,600	1,600	6,821	1,689
Net investment income	3,739,371	2,273,027	6,884,243	4,193,868
Net realized gain (loss) on investments (1)	(41,170)	(278,336)	(214,159)	(263,927)
Net unrealized appreciation (depreciation) on investments (1)	(1,397,426)	976,701	(1,558,648)	2,576,913
Benefit/(Provision) for taxes on unrealized appreciation (depreciation) on investments	(25,907)	—	5,499	—
Net increase in net assets resulting from operations	\$ 2,274,868	\$ 2,971,392	\$ 5,116,935	\$ 6,506,854

(1) Includes foreign currency transactions and translation.

Investment Income

	For the three months ended June 30, 2018	For the three months ended June 30, 2017	For the six months ended June 30, 2018	For the six months ended June 30, 2017
Interest from investments	\$ 7,171,832	\$ 5,238,587	\$ 13,850,506	\$ 9,683,379
Dividend Income	—	—	—	—
Other income	79,120	53,361	211,427	73,293
Total	\$ 7,250,952	\$ 5,291,948	\$ 14,061,933	\$ 9,756,672

Interest from investments, which includes amortization of upfront fees and prepayment fees, increased from \$5.2 million for the three months ended June 30, 2017 to \$7.2 million for the three months ended June 30, 2018, due to the increase in the size of our portfolio. The average size of our total investment portfolio net of unfunded commitments increased from \$272.1 million during the three months ended June 30, 2017 to 361.8 million during the three months ended June 30, 2018. Included in interest from investments for the three months ended June 30, 2018 and 2017 is \$0.0 million and \$0.0 million, respectively, in prepayment fees and \$0.1 million and \$0.0 million, respectively, in accelerated accretion of upfront fees. We did not have dividend income for the three months ended June 30, 2018 and June 30, 2017. Other investment income relates to the amortization of loan administration fees earned as the administration agent and other miscellaneous fee income.

Interest from investments, which includes amortization of upfront fees and prepayment fees, increased from \$9.7 million for the six months ended June 30, 2017 to \$13.9 million for the six months ended June 30, 2018, due to the increase in the size of our portfolio. The average size of our total investment portfolio net of unfunded commitments increased from \$190.1 million during the six months ended June 30, 2017 to 346.9 million during the six months ended June 30, 2018. Included in interest from investments for the six months ended June 30, 2018 and 2017 is \$0.0 million and \$0.0 million, respectively, in prepayment fees and \$0.4 million and \$0.0 million, respectively, in accelerated accretion of upfront fees. We did not have dividend income for the six months ended June 30, 2018 and June 30, 2017. Other investment income relates to the amortization of loan administration fees earned as the administration agent and other miscellaneous fee income.

See accompanying notes

Expenses

	For the three months ended June 30, 2018	For the three months ended June 30, 2017	For the six months ended June 30, 2018	For the six months ended June 30, 2017
Interest and credit facility expenses	\$ 1,956,208	\$ 1,290,790	\$ 3,608,168	\$ 2,336,222
Management fees	795,246	668,292	1,532,998	1,272,519
Income Incentive Fees	—	392,977	554,977	614,535
Directors' fees	72,500	72,500	145,000	145,000
Professional fees	189,632	176,566	375,080	351,566
Organization expenses	32,452	16,226	56,790	40,564
Other general and administrative expenses	457,943	399,970	897,856	800,709
Total expenses	<u>\$ 3,503,981</u>	<u>\$ 3,017,321</u>	<u>\$ 7,170,869</u>	<u>\$ 5,561,115</u>

Interest and credit facility expenses

Interest and credit facility expenses include interest, amortization of deferred financing costs, upfront commitment fees and unused fees on the Revolving Credit Facility, Revolving Credit Facility II and SPV Asset Facility. The Company first drew on the Revolving Credit Facility in July 2015, on the SPV Asset Facility in April 2016, and on the Revolving Credit Facility II in June 2017. Interest and credit facility expenses increased from \$1.3 million for the three months ended June 30, 2017 to \$2.0 million for the three months ended June 30, 2018. This increase was primarily due to an increase 1) in the weighted average debt outstanding from \$130.9 million for the three months ended June 30, 2017 to \$167.5 million for the three months ended June 30, 2018 and 2) an increase in the average interest rate (excluding deferred upfront financing costs and unused fees) on the weighted average debt outstanding from 3.2% for the three months ended June 30, 2017 to 4.1% for the three months ended June 30, 2018.

Interest and credit facility expenses increased from \$2.3 million for the six months ended June 30, 2017 to \$3.6 million for the six months ended June 30, 2018. This increase was primarily due to an increase 1) in the weighted average debt outstanding from 121.3 million for the six months ended June 30, 2017 to \$159.3 million for the six months ended June 30, 2018 and 2) an increase in the average interest rate (excluding deferred upfront financing costs and unused fees) on the weighted average debt outstanding from 3.1% for the six months ended June 30, 2017 to 3.9% for the six months ended June 30, 2018.

Management fees

Management fees are calculated and payable quarterly in arrears at an annual rate of 1.5% of our gross assets, including assets acquired through the incurrence of debt but excluding any cash and cash equivalents. The Advisor, however, has agreed to waive its right to receive management fees in excess of the sum of (i) 0.25% of the aggregate committed but undrawn capital and (ii) 0.75% of the aggregate gross assets excluding cash and cash equivalents (including capital drawn to pay the Company's expenses) during any period prior to a qualified initial public offering, as defined by the Investment Advisory Agreement ("Qualified IPO"). Management fees, net of waived management fees, increased from \$0.7 million for the three months ended June 30, 2017 to \$0.8 million for the three months ended June 30, 2018 due to the increase in total assets, which increased from an average of \$285.7 million for the three months ended June 30, 2017 to an average of \$374.3 million for the three months ended June 30, 2018. Waived management fees for the three months ended June 30, 2018 and June 30, 2017 were approximately \$0.6 million and \$0.4 million, respectively. The Advisor is not permitted to recoup any waived amounts at any time.

Management fees, net of waived management fees, increased from \$1.3 million for the six months ended June 30, 2017 to \$1.5 million for the six months ended June 30, 2018 due to the increase in total assets, which increased from an average of \$265.7 million for the six months ended June 30, 2017 to an average of \$359.5 million for the six months ended June 30, 2018. Waived management fees for the six months ended June 30, 2018 and June 30, 2017 were approximately \$1.0 million and \$0.7 million, respectively.

Income incentive fees

Income incentive fees decreased from \$0.4 million and \$0.6 million for the three and six months ended June 30, 2017, respectively, to zero and \$0.6 million for the three and six months ended June 30, 2018, respectively. The decrease was due to the Advisor agreeing to waive its rights to income incentive fees effective April 1, 2018. For the three and six months ended June 30, 2018, income incentive fees as a percentage of Pre-Incentive Fee Net Investment Income was 0.0% and 7.5% compared to 14.7% and 12.8% for the three and six months ended June 30, 2017. "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 and consulting fees or other fees that we receive from portfolio companies, but excluding fees for providing managerial assistance) accrued during the calendar quarter, minus operating expenses for the calendar quarter (including the base management fee, taxes, any expenses payable under the Investment

See accompanying notes

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Advisory Agreement and the Administration Agreement and any interest expense, but excluding the Incentive fee). Pre-Incentive Fee Net Investment Income includes accrued income that we have not yet received in cash, such as debt instruments with PIK interest, preferred stock with PIK dividends and zero coupon securities.

Professional Fees and Other General and Administrative Expenses

Professional fees generally include expenses from independent auditors, tax advisors, legal counsel and third party valuation agents. Other general and administrative expenses generally include expenses from the Sub-Administration Agreements, insurance premiums, overhead and staffing costs allocated from the Administrator and other miscellaneous general and administrative costs associated with the operations and investment activity of the Company. Professional fees remained flat at \$0.2 million for the three months ended June 30, 2018 and June 30, 2017, respectively, while other general and administrative expenses increased from \$0.4 million for the three months ended June 30, 2017 to \$0.5 million for the three months ended June 30, 2018. The net increase in costs was due to an increase in costs associated with servicing a growing investment portfolio.

Professional fees remained flat at \$0.4 million for the six months ended June 30, 2018 and June 30, 2017, respectively, while other general and administrative expenses increased from \$0.8 million for the six months ended June 30, 2017 to \$0.9 million for the three months ended June 30, 2018. The net increase in costs was due to an increase in costs associated with servicing a growing investment portfolio.

Organization expenses

We have agreed to repay the Advisor for the organization costs and offering costs (not to exceed \$1.5 million) on a pro rata basis over the first \$350 million of capital contributed to the Company. For the three and six months ended June 30, 2018, we called \$20.0 and \$35.0 million, respectively, and the Advisor allocated \$0.0 million and \$0.1 million, respectively of organization costs to the Company, which was included in the Consolidated Statements of Operations. For the three and six months ended June 30, 2018, the Advisor also allocated \$0.0 million and \$0.1 million, respectively of equity offering costs to the Company that was recorded as an offset to Paid-in capital in excess of par value on the Consolidated Statement of Assets and Liabilities.

During the three and six months ended June 30, 2017, we called \$10.0 million and \$25.0 million, respectively, and the Advisor allocated \$0.0 million and \$0.0 million, respectively of organization costs to the Company, which was included in the Consolidated Statements of Operations. During the three and six months ended June 30, 2017, the Advisor also allocated \$0.0 million and \$0.1 million, respectively of equity offering costs to the Company that was recorded as an offset to Paid-in capital in excess of par value on the Consolidated Statement of Assets and Liabilities.

Income Tax Expense, Including Excise Tax

We have elected to be treated as a RIC under the Code and operate in a manner so as to qualify for the tax treatment applicable to RICs. To qualify as a RIC, we must generally (among other requirements) timely distribute to our stockholders at least 90% of our investment company taxable income, as defined by the Code, for each year. In order to maintain our RIC status, we intend to make the requisite distributions to our stockholders which will generally relieve us from corporate-level income taxes.

In order for the Company not to be subject to federal excise taxes, it must distribute annually an amount at least equal to the sum of (i) 98% of its ordinary income (taking into account certain deferrals and elections), (ii) 98.2% of its net capital gains from the current year and (iii) any undistributed ordinary income and net capital gains from preceding years. Depending on the level of taxable income earned in a tax year, we may choose to carry forward such taxable income in excess of current year dividend distributions into the next tax year and pay a 4% excise tax on such income, as required. If we determine that our estimated current year taxable income will be in excess of estimated dividend distributions for the current year from such income, we accrue excise tax on estimated excess taxable income as such taxable income is earned. For the three and six months ended June 30, 2018, the Company incurred an excise tax of \$0 and \$(779) respectively, of which \$0 remained payable. There were no excise tax expenses or payables for the three and six months ended June 30, 2017.

See accompanying notes

Net Realized and Unrealized Gains and Losses

We value our portfolio investments quarterly and any changes in fair value are recorded as unrealized appreciation (depreciation) on investments. For the three and six months ended June 30, 2018 and June 30, 2017, net realized gains (losses) and net unrealized appreciation (depreciation) on our investment portfolio were comprised of the following:

	For the three months ended June 30, 2018	For the three months ended June 30, 2017	For the six months ended June 30, 2018	For the six months ended June 30, 2017
Realized losses on investments	\$ (49,097)	\$ (281,589)	\$ (234,477)	\$ (287,553)
Realized gains on investments	4,901	4,263	15,158	25,620
Realized gains on foreign currency transactions	2,838	(169)	5,168	748
Realized losses on foreign currency transactions	188	(841)	(8)	(2,742)
Net realized gains (losses)	<u>\$ (41,170)</u>	<u>\$ (278,336)</u>	<u>\$ (214,159)</u>	<u>\$ (263,927)</u>
Change in unrealized depreciation on investments	\$ (2,654,754)	\$ 133,284	\$ (3,029,132)	\$ (72,904)
Change in unrealized appreciation on investments	1,338,509	804,726	1,511,755	2,603,674
Change in unrealized depreciation on foreign currency translation	72,098	23,650	43,711	30,570
Change in unrealized appreciation on foreign currency translation	(153,279)	12,041	(84,982)	15,573
Net unrealized appreciation (depreciation)	<u>\$ (1,397,426)</u>	<u>\$ 976,701</u>	<u>\$ (1,558,648)</u>	<u>\$ 2,576,913</u>

Hedging

We may, but are not required to, enter into interest rate, foreign exchange or other derivative agreements to hedge interest rate, currency, credit or other risks. Generally, we do not intend to enter into any such derivative agreements for speculative purposes. Any derivative agreements entered into for speculative purposes are not expected to be material to the Company's business or results of operations. These hedging activities, which will be in compliance with applicable legal and regulatory requirements, may include the use of various instruments, including futures, options and forward contracts. We will bear the costs incurred in connection with entering into, administering and settling any such derivative contracts. There can be no assurance any hedging strategy we employ will be successful.

We did not enter into any interest rate, foreign exchange or other derivative agreements during the three and six months ended June 30, 2018 and June 30, 2017.

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

At June 30, 2018, we had \$9.2 million in cash on hand. The primary uses of our cash and cash equivalents are for (1) investments in portfolio companies and other investments and to comply with certain portfolio diversification requirements; (2) the cost of operations (including paying our Advisor); (3) debt service, repayment, and other financing costs; and, (4) cash distributions to the holders of our common shares.

We expect to generate additional cash from (1) future offerings of our common or preferred shares; (2) borrowings from our Revolving Credit Facility II, SPV Asset Facility and from other banks or lenders; and, (3) cash flows from operations.

Cash on hand of \$9.2 million combined with our uncalled capital commitments of \$185.7 million, \$13.0 million undrawn amount on our Revolving Credit Facility II and \$5.7 million undrawn amount on our SPV Asset Facility, is expected to be sufficient for our investing activities and to conduct our operations for the foreseeable future.

See accompanying notes

Capital Share Activity

Since June 26, 2015 (Commencement), we have entered into subscription agreements (collectively, the “Subscription Agreements”) with several investors, including CCG LP, providing for the private placement of our common shares. Under the terms of the Subscription Agreements, investors are required to fund drawdowns to purchase our common shares up to the amount of their respective capital commitments on an as-needed basis with a minimum of 10 business days’ prior notice. At June 30, 2018, we had received capital commitments totaling \$391.7 million, of which \$10.0 million was from CCG LP.

Since June 26, 2015 (Commencement), pursuant to the Subscription Agreements, we have delivered fourteen capital drawdown notices to our investors relating to the issuance of 10,341,086 of our common shares for an aggregate offering of \$206.0 million. Proceeds from the issuance were used to fund our investing activities and for other general corporate purposes. As of June 30, 2018, the Company received all amounts relating to the fourteen capital drawdown notices.

During the three and six months ended June 30, 2018, we issued 5,943 and 10,178 shares of our common stock, respectively, to investors who have opted into our dividend reinvestment plan for proceeds of \$119,838 and \$205,458. For the three and six months ended June 30, 2017, we issued 1,116 and 1,778 shares of our common stock, respectively, to investors who have opted into our dividend reinvestment plan for proceeds of \$22,505 and \$35,636.

Debt

Debt consisted of the following as of June 30, 2018 and December 31, 2017:

(\$ in millions)	June 30, 2018			
	Aggregate Principal Amount Committed	Drawn Amount (4)	Amount Available (1)	Carrying Value (2)
SPV Asset Facility	\$ 125.0	\$ 119.3	\$ 5.7	\$ 119.3
Revolving Credit Facility	—	—	—	—
Revolving Credit Facility II (3)(5)	85.0	72.3	13.0	72.0
Total Debt	\$ 210.0	\$ 191.6	\$ 18.7	\$ 191.3

(\$ in millions)	December 31, 2017			
	Aggregate Principal Amount Committed	Drawn Amount (4)	Amount Available (1)	Carrying Value (2)
SPV Asset Facility	\$ 125.0	\$ 86.6	\$ 38.4	\$ 86.6
Revolving Credit Facility	—	—	—	—
Revolving Credit Facility (3)(5)	75.0	65.3	9.9	65.1
Total Debt	\$ 200.0	\$ 151.9	\$ 48.3	\$ 151.7

- (1) The amount available is subject to any limitations related to the respective debt facilities’ borrowing bases and foreign currency translation adjustments.
- (2) The difference between the drawn amount and the carrying value is attributable to the effect of foreign currency rates as of the balance sheet dates versus foreign currency rates at the time of the respective non-USD borrowings.
- (3) The Company had outstanding debt denominated in Pound Sterling (GBP) of 2.5 million and Euro (EUR) of 1.8 million on its Revolving Credit Facility II.
- (4) For borrowings in non-USD, the drawn amount represents the USD equivalent at the time of borrowing (i.e. cost).
- (5) Total drawn amount payable after the effect of foreign currency translation as of June 30, 2018 and December 31, 2017, was \$71,959,703 and \$65,044,546, respectively.

See accompanying notes

SPV Asset Facility

On March 28, 2016 Crescent Capital BDC Funding, LLC (“CBDC SPV”), a Delaware limited liability company and wholly owned and consolidated subsidiary of the Company, entered into a loan and security agreement (the “SPV Asset Facility”) with the Company as the collateral manager, seller and equityholder, CBDC SPV as the borrower, the banks and other financial institutions from time to time party thereto as lenders, and Wells Fargo Bank, National Association (“Wells Fargo”), as administrative agent, collateral agent, and lender. The SPV Asset Facility is effective as of March 28, 2016. On February 8, 2017 the Company amended the SPV Asset Facility increasing the facility limit from \$75 million to \$125 million.

The maximum commitment amount under the SPV Asset Facility is \$125 million, and may be increased with the consent of Wells Fargo or reduced upon request of the Company. Proceeds of the Advances under the SPV Asset Facility may be used to acquire portfolio investments, to make distributions to the Company in accordance with the SPV Asset Facility, and to pay related expenses. The maturity date is the earlier of: (a) the date the borrower voluntarily reduces the commitments to zero, (b) the Facility Maturity Date (March 28, 2021) and (c) the date upon which Wells Fargo declares the obligations due and payable after the occurrence of an Event of Default. Borrowings under the SPV Asset Facility bear interest at London Interbank Offered Rate (“LIBOR”) plus a margin with no LIBOR floor. The Company pays unused facility fees of 0.50% per annum on committed but undrawn amounts under the SPV Asset Facility. The SPV Asset Facility includes customary covenants, including certain limitations on the incurrence of additional indebtedness and liens, as well as usual and customary events of default for revolving credit facilities of this nature.

Also on March 28, 2016, the Company, as seller, and CBDC SPV, as purchaser, entered into a loan sale agreement whereby the Company will sell certain assets to CBDC SPV. We consolidate CBDC SPV in our consolidated financial statements and no gain or loss is expected to result from the sale of assets to CBDC SPV. We retain a residual interest in assets contributed to or acquired by CBDC SPV through our 100% ownership of CBDC SPV. The facility size is subject to availability under the borrowing base, which is based on the amount of CBDC SPV’s assets from time to time, and satisfaction of certain conditions, including an asset coverage test and certain concentration limits.

Revolving Credit Facility II

On June 29, 2017, the Company entered into the “Revolving Credit Facility II” with Capital One, National Association (“CONA”), as Administrative Agent, Lead Arranger, Managing Agent and Committed Lender. Proceeds from the Revolving Credit Facility II may be used for investment activities, expenses, working capital requirements and general corporate purposes. The maximum principal amount of the Revolving Credit Facility II is \$75 million, subject to availability under the borrowing base.

Borrowings under the Revolving Credit Facility II bear interest at London Interbank Offered Rate (“LIBOR”) plus a margin with no LIBOR floor. The Company may elect either the LIBOR or prime rate at the time of draw-down, and loans may be converted from one rate to another at any time, subject to certain conditions. The Company pays unused facility fees of 0.20% per annum on committed but undrawn amounts under the Revolving Credit Facility II. Interest is payable monthly in arrears. Any amounts borrowed under the Revolving Credit Facility II, and all accrued and unpaid interest, will be due and payable, on June 29, 2018. On June 28, 2018, the Company amended the Revolving Credit Facility II increasing the facility limit from \$75 million to \$85 million and extending the maturity date to June 29, 2019.

Revolving Credit Facility

On June 29, 2015, we entered into the Revolving Credit Facility with Natixis, New York Branch (“Natixis”) as administrative agent (the “Administrative Agent”), and Natixis and certain of its affiliates as lenders. Proceeds from the Revolving Credit Facility may be used for investment activities, expenses, working capital requirements and general corporate purposes. The maximum principal amount of the Revolving Credit Facility is \$75 million, subject to availability under the borrowing base. On October 23, 2015, the Company amended the Revolving Credit Facility to include a multi-currency tranche allowing the Company to borrow up to 15% of the principal amount committed under an alternative currency including Euro, Canadian Dollar and Pound Sterling (GBP). On June 29, 2016, the Company amended the Revolving Credit Facility decreasing the facility limit from \$75 million to \$50 million and extending the maturity date to June 29, 2017. The Company paid down in full and terminated the Revolving Credit Facility on June 29, 2017.

See accompanying notes

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Borrowings under the Revolving Credit Facility bore interest at either (i) London Interbank Offered Rate (“LIBOR”) plus a margin with no LIBOR floor or (ii) at lenders’ cost of funds plus a margin. The Company paid unused facility fees of 0.20% per annum on committed but undrawn amounts under the Revolving Credit Facility. Interest was payable monthly in arrears.

The summary information regarding the SPV Asset Facility, Revolving Credit Facility II, and the Revolving Credit Facility for the three and six months ended June 30, 2018 and June 30, 2017, were as follows:

	For the three months ended June 30, 2018	For the three months ended June 30, 2017	For the six months ended June 30, 2018	For the six months ended June 30, 2017
Borrowing interest expense	\$ 1,716,550	\$ 1,039,257	\$ 3,107,391	\$ 1,859,909
Unused facility fees	42,662	55,556	108,716	107,567
Amortization of upfront commitment fees	158,543	159,494	315,394	299,596
Amortization of deferred financing costs	38,453	36,483	76,667	69,150
Total interest and credit facility expenses	<u>\$ 1,956,208</u>	<u>\$ 1,290,790</u>	<u>\$ 3,608,168</u>	<u>\$ 2,336,222</u>
Weighted average interest rate	4.1 %	3.2 %	3.9 %	3.1 %
Weighted average outstanding balance	\$ 167,452,665	\$ 130,888,883	\$ 159,340,902	\$ 121,303,940

To the extent we determine that additional capital would allow us to take advantage of additional investment opportunities, if the market for debt financing presents attractively priced debt financing opportunities, or if our Board otherwise determines that leveraging our portfolio would be in our best interest and the best interests of our stockholders, we may enter into credit facilities in addition to our Revolving Credit Facility II and SPV Asset Facility. We would expect any such credit facilities may be secured by certain of our assets and may contain advance rates based upon pledged collateral. The pricing and other terms of any such facilities would depend upon market conditions when we enter into any such facilities as well as the performance of our business, among other factors. In accordance with applicable SEC staff guidance and interpretations, as a BDC, with certain limited exceptions, we are only permitted to borrow amounts such that our asset coverage ratio, as defined in the 1940 Act, is at least 2 to 1 after such borrowing. As of June 30, 2018 and December 31, 2017, our asset coverage ratio was 2.07 to 1 and 2.13 to 1, respectively. We may also refinance or repay any of our indebtedness at any time based on our financial condition and market conditions. See Note 6. Debt to our consolidated financial statements for more detail on the debt facilities.

OFF BALANCE SHEET ARRANGEMENTS

Information on our off balance sheet arrangements is contained in Note 7. Commitments, Contingencies and Indemnifications to our consolidated financial statements.

CRITICAL ACCOUNTING POLICIES

Our discussion and analysis of our financial condition and results of operations are based upon our financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”). The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. Changes in the economic environment, financial markets and any other parameters used in determining such estimates could cause actual results to differ materially. The critical accounting policies should be read in connection with our risk factors as disclosed herein and in our Registration Statement on Form 10.

In addition to the discussion below, our critical accounting policies are further described in Note 2. Summary of Significant Accounting Policies to our consolidated financial statements.

See accompanying notes

Investment Valuation

The Company applies Financial Accounting Standards Board ASC 820, *Fair Value Measurement* (ASC 820), as amended, which establishes a framework for measuring fair value in accordance with GAAP and required disclosures of fair value measurements. ASC 820 determines fair value to be the price that would be received for an investment in a current sale, which assumes an orderly transaction between market participants on the measurement date. Market participants are defined as buyers and sellers in the principal or most advantageous market (which may be a hypothetical market) that are independent, knowledgeable, and willing and able to transact. In accordance with ASC 820, the Company considers its principal market to be the market that has the greatest volume and level of activity. ASC 820 specifies a fair value hierarchy that prioritizes and ranks the level of observability of inputs used in the determination of fair value. In accordance with ASC 820, these levels are summarized below:

Level 1—Valuations based on quoted prices in active markets for identical assets or liabilities that the Company has the ability to access.

Level 2—Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

Level 3—Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

In addition to using the above inputs in investment valuations, the Company applies the valuation policy approved by its Board that is consistent with ASC 820. Consistent with the valuation policy, the Company evaluates the source of inputs, including any markets in which its investments are trading (or any markets in which securities with similar attributes are trading), in determining fair value. When a security is valued based on prices provided by reputable dealers or pricing services (that is, broker quotes), the Company subjects those prices to various criteria in making the determination as to whether a particular investment would qualify for classification as a Level 2 or Level 3 investment. For example, the Company reviews pricing methodologies provided by dealers or pricing services in order to determine if observable market information is being used, versus unobservable inputs. Some additional factors considered include the number of prices obtained as well as an assessment as to their quality. Transfers between levels, if any, are recognized at the beginning of the period in which the transfers occur. During the six months ended June 30, 2018, the Company recorded \$0 in transfers from Level 3 to Level 2 and \$44,613,267 in transfers from Level 2 to Level 3 due to a decrease in observable inputs in market data. During the six months ended June 30, 2017, the Company recorded \$0 in transfers from Level 3 to Level 2 and \$4,850,000 in transfers from Level 2 to Level 3 due to a decrease in observable inputs in market data.

Investments for which market quotations are readily available are typically valued at those market quotations. To validate market quotations, the Company utilizes a number of factors to determine if the quotations are representative of fair value, including the source and number of the quotations. Debt and equity securities that are not publicly traded or whose market prices are not readily available are valued at fair value as determined in good faith by the Board, based on, among other things, the input of the Advisor, the Company's Audit Committee and independent third-party valuation firms engaged at the direction of the Board.

The Board oversees and supervises a multi-step valuation process, which includes, among other procedures, the following:

- The valuation process begins with each investment being initially valued by the investment professionals responsible for the portfolio investment in conjunction with the portfolio management team.
- The Advisor's management reviews the preliminary valuations with the investment professionals. Agreed upon valuation recommendations are presented to the Audit Committee.
- The Audit Committee reviews the valuations presented and recommends values for each investment to the Board.
- The Board reviews the recommended valuations and determines the fair value of each investment; valuations that are not based on readily available market quotations are valued in good faith based on, among other things, the input of the Advisor, Audit Committee and, where applicable, other third parties.

The Company currently conducts this valuation process on a quarterly basis.

In connection with debt and equity securities that are valued at fair value in good faith by the Board, the Board will engage independent third-party valuation firms to perform certain limited procedures that the Board has identified.

Due to the inherent uncertainty of determining the fair value of investments that do not have a readily available market value, the fair value of the Company's investments may fluctuate from period to period. Additionally, the fair value of such investments may differ significantly from the values that would have been used had a ready market existed for such investments and may differ materially from the values that may ultimately be realized. Further, such investments are generally less liquid than publicly traded securities and may be subject to contractual and other restrictions on resale. If the Company were required to liquidate a portfolio investment in a forced or liquidation sale, it could realize amounts that are different from the amounts presented and such differences could be material.

See accompanying notes

In addition, changes in the market environment and other events that may occur over the life of the investments may cause the gains or losses ultimately realized on these investments to be different than the unrealized gains or losses reflected herein. See Note 4. Investments and Note 5. Fair Value of Financial Instruments for additional information on the Company's investment portfolio.

Equity Offering and Organization Expenses

The Company has agreed to repay the Advisor for initial organization costs and equity offering costs incurred prior to the commencement of its operations up to a maximum of \$1.5 million on a pro rata basis over the first \$350 million of invested capital not to exceed 3 years from the initial capital commitment on June 26, 2015. To the extent such costs relate to equity offerings, these costs are charged as a reduction of capital upon the issuance of common shares. To the extent such costs relate to organization costs, these costs are expensed in the Consolidated Statements of Operations upon the issuance of common shares. The Advisor is responsible for organization and private equity offerings costs in excess of \$1.5 million. In connection with the 2018 Annual Meeting of Stockholders, the Company received shareholder approval to extend the period during which capital may be called from stockholders (the "Commitment Period"). The Commitment Period was extended to the earlier of (i) a Qualified IPO and (ii) June 30, 2020. With the approval of the Commitment Period extension, the Advisor agreed to extend the reimbursement period for the initial organization costs and equity offering costs to June 30, 2019. See Note 7. Commitments, Contingencies and Indemnifications for additional discussion of certain related party transactions with the Advisor.

The Advisor incurred costs on behalf of the Company of \$794,450 of equity offering costs and \$567,895 of organization costs through Commencement. For the six months ended June 30, 2018, the Advisor allocated to the Company \$79,445 of equity offering costs and \$56,790 of organization costs, of which \$136,235 was included in Due to Advisor on the Consolidated Statements of Assets and Liabilities at June 30, 2018. Since June 26, 2015 (Commencement), the Advisor has allocated to the Company \$467,590 of equity offering costs and \$334,247 of organization costs.

Interest and Dividend Income Recognition

Interest income is recorded on an accrual basis and includes the amortization of purchase discounts and premiums. Discounts and premiums to par value on securities purchased are accreted or amortized into interest income over the contractual life of the respective security using the effective yield method. The amortized cost of investments represents the original cost adjusted for the accretion and amortization of discounts and premiums, if any. Upon prepayment of a loan or debt security, any prepayment premiums, unamortized upfront loan origination fees and unamortized discounts are recorded as interest income.

Dividend income from preferred equity securities is recorded on an accrual basis to the extent that such amounts are payable by the portfolio company and are expected to be collected. Dividend income from common equity securities is recorded on the record date for private portfolio companies or on the ex-dividend date for publicly-traded portfolio companies.

Certain investments have contractual payment-in-kind ("PIK") interest or dividends. PIK represents accrued interest or accumulated dividends that are added to the loan principal or cost basis of the investment on the respective interest or dividend payment dates rather than being paid in cash and generally becomes due at maturity or upon being called by the issuer. PIK is recorded as interest or dividend income, as applicable. If at any point the Company believes PIK is not expected to be realized, the investment generating PIK will be placed on non-accrual status. Accrued PIK interest or dividends are generally reversed through interest or dividend income, respectively, when an investment is placed on non-accrual status.

Loans are generally placed on non-accrual status when principal or interest payments are past due 30 days or more or when there is reasonable doubt that principal or interest will be collected in full. Accrued and unpaid interest is generally reversed when a loan is placed on non-accrual status. Interest payments received on non-accrual loans may be recognized as income or applied to principal depending upon management's judgment regarding collectability. Non-accrual loans are restored to accrual status when past due principal and interest is paid current and, in management's judgment, are likely to remain current. Management may determine to not place a loan on non-accrual status if the loan has sufficient collateral value and is in the process of collection. As of June 30, 2018, the Company had one investment on non-accrual status, which represented 2.0% and 1.7% of the total investments at cost and fair value, respectively. As of December 31, 2017, no loans had been placed on non-accrual status by the Company.

See accompanying notes

Income Taxes

The Company has elected to be treated as a BDC under the 1940 Act. The Company also has elected to be treated as a RIC under the Internal Revenue Code. So long as the Company maintains its status as a RIC, it will generally not pay corporate-level U.S. federal income or excise taxes on any ordinary income or capital gains that it distributes at least annually to its stockholders as dividends. As a result, any tax liability related to income earned and distributed by the Company represents obligations of the Company's stockholders and will not be reflected in the consolidated financial statements of the Company.

The Company evaluates tax positions taken or expected to be taken in the course of preparing its consolidated financial statements to determine whether the tax positions are "more-likely-than-not" to be sustained by the applicable tax authority. Tax positions not deemed to meet the "more-likely-than-not" threshold are reversed and recorded as a tax benefit or expense in the current year. All penalties and interest associated with income taxes are included in income tax expense. Conclusions regarding tax positions are subject to review and may be adjusted at a later date based on factors including, but not limited to, on-going analyses of tax laws, regulations and interpretations thereof. The Company accounts for income taxes in conformity with ASC Topic 740 — *Income Taxes* ("ASC Topic 740"). ASC Topic 740 provides guidelines for how uncertain tax positions should be recognized, measured, presented and disclosed in financial statements.

As of June 30, 2018, all tax filings of the Company since the inception on February 5, 2015 remain subject to examination by federal tax authorities. No such examinations are currently pending. In order for the Company not to be subject to federal excise taxes, it must distribute annually an amount at least equal to the sum of (i) 98% of its ordinary income (taking into account certain deferrals and elections), (ii) 98.2% of its net capital gains from the current year and (iii) any undistributed ordinary income and net capital gains from preceding years. The Company, at its discretion, may carry forward taxable income in excess of calendar year dividends and pay a 4% excise tax on this income. If the Company chooses to do so, this generally would increase expenses and reduce the amount available to be distributed to stockholders. The Company will accrue excise tax on estimated undistributed taxable income as required. For the three and six months ended June 30, 2018, the Company incurred an excise tax of \$0 and \$0, respectively, of which \$0 remained payable and included in accrued expenses and other liabilities on the Consolidated Statements of Assets and Liabilities. There were no excise tax expenses or payables for the three and six months ended June 30, 2017.

CBDC Universal Equity, Inc. is a taxable entity (the "Taxable Subsidiary"). The Taxable Subsidiary permits the Company to hold equity investments in portfolio companies which are "pass through" entities for tax purposes and continue to comply with the "source income" requirements contained in RIC tax provisions of the Code. The Taxable Subsidiary is not consolidated with the Company for income tax purposes and may generate income tax expense, benefit, and the related tax assets and liabilities, as a result of its ownership of certain portfolio investments. The income tax expense, or benefit, if any, and related tax assets and liabilities are reflected in the Company's consolidated financial statements. For the six months ended June 30, 2018, the Company recognized a benefit/(provision) for taxes on unrealized appreciation/(depreciation) on investments of \$5,499 related to the Taxable Subsidiary. There is a corresponding deferred tax liability of \$211,649 related to the Taxable Subsidiary as of June 30, 2018. There were no deferred tax assets or liabilities related to the Taxable Subsidiary at June 30, 2017.

The Company intends to comply with the applicable provisions of the Code, pertaining to regulated investment companies and to make distributions of taxable income sufficient to relieve it from substantially all federal income taxes. As of June 30, 2018, all tax filings of the Company since the inception on February 5, 2015 remain subject to examination by federal tax authorities. No such examinations are currently pending.

New Accounting Standards

In May 2014, the FASB issued Accounting Standards Update ("ASU") 2014-09 ("ASU 2014-09"), *"Revenue from Contracts with Customers (Topic 606)." The guidance in this ASU supersedes the revenue recognition requirements in Topic 605, Revenue Recognition. Under the new guidance, an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The amendments in ASU 2014-09 were effective for annual reporting periods beginning after December 15, 2017, including interim periods within that reporting period. This standard did not have a material impact on the consolidated financial statements, primarily because the majority of the Company's revenue is accounted for under FASB ASC Topic 320, "Investments – Debt and Equity Securities", which is scoped out of this standard.*

See accompanying notes

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are subject to financial market risks, including valuation risk, interest rate risk and currency risk.

Valuation Risk

We have invested, and plan to continue to invest, in illiquid debt and equity securities of private companies. These investments will generally not have a readily available market price, and we will value these investments at fair value as determined in good faith by our Board in accordance with our valuation policy. There is no single standard for determining fair value in good faith. As a result, determining fair value requires that judgment be applied to the specific facts and circumstances of each portfolio investment while employing a consistently applied valuation process for the types of investments we make. If we were required to liquidate a portfolio investment in a forced or liquidation sale, we may realize amounts that are different from the amounts presented and such differences could be material. See Note 2. Summary of Significant Account Policies to our consolidated financial statements for more details on estimates and judgments made by us in connection with the valuation of our investments.

Interest Rate Risk

Interest rate sensitivity refers to the change in earnings that may result from changes in the level of interest rates. We also fund a portion of our investments with borrowings and our net investment income will be affected by the difference between the rate at which we invest and the rate at which we borrow. Accordingly, there can be no assurance that a significant change in market interest rates will not have a material adverse effect on our net investment income.

We regularly measure our exposure to interest rate risk. We assess interest rate risk and manage our interest rate exposure on an ongoing basis by comparing our interest rate-sensitive assets to our interest rate-sensitive liabilities. Based on that review, we determine whether or not any hedging transactions are necessary to mitigate exposure to changes in interest rates.

As of June 30, 2018, 92.9% of the investments at fair value in our portfolio were at variable rates, subject to interest rate floors. The Revolving Credit Facility II and SPV Asset Facility also bear interest at variable rates.

Assuming that our Consolidated Statements of Assets and Liabilities as of June 30, 2018 were to remain constant and that we took no actions to alter our existing interest rate sensitivity, the following table shows the annualized impact of hypothetical base rate changes in interest rates (considering interest rate floors for floating rate instruments):

(\$ in millions)

Basis Point Change	Interest Income	Interest Expense	Increase (decrease) in net assets resulting from operations
Up 300 basis points	\$ 12.4	\$ 5.7	\$ 6.7
Up 200 basis points	\$ 8.2	\$ 3.8	\$ 4.4
Up 100 basis points	\$ 4.1	\$ 1.9	\$ 2.2
Down 25 basis points	\$ (1.0)	\$ (0.5)	\$ (0.5)
Down 100 basis points	\$ (4.1)	\$ (1.9)	\$ (2.2)

Although we believe that this analysis is indicative of our existing sensitivity to interest rate changes, it does not adjust for changes in the credit market, credit quality, the size and composition of the assets in our portfolio and other business developments that could affect our net income. Accordingly, we cannot assure you that actual results would not differ materially from the analysis above.

We may in the future hedge against interest rate fluctuations by using hedging instruments such as interest rate swaps, futures, options and forward contracts. While hedging activities may mitigate our exposure to adverse fluctuations in interest rates, certain hedging transactions that we may enter into in the future, such as interest rate swap agreements, may also limit our ability to participate in the benefits of lower interest rates with respect to our portfolio investments.

See accompanying notes

Currency Risk

From time to time, we may make investments that are denominated in a foreign currency. These investments are converted into U.S. dollars at the balance sheet date, exposing us to movements in foreign exchange rates. We may employ hedging techniques to minimize these risks, but we cannot assure you that such strategies will be effective or without risk to us. We may seek to utilize instruments such as, but not limited to, forward contracts to seek to hedge against fluctuations in the relative values of our portfolio positions from changes in currency exchange rates. We also have the ability to borrow in certain foreign currencies under our Revolving Credit Facility II. Instead of entering into a foreign exchange forward contract in connection with loans or other investments we have made that are denominated in a foreign currency, we may borrow in that currency to establish a natural hedge against our loan or investment. To the extent the loan or investment is based on a floating rate other than a rate under which we can borrow under our Revolving Credit Facility II, we may seek to utilize interest rate derivatives to hedge our exposure to changes in the associated rate. As of June 30, 2018, we had £2.5 million and €1.8 million outstanding on the Revolving Credit Facility II as a natural hedge against a £3.0 million investment and €1.8 million investment, respectively.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures. As of the end of the period covered by this report, we carried out an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rule 13a-15 under the Securities Exchange Act of 1934). Based on that evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that our current disclosure controls and procedures are effective in timely alerting them to material information relating to us that is required to be disclosed by us in the reports we file or submit under the Securities Exchange Act of 1934.

Changes in Internal Control over Financial Reporting. There have been no changes in our internal control over financial reporting that occurred during our most recently completed fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

From time to time, we may be a party to certain legal proceedings in the ordinary course of business, including proceedings relating to the enforcement of our rights under loans to or other contracts with our portfolio companies. We are not currently subject to any material legal proceedings, nor, to our knowledge, is any material legal proceeding threatened against us.

Item 1A. Risk Factors

In addition to the other information set forth in this report, you should carefully consider the risk factors discussed in Part I, “Item 1A. Risk Factors” in our Annual Report on Form 10-K for the fiscal year ended December 31, 2016, which could materially affect our business, financial condition and/or operating results. These risks are not the only risks facing our Company. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially and adversely affect our business, financial condition and/or operating results.

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

Sales of unregistered securities

(a) None

(b) None

See accompanying notes

(c) Issuer purchases of equity securities

The following table provides information regarding purchases of our common shares by CCG LP for each month in the three month period ended June 30, 2018:

Period	Average Price Paid per Share	Total Number of Shares Purchased	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number (or Approximate Dollar Value) of Shares that May Yet Be Purchased Under the Plans or Programs
April 2018	\$ —	—	—	\$ 4,362,861
May 2018	—	—	—	4,362,861
June 2018	—	—	—	4,362,861
Total	\$ —	—	—	\$ 4,362,861

Item 3. Defaults Upon Senior Securities

None.

Item 4. [Reserved]

Item 5. Other Information

None.

Item 6. Exhibits.

(a) Exhibits.

- 3.1 [Amended and Restated Certificate of Incorporation \(incorporated by reference to Exhibit 3.1 to the Company's Registration Statement on Form 10 \(File No. 000-55380\) filed on June 5, 2015\).](#)
- 3.2 [Bylaws \(incorporated by reference to Exhibit 3.2 to the Company's Registration Statement on Form 10 \(File No. 000-55380\) filed on June 5, 2015\).](#)
- 4.1 [Dividend Reinvestment Plan \(incorporated by reference to Exhibit 10.6 to the Company's Registration Statement on Form 10 \(File No. 000-55380\) filed on June 5, 2015\).](#)
- 10.1 [Investment Advisory Agreement, dated June 2, 2015, by and between the Company and the Advisor \(incorporated by reference to Exhibit 10.1 to the Company's Registration Statement on Form 10 \(File No. 000-55380\) filed on June 5, 2015\).](#)
- 10.2 [Administration Agreement, dated June 2, 2015, by and between the Company and the Administrator \(incorporated by reference to Exhibit 10.2 to the Company's Registration Statement on Form 10 \(File No. 000-55380\) filed on June 5, 2015\).](#)
- 10.3 [Trademark License Agreement, dated April 30, 2015, by and between the Company and CCG LP \(incorporated by reference to Exhibit 10.3 to the Company's Registration Statement on Form 10 \(File No. 000-55380\) filed on June 5, 2015\).](#)
- 10.4 [Form of Advisory Fee Waiver Agreement by and between the Company and the Advisor \(incorporated by reference to Exhibit 10.4 to the Company's Registration Statement on Form 10 \(File No. 000-55380\) filed on June 5, 2015\).](#)
- 10.5 [Form of Subscription Agreement \(incorporated by reference to Exhibit 10.5 to the Company's Registration Statement on Form 10 \(File No. 000-55380\) filed on June 5, 2015\).](#)
- 10.6 [Custodian Agreement by and between the Company and State Street Bank and Trust Company \(incorporated by reference to Exhibit 10.7 to the Company's Registration Statement on Form 10 \(File No. 000-55380\) filed on June 5, 2015\).](#)
- 10.7 [Revolving Credit Agreement, dated June 29, 2015, among the Company, as Borrower, Natixis, New York Branch, as Administrative Agent and Lender \(incorporated by reference to Exhibit 3.2 to the Company's Registration Statement on Form 8-K filed on July 2, 2015\).](#)

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10.8	<u>Revolving Credit Agreement, dated March 28, 2016, among the Company as the Collateral Manager, Seller and Equityholder, Crescent Capital BDC Funding, LLC as the Borrower, the banks and other financial institutions from time to time party thereto as Lenders, and Wells Fargo Bank, National Association, as Administrative Agent, Collateral Agent, and Lender (incorporated by reference to Exhibit 10.1 to the Company's copy of the Revolving Credit Agreement on Form 8-K filed on March 28, 2016).</u>
10.9	<u>Revolving Credit Agreement, dated June 29, 2017, among the Company, as Borrower, Capital One, National Association, as Administrative Agent, Lead Arranger, Managing Agent and Committed Lender (incorporated by reference to Exhibit 10.1 to the Company's Registration Statement on Form 8-K filed on June 30, 2017).</u>
10.10	<u>First Amendment to Revolving Credit Agreement, dated June 29, 2018, among the Company, as Borrower, Capital One, National Association, as Administrative Agent, Lead Arranger, Managing Agent and Committed Lender (filed herewith).</u>
10.11	<u>Amended and Restated Advisory Fee Waiver Agreement, dated August 7, 2018, by and between the Company and the Advisor (filed herewith).</u>
31.1	<u>Certification of Chief Executive Officer, Pursuant to Rule 13a-14(a), as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith).</u>
31.2	<u>Certification of Chief Financial Officer, Pursuant to Rule 13a-14(a), as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith).</u>
32	<u>Certification of Chief Executive Officer and Chief Financial Officer, Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (filed herewith).</u>

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Crescent Capital BDC, INC.

Date: August 10, 2018

By: /s/ Jason A. Breaux
Jason A. Breaux
Chief Executive Officer

Date: August 10, 2018

By: /s/ Mike L. Wilhelms
Mike L. Wilhelms
Chief Financial Officer

FIRST AMENDMENT TO REVOLVING CREDIT AGREEMENT

This First Amendment to Revolving Credit Agreement (this “Amendment”) is made as of this 29th day of June, 2018, among **CRESCENT CAPITAL BDC , INC.**, a Delaware corporation (“Borrower”), **CAPITAL ONE, NATIONAL ASSOCIATION**, a national banking association (“Capital One”), as administrative agent (“Administrative Agent”), and Capital One, as a Committed Lender (in such capacity, the “Increasing Lender”).

W I T N E S S E T H:

WHEREAS, Borrower, Administrative Agent, and Lenders have entered into a certain Revolving Credit Agreement dated as of June 29, 2017, (as may be amended, restated, supplemented or otherwise modified from time to time, the “Credit Agreement”), pursuant to which Administrative Agent and the Lenders agreed to provide a revolving credit facility to Borrower in the aggregate principal amount set forth therein, as evidenced by certain Notes (collectively, the “Note”) made by Borrower in favor of each Lender;

WHEREAS, the Borrower has requested an increase in the Maximum Commitment from \$75,000,000 to \$85,000,000 pursuant to Section 2.15 of the Credit Agreement;

WHEREAS, the Borrower has requested an extension of the Stated Maturity Date pursuant to Section 2.14 of the Credit Agreement; and

WHEREAS, Borrower, Administrative Agent, and Lenders have agreed to make certain other amendments to the Credit Agreement as set forth herein;

NOW, THEREFORE, the parties hereto agree as follows:

1. Defined Terms; References. Unless otherwise specifically defined herein, each term used herein that is defined in the Credit Agreement has the meaning assigned to such term in the Credit Agreement. Each reference to “hereof”, “hereunder”, “herein” and “hereby” and each other similar reference and each reference to “this Agreement” and each other similar reference contained in the Credit Agreement and other Loan Documents shall, after this Amendment becomes effective, refer to the Credit Agreement as amended hereby.

2. Increase of Maximum Commitment. Pursuant to Section 2.15 of the Credit Agreement, subject to the satisfaction of the conditions set forth in **Section 6** hereof, the parties hereto agree and acknowledge that:

(a) effective as of the date hereof, the Maximum Commitment is \$85,000,000 and the definition of “Maximum Commitment” set forth in the Credit Agreement is hereby amended to reflect the newly-effective Maximum Commitment; and

(b) Schedule II of the Credit Agreement is hereby amended and restated in its entirety as set forth on Schedule II annexed as **Exhibit A** hereto.

3. Facility Extension. Pursuant to Section 2.14 of the Credit Agreement (but notwithstanding clause (f) thereof or the requirement in such Section 2.14 that any extension of the Stated Maturity Date be for a term not longer than 364 days), subject to the satisfaction of the conditions set forth in **Section 6** hereof, the parties hereto agree and acknowledge that, effective as of the date hereof, the Stated Maturity Date is hereby extended to July 1, 2019. No further extension of the Stated Maturity Date is allowed as a matter of right to the Borrower.

4. Amendments to Credit Agreement. Subject to the satisfaction of the conditions set forth in **Section 6** hereof, the Credit Agreement is hereby amended as follows:

(a) Section 1.1 of the Credit Agreement is hereby amended by:

(i) amending and restating the definition of “ Availability Period ” therein in its entirety as follows:

“ Availability Period ” means the period commencing on the Closing Date and ending on the earliest of (i) December 31, 2018 and (ii) the Maturity Date.

(ii) amending and restating the definition of “ Borrowing Base ” therein in its entirety as follows:

“ Borrowing Base ” means, at any time of determination, the sum of (without duplication) (a) ninety percent (90%) of the aggregate Unfunded Capital Commitments of the Included Investors, (b) sixty percent (60%) of the aggregate Unfunded Capital Commitments of the Designated Investors (subject to subclause (c) of this definition), and (c) from and after the UFCW Threshold Date, eighty percent (80%) of the aggregate Unfunded Capital Commitment of UFCW, in each case as such Unfunded Capital Commitments are first reduced by all applicable Concentration Limits; provided in the event that the Unfunded Capital Commitment of any Investor is increased after the inclusion of such Investor as an Included Investor or Designated Investor, such increased Unfunded Capital Commitment shall not be included in the Borrowing Base unless and until approved by the Administrative Agent and each Lender; provided further, that (i) the foregoing shall be calculated without duplication of any such Unfunded Capital Commitments of HNW Investors to Pooled Vehicle Investors for the corresponding Unfunded Capital Commitments of such Pooled Vehicle Investors, (ii) no Unfunded Capital Commitment of an HNW Investor to a Pooled Vehicle Investor shall be included in the Borrowing Base unless and to the extent that such Pooled Vehicle Investor has a corresponding Unfunded Capital Commitment to the Initial Borrower and (iii) no Unfunded Capital Commitment of a Pooled Vehicle Investor to the Initial Borrower shall be included in the Borrowing Base unless and to the extent that such Pooled Vehicle Investor has corresponding Unfunded Capital Commitments from HNW Investors which are not subject to Exclusion Events that have not been cured in accordance with the provisions hereof; provided further that, from and after the UFCW Threshold Date, the amount of UFCW’s Uncalled Capital Commitment that shall be included in the Borrowing Base at any time shall be limited to a portion thereof that does not at such time exceed forty

percent (40%) of the aggregate Borrowing Base as determined hereunder at such time (after giving effect to such limitation); provided further that the amount of Air Force's Uncalled Capital Commitment that shall be included in the Borrowing Base at any time shall be limited to a portion thereof that does not at such time exceed five percent (5%) of the aggregate Borrowing Base as determined hereunder at such time (after giving effect to such limitation). For the avoidance of doubt, the Unfunded Capital Commitments of an Excluded Investor shall be excluded from the Borrowing Base at all times.

(iii) Adding the following phrase at end of the definition of “ Designated Investor ”:

Subject to the conditions of this Agreement, from and after the Air Force Threshold Date, Air Force shall be deemed to be approved as a “Designated Investor” by the Administrative Agent and the Lenders.

(iv) adding the following new definitions in appropriate alphabetical order:

“ UFCW ” means UFCW Northern California Employers Joint Pension Plan.

“ UFCW Threshold Date ” means the date on which the Borrower shall have delivered to the Administrative Agent an executed Borrowing Base Certificate evidencing that UFCW has made Capital Contributions to the Initial Borrower in an aggregate amount not less than sixty percent (60%) of its Capital Commitment.

“ Air Force ” means Air Force Aid Society Inc.

“ Air Force Threshold Date ” means the date on which the Borrower shall have delivered to the Administrative Agent an executed Borrowing Base Certificate evidencing that Air Force has made Capital Contributions to the Initial Borrower in an aggregate amount not less than sixty percent (60%) of its Capital Commitment.

(b) Section 2.2 of the Credit Agreement is hereby amended by adding the following sentence at the end thereof:

For the avoidance of doubt, the Borrower hereby acknowledges and agrees that until the Maturity Date, notwithstanding that no additional Loans will be made after the end of the Availability Period, it will not permit the Dollar Equivalent of the Principal Obligations to exceed the Available Commitment and will remain obligated to make mandatory prepayments to the extent required under Section 3.5(b) hereof.

(c) Section 2.3(l) of the Credit Agreement is hereby amended by deleting the phrase “during the Availability Period” at the end thereof in its entirety.

(d) Section 2.12 of the Credit Agreement is hereby amended by adding the phrase “or at any time after the end of the Availability Period” at the end of the first sentence thereof, immediately after the phrase “no unused commitment fee shall accrue or be due or owing for a period of sixty (60) days following the Closing Date”.

5. Representations and Warranties. Borrower hereby represents and warrants to Administrative Agent and Lenders that, as of the date hereof:

(a) The representations and warranties of the Credit Parties set forth herein and in the other Loan Documents are true and correct in all material respects on and as of the date of the advance of such Borrowing, with the same force and effect as if made on and as of such date, except with respect to representations and warranties made as of a specific date, which shall be true and correct on and as of such date;

(b) There exists no Potential Default or Event of Default.

(c) This Amendment has been duly authorized, executed and delivered by or on behalf of Borrower and, constitutes the legal and binding obligations of Borrower, enforceable in accordance with its terms, subject to Debtor Relief Laws and equitable principles.

(d) The “Commitment Period” (as that term is defined in the Constituent Documents of the Initial Borrower) has not been terminated or expired.

6. Conditions Precedent to Effectiveness. This Amendment shall not be effective until each of the following conditions precedent has been satisfied to the satisfaction of, or waived in accordance with Section 12.01 of the Credit Agreement, by Administrative Agent and Lenders;

(a) Administrative Agent shall have received:

(i) a fully executed copy of this Amendment duly executed and delivered by Borrower, Administrative Agent, and Increasing Lender;

(ii) an amended and restated Note, drawn to the order of the Increasing Lender in the amount of its Commitment as increased hereby, duly executed and delivered by Borrower;

(iii) a fully executed fee letter (the “First Amendment Fee Letter”) dated as of the date hereof, duly executed and delivered by the Borrower and Administrative Agent; and

(iv) a certificate of the Borrower dated as of the date hereof signed by a Responsible Officer of the Borrower certifying and attaching the resolutions adopted by the Borrower approving and consenting to this Amendment;

(b) In connection with this Amendment, Administrative Agent shall have received all fees and amounts due and payable hereunder on or prior to the date of this Amendment, including the fees set forth in the First Amendment Fee Letter and, to the extent invoiced, reimbursement or payment of all out-of-pocket expenses required to be reimbursed or paid by Borrower hereunder.

(c) No Potential Default or Event of Default shall have occurred and be continuing as of the date of this Amendment.

7. General Terms. This Amendment, which may be executed in multiple counterparts, constitutes the entire agreement of the parties regarding the matters contained herein and shall not be modified by any prior oral or written discussions. Delivery of an executed counterpart of a signature page of this Amendment by telecopy or other electronic imaging transmission (e.g. PDF by email) shall be effective as delivery of a manually executed counterpart of this Amendment. The Borrower hereby ratifies, confirms and reaffirms all of the terms and conditions of the Credit Agreement, and each of the other Loan Documents to which it is a party and further acknowledges and agrees that all of the terms and conditions of the Credit Agreement shall remain in full force and effect except as expressly provided in this Amendment. Except where the context clearly requires otherwise, all references to the Credit Agreement in any other Loan Document shall be to the Credit Agreement as amended by this Amendment. This Amendment shall constitute a Loan Document for all purposes.

8. Illegality. Any determination that any provision of this Amendment or any application hereof is invalid, illegal or unenforceable in any respect and in any instance shall not affect the validity, legality or enforceability of such provision in any other instance, or the validity, legality or enforceability of any other provisions of this Amendment.

9. Governing Law. This Agreement shall be construed in accordance with and governed by the law of the State of New York.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS HEREOF , the parties hereto have caused this Amendment to be duly executed by their respective authorized signatories as of the day and year first written above.

BORROWER:

CRESCENT CAPITAL BDC, INC. , a Delaware corporation.

By: /s/ Mike L. Wilhelms
Name: Mike L. Wilhelms
Title: Chief Financial Officer

[Signature page to First Amendment to Revolving Credit Agreement]

ADMINISTRATIVE AGENT AND LENDER:

CAPITAL ONE, NATIONAL ASSOCIATION, as
Administrative Agent, Managing Agent for the CONA Lender
Group, and as Increasing Lender

By: /s/ Archana Uppal

Name: Archana Uppal

Title: Director

[Signature page to First Amendment to Revolving Credit Agreement]

EXHIBIT A

SCHEDULE II

Commitments

Committed Lender Name

Capital One, National Association

TOTAL

Commitment

\$85,000,000.00

\$85,000,000.00

AMENDED AND RESTATED ADVISORY FEE WAIVER AGREEMENT

CRESCENT CAPITAL BDC, INC.

THIS AGREEMENT is hereby made as of August 7, 2018 (the “Agreement”) between Crescent Capital BDC, Inc., a Delaware corporation (the “Company”), and CBDC Advisors, LLC, a Delaware limited liability company (the “Advisor”).

WHEREAS, the Advisor has been appointed the investment adviser of the Company pursuant to an Investment Advisory Agreement, by and between the Company and the Advisor (the “Advisory Agreement”);

WHEREAS, the Company has furnished to investors a Private Placement Memorandum, (as may be amended from time to time, the “Private Placement Memorandum”), for the purposes of providing such investors with certain information about an investment in the Company;

WHEREAS, the Company and the Advisor entered into an Advisory Fee Waiver Agreement dated as of June 19, 2015 (the “Original Fee Waiver Agreement”); and

WHEREAS, the Company and the Advisor desire to make certain changes to the Original Fee Waiver Agreement following a vote of the stockholders of the Company;

NOW, THEREFORE, the Company and the Advisor hereby agree to amend and restate the Original Fee Waiver Agreement in its entirety as follows:

1. Base Management Fee Waiver. For the period beginning on the effective date of the Advisory Agreement and ending upon the earlier of the end of the Commitment Period (as defined in the Private Placement Memorandum) and a Qualified IPO (as defined in the Private Placement Memorandum) (the “Initial Waiver Period”), subject to the terms hereof, the Advisor agrees to waive any amount of the Company’s Base Management Fees (as defined in the Advisory Agreement), borne by the Company during the Initial Waiver Period, to the extent such Base Management Fees exceed the sum of (i) 0.25% of the aggregate committed but undrawn capital of the Company and (ii) 0.75% of the aggregate gross assets of the Company excluding cash (including capital drawn to pay the Company’s expenses) for any such measurement period used for the purposes of calculating the Base Management Fees.

If the Commitment Period ends prior to a Qualified IPO, for the period beginning as of the end of the Commitment Period and ending upon a Qualified IPO (the “Supplemental Waiver Period”), subject to the terms hereof, the Advisor agrees to waive any amount of the Company’s Base Management Fees (as defined in the Advisory Agreement), borne by the Company during the Supplemental Waiver Period, to the extent such Base Management Fees exceed 0.50% of the aggregate gross assets of the Company excluding cash (including capital drawn to pay the Company’s expenses) for any such measurement period used for the purposes of calculating the Base Management Fees.

2. Income Incentive Fee Waiver. For the period beginning as of April 1, 2018 and ending upon a Qualified IPO, subject to the terms hereof, the Advisor agrees to waive all of the Company's Income Fee (as defined in the Advisory Agreement).
3. Capital Gains Fee Waiver. For the period beginning as of April 1, 2018 and ending upon a Qualified IPO, subject to the terms hereof, the Advisor agrees to waive all of the Company's Capital Gains Fee (as defined in the Advisory Agreement). Following a Qualified IPO, solely for the purposes of calculating the Capital Gains Fee, the Company will be deemed to have previously paid Capital Gains Fees prior to a Qualified IPO equal to the product obtained by multiplying (a) the sum of (i) the actual aggregate amount of previously paid Capital Gains Fees for all periods prior to a Qualified IPO and (ii) the amount of Capital Gains Fees waived pursuant to this Section 3 by (b) the percentage obtained by dividing (x) 17.5% by (y) 15.0%.
4. Term. This Agreement shall become effective as of the date set forth above. This Agreement shall terminate automatically (i) in the event of the termination of the Advisory Agreement unless a new investment advisory agreement with the Advisor (or with an affiliate under common control with the Advisor) becomes effective upon such termination or (ii) upon a Qualified IPO.
5. No Recoupment. The Advisor shall not be entitled to recoup the amount of such waived Base Management Fees, Income Fees or Capital Gains Fees from the Company.
6. Entire Agreement; Amendment. This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof, and supersedes all prior agreements between the parties hereto relating to the matters contained herein and may not be modified, waived or terminated orally and may only be amended by an agreement in writing signed by the parties hereto.
7. Construction and Forum. This Agreement shall be governed by the laws of the State of Delaware, without regard to its conflicts of law principles. Each of the parties hereto irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of any Delaware state court or Federal court of the United States of America sitting in Delaware, in any action or proceeding arising out of or relating to this Agreement or the transactions contemplated hereby, and each of the parties hereto irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such Delaware state court or, to the extent permitted by law, in such Federal court.
8. Counterparts. This Agreement may be executed in any number of separate counterparts, each of which shall be deemed an original, but the several counterparts shall together constitute but one and the same agreement of the parties hereto. The exchange of copies of this Agreement and of signature pages by

facsimile transmission or “portable document format” (commonly referred to as “PDF”) shall constitute effective execution and delivery of this Agreement as to the parties and may be used in lieu of the original Agreement for all purposes. Signatures of the parties transmitted by facsimile or PDF shall be deemed to be their original signatures for all purposes.

9. Severability. If any one or more of the covenants, agreements, provisions or texts of this Agreement shall be held invalid, then such covenants, agreements, provisions or terms shall be deemed severable from the remaining covenants, agreements, provisions or terms of this Agreement and shall in no way affect the validity or enforceability of the other provisions of this Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF , the parties hereto have executed this Agreement as of the date first above written.

CBDC ADVISORS, LLC

By: /s/ George Hawley

Name: George P. Hawley

Title: General Counsel

CRESCENT CAPITAL BDC, INC.

By: /s/ Jason Breaux

Name: Jason Breaux

Title: Chief Executive Officer

[Signature Page to Amended and Restated Advisory Fee Waiver Agreement of Crescent Capital BDC, Inc.]

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

I, Jason A. Breaux, certify that:

- (1) I have reviewed this Quarterly Report on Form 10-Q of Crescent Capital 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 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 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. 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; and
 - c. 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 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 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: August 10, 2018

By: /s/ Jason A. Breaux

Jason A. Breaux
Chief Executive Officer

CERTIFICATION OF CHIEF FINANCIAL OFFICER

I, Mike L. Wilhelms, certify that:

- (1) I have reviewed this Quarterly Report on Form 10-Q of Crescent Capital 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 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 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. 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; and
 - c. 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 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 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: August 10, 2018

By: /s/ Mike L. Wilhelms

Mike L. Wilhelms
Chief Financial Officer

**Certifications of Chief Executive Officer and Chief Financial Officer Pursuant to
18 U.S.C. Section 1350,
as Adopted Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Quarterly Report on Form 10-Q of Crescent Capital BDC, Inc. (the “Company”) for the quarter ended June 30, 2018, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), each of the undersigned officers of the Company, does hereby certify, to the best of such officer’s knowledge and belief, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Jason A. Breaux

Name: Jason A. Breaux
Title: Chief Executive Officer
Date: August 10, 2018

/s/ Mike L. Wilhelms

Name: Mike L. Wilhelms
Title: Chief Financial Officer
Date: August 10, 2018