**As filed with the Securities and Exchange Commission on August 18, 2021**

**Securities Act Registration No. 333-[ ]**

# UNITED STATES
# SECURITIES AND EXCHANGE COMMISSION

**Washington, D.C. 20549**

# FORM N-2

☒ **Registration Statement under the Securities Act of 1933**

☐ **Pre-Effective Amendment No.**

☐ **Post-Effective Amendment No.**

# PHENIXFIN CORPORATION

(Exact Name of Registrant as Specified in Declaration of Trust)

**445 Park Avenue, 10th Floor, New York NY 10022**
(Address of Principal Executive Offices)

**(212) 859-0390**
(Registrant's Telephone Number, Including Area Code)

**Ellida McMillan**
**PhenixFIN Corporation**
**445 Park Avenue, 10th Floor**
**New York, NY 10022**
(Name and Address of Agent for Service)

**Copies to:**

**George Silfen**
**Kramer Levin Naftalis & Frankel LLP**
**1177 Avenue of the Americas**
**New York, New York 10036**
**Telephone: (212) 715-9522**

**Approximate Date of Commencement of Proposed Public Offering:**
**As soon as practicable after the effective date of this Registration Statement.**

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, check the following box ☐

If any securities being registered on this Form will be offered on a delayed or continuous basis in reliance on Rule 415 under the Securities Act of 1933 ("Securities Act"), other than securities offered in connection with a dividend reinvestment plan, check the following box. ☒

If this Form is a registration statement pursuant to General Instruction A.2 or a post-effective amendment thereto, check the following box ☒

If this Form is a registration statement pursuant to General Instruction B or a post-effective amendment thereto that will become effective upon filing with the Commission pursuant to Rule 462(e) under the Securities Act, check the following box ☐

If this Form is a post-effective amendment to a registration statement filed pursuant to General Instruction B to register additional securities or additional classes of securities pursuant to Rule 413(b) under the Securities Act, check the following box ☐

It is proposed that this filing will become effective (check appropriate box):

☒ when declared effective pursuant to section 8(c) of the Securities Act

Check each box that appropriately characterizes the Registrant:

☐ Registered Closed-End Fund (closed-end company that is registered under the Investment Company Act of 1940 (the "Investment Company Act")).

☒ Business Development Company (closed-end company that intends or has elected to be regulated as a business development company under the Investment Company Act).

☐ Interval Fund (Registered Closed-End Fund or a Business Development Company that makes periodic repurchase offers under Rule 23c-3 under the Investment Company Act).

☒ A.2 Qualified (qualified to register securities pursuant to General Instruction A.2 of this Form).

☐ Well-Known Seasoned Issuer (as defined by Rule 405 under the Securities Act).

☐ Emerging Growth Company (as defined by Rule 12b-2 under the Securities and Exchange Act of 1934).

☐ 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 7(a)(2)(B) of the Securities Act.

☐ New Registrant (registered or regulated under the Investment Company Act for less than 12 calendar months preceding this filing).

**CALCULATION OF REGISTRATION FEE UNDER THE SECURITIES ACT OF 1933**

| Title of Securities Being Registered | Amount Being Registered | Proposed Maximum Offering Price per Unit | Proposed Maximum Aggregate Offering Price[1] | Amount of Registration Fee[1] |
|---|---|---|---|---|
| Common Stock, $0.01 par value per share[2][3] | | | | |
| Preferred Stock, $0.01 par value per share[2] | | | | |
| Subscription Rights[2] | | | | |
| Warrants[4] | | | | |
| Debt Securities[5] | | | | |
| Total | | | $ 200,000,000[6] | $ 21,820.00 |

(1) Estimated pursuant to Rule 457(o) under the Securities Act solely for purposes of calculating the registration fee. The proposed maximum offering price per security will be determined, from time to time, by the Registrant in connection with the sale by the Registrant of the securities registered under this registration statement.

(2) Subject to Note 6 below, there is being registered hereunder an indeterminate number of shares of common stock, preferred stock, or subscription rights to purchase our common stock as may be sold, from time to time.

(3) Includes such indeterminate number of shares of common stock as may, from time to time, be issued upon conversion or exchange of other securities registered hereunder, to the extent any such securities are, by their terms, convertible or exchangeable for common stock.

(4) Subject to Note 6 below, there is being registered hereunder an indeterminate number of warrants as may be sold, from time to time, representing rights to purchase our common stock, preferred stock or debt securities.

(5) Subject to Note 6 below, there is being registered hereunder an indeterminate principal amount of debt securities as may be sold, from time to time. If any debt securities are issued at an original issue discount, then the offering price shall be in such greater principal amount as shall result in an aggregate price to investors not to exceed $200,000,000.

(6) In no event will the aggregate offering price of all securities issued from time to time pursuant to this registration statement exceed $200,000,000.

**The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until this Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.**

**The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer and sale is not permitted.**

**PRELIMINARY PROSPECTUS**
**SUBJECT TO COMPLETION DATED [●], 2021**

# PHENIXFIN CORPORATION

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**$200,000,000**
**Common Stock**
**Preferred Stock**
**Warrants**
**Subscription Rights**
**Debt Securities**

PhenixFIN Corporation (f/k/a Medley Capital Corporation) ("PhenixFIN", the "Company," "we" and "us") is a non-diversified closed-end management investment company incorporated in Delaware that has elected to be regulated as a business development company ("BDC") under the Investment Company Act of 1940, as amended (the "1940 Act"). We completed our initial public offering ("IPO") and commenced operations on January 20, 2011. The Company's investment objective is to generate current income and capital appreciation. The management team seeks to achieve this objective primarily through making loans, private equity or other investments in privately-held companies. The Company may also make debt, equity or other investments in publicly-traded companies. (These investments may also include investments in other BDCs, closed-end funds or real estate investment trusts ("REITs").) We may also pursue other strategic opportunities and invest in other assets or operate other businesses to achieve our investment objective. The portfolio generally consists of senior secured first lien term loans, senior secured second lien term loans, senior secured bonds, preferred equity and common equity. Occasionally, we will receive warrants or other equity participation features which we believe will have the potential to increase total investment returns. Our loan and other debt investments are primarily rated below investment grade or are unrated. Investments in below investment grade securities are considered predominantly speculative with respect to the issuer's capacity to pay interest and repay principal when due.

On November 18, 2020, the board of directors of the Company approved the adoption of an internalized management structure, effective January 1, 2021. Since that date, the Company has been managed pursuant to an internalized management structure. Until close of business on December 31, 2020 we were externally managed and advised by MCC Advisors LLC, pursuant to an investment management agreement. MCC Advisors is a wholly owned subsidiary of Medley LLC, which is controlled by Medley Management Inc. (NYSE: MDLY), a publicly traded asset management firm, which in turn is controlled by Medley Group LLC, an entity wholly owned by the senior professionals of Medley LLC.

We may offer, from time to time, in one or more offerings, together or separately, up to $200,000,000 of our common stock, preferred stock, warrants representing rights to purchase shares of our common stock, preferred stock or debt securities, debt securities or subscription rights representing rights to purchase shares of our common stock, which we refer to, collectively, as the "securities." The securities may be offered at prices and on terms to be described in one or more supplements to this prospectus.

Our common stock is traded on the NASDAQ Global Market under the symbol "PFX". The last reported closing price for our common stock on August 2, 2021 was $41.00 per share. The net asset value ("NAV") of our common stock as of June 30, 2021 (the last date prior to the date of this prospectus as of which we determined NAV) was $58.49 per share. Our 6.125% unsecured notes that mature on March 30, 2023 (the "2023 Notes") are traded on the NASDAQ Global Market under the trading symbol "PFXNL." The last reported closing price for our common stock on August 2, 2021 was $25.45 per unit. The average market value per unit for the quarter ended June 30, 2021 was $25.32 per unit.

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This prospectus and any accompanying prospectus supplement contain important information you should know before investing in our securities. We will provide the specific terms of these offerings and securities in one or more supplements to this prospectus. We may also authorize one or more free writing prospectuses to be provided to you in connection with these offerings. The prospectus supplement and any related free writing prospectus may also add, update, or change information contained in this prospectus. You should carefully read and retain for future reference this prospectus, the applicable prospectus supplement, and any related free writing prospectus, and the documents incorporated by reference, before buying any of the securities being offered. We file annual, quarterly and current reports, proxy statements and other information about us with the Securities and Exchange Commission (the "SEC"), which we incorporate by reference herein. See "Incorporation by Reference." This information will be available by written or oral request and free of charge by contacting us at PhenixFIN Corporation, 445 Park Avenue, 10th Floor, New York NY 10022, Attention: Investor Relations, on our website at http://www.phenixfc.com, or by calling us at (212) 859-0390. Information contained on our website is not incorporated by reference into this prospectus, and you should not consider that information to be a part of this prospectus. The SEC also maintains a website at http://www.sec.gov that contains this information.

**Shares of closed-end investment companies that are listed on an exchange, including BDCs, frequently trade at a discount to their NAV per share. If our shares trade at a discount to our NAV (as our common stock currently does), it may increase the risk of loss for purchasers in this offering. Before buying any securities, you should read the discussion of the material risks of investing in our securities in "*Risk Factors*" beginning on page 10 of this prospectus.**

**Neither the SEC nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.**

**You should rely only on the information contained in this prospectus and any accompanying prospectus supplement. We have not authorized any dealer, salesman or other person to give any information or to make any representation other than those contained in this prospectus or any prospectus supplement to this prospectus. You must not rely upon any information or representation not contained in this prospectus or any such supplements as if we had authorized it. This prospectus and any such supplements do not constitute an offer to sell or a solicitation of any offer to buy any security other than the registered securities to which they relate, nor do they constitute an offer to sell or a solicitation of an offer to buy any securities in any jurisdiction to any person to whom it is unlawful to make such an offer or solicitation in such jurisdiction. The information contained in this prospectus and any such supplements is accurate as of the dates on their covers. Our business, financial condition, results of operations and prospects may have changed since then.**

The references in this prospectus to the SEC's website are not intended to and do not include or incorporate by reference into this prospectus the information on that website. Similarly, references to our website are not intended to and do not include or incorporate by reference into this prospectus the information on that website.

The date of this prospectus is [●], 2021.

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## ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement that we have filed with the SEC using the "shelf" registration process. Under the shelf registration process, which constitutes a delayed offering in reliance on Rule 415 under the Securities Act of 1933, as amended (the "Securities Act"), we may offer, from time to time, up to $200,000,000 of our common stock, preferred stock, warrants representing rights to purchase shares of our common stock, preferred stock or debt securities, debt securities or subscription rights representing rights to purchase shares of our common stock on the terms to be determined at the time of the offering. The securities may be offered at prices and on terms described in one or more supplements to this prospectus. We may sell our securities through underwriters or dealers, "at-the-market" to or through a market maker, into an existing trading market or otherwise directly to one or more purchasers or through agents or through a combination of methods of sale. The identities of such underwriters, dealers, market makers or agents, as the case may be, will be described in one or more supplements to this prospectus. This prospectus provides you with a general description of the securities that we may offer. Each time we use this prospectus to offer securities, we will provide a prospectus supplement that will contain specific information about the terms of that offering.

**We may also authorize one or more free writing prospectuses to be provided to you that may contain material information relating to the offerings. In a prospectus supplement or free writing prospectus, we may also add, update, or change any of the information contained in this prospectus or in the documents we incorporate by reference into this prospectus. This prospectus, together with the applicable prospectus supplement, any related free writing prospectus, and the documents incorporated by reference into this prospectus and the applicable prospectus supplement, will include all material information relating to the applicable offering. Before buying any of the securities being offered, you should carefully read both this prospectus and the applicable prospectus supplement and any related free writing prospectus, together with any exhibits and the additional information described in the sections titled "additional information," "incorporation by reference," "prospectus summary" and "risk factors" before making an investment decision.**

This prospectus includes summaries of certain provisions contained in some of the documents described in this prospectus, but reference is made to the actual documents for complete information. All of the summaries are qualified in their entirety by the actual documents. Copies of some of the documents referred to herein have been filed, will be filed, or will be incorporated by reference as exhibits to the registration statement of which this prospectus is a part, and you may obtain copies of those documents as described in the section titled "Additional Information."

## PROSPECTUS SUMMARY

*This summary highlights some of the information contained elsewhere in this prospectus. It is not complete and may not contain all of the information that you may want to consider before investing in our securities. You should read the more detailed information contained in this prospectus carefully, together with any applicable prospectus supplements or free writing prospectuses, especially the information set forth under "Risk Factors" below, "Item 1A. Risk Factors" in our most recent annual report on Form 10-K, "Part II — Item 1A. Risk Factors" in our most recent quarterly report on Form 10-Q, in our current reports on Form 8-K, as well as in any amendments to the foregoing reflected in subsequent SEC filings, and the information set forth under the caption "Additional Information" in this prospectus.*

*Except as otherwise indicated or where the context suggests otherwise, the terms:*

- *"we," "us," "our" and the "Company" refer to PhenixFIN Corporation, a Delaware corporation, and its consolidated subsidiaries;*
- *"Administrator" refers to US Bancorp Fund Services, LLC d/b/a U.S. Bank Global Fund Services in its capacity as our administrator under an administration agreement between us and our the Administrator;*

**PhenixFIN Corporation**

We are a non-diversified closed-end management investment company incorporated in Delaware that has elected to be regulated as a business development company ("BDC") under the Investment Company Act of 1940, as amended (the "1940 Act"). We completed our initial public offering ("IPO") and commenced operations on January 20, 2011. The Company has elected, and intends to qualify annually, to be treated, for U.S. federal income tax purposes, as a regulated investment company ("RIC") under Subchapter M of the Internal Revenue Code of 1986, as amended (the "Code").

On November 18, 2020, the board of directors of the Company approved the adoption of an internalized management structure, effective January 1, 2021. Since that date, the Company has been managed pursuant to an internalized management structure. Until close of business on December 31, 2020 we were externally managed and advised by MCC Advisors LLC MCC Advisors, pursuant to an investment management agreement. MCC Advisors is a wholly owned subsidiary of Medley LLC, which is controlled by Medley Management Inc. (NYSE: MDLY), a publicly traded asset management firm MDLY, which in turn is controlled by Medley Group LLC, an entity wholly owned by the senior professionals of Medley LLC.

**Investment Strategy**

The Company's investment objective is to generate current income and capital appreciation. The management team seeks to achieve this objective primarily through making loans, private equity or other investments in privately-held companies. The Company may also make debt, equity or other investments in publicly-traded companies. (These investments may also include investments in other BDCs, closed-end funds or REITs.) We may also pursue other strategic opportunities and invest in other assets or operate other businesses to achieve our investment objective. The portfolio generally consists of senior secured first lien term loans, senior secured second lien term loans, senior secured bonds, preferred equity and common equity. Occasionally, we will receive warrants or other equity participation features which we believe will have the potential to increase total investment returns. Our loan and other debt investments are primarily rated below investment grade or are unrated. Investments in below investment grade securities are considered predominantly speculative with respect to the issuer's capacity to pay interest and repay principal when due.

**Investment Portfolio**

As of June 30, 2021, our investment portfolio had an aggregate fair value of approximately $181.6 million and consisted of 42 portfolio companies. See "*Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" for additional information.

As of June 30, 2021, our portfolio was diversified across 15 different industries. The largest industries in our portfolio, based on fair value as of June 30, 2021, were Construction and Building, Business Services and Banking, Finance, Insurance and Real Estate, which represented 20.7%, 17.5%, and 11.7%, respectively, as a percentage of our portfolio at fair value. For the quarter ended June 30, 2021, investment income totaled $8.7 million, of which $8.6 million was attributable to portfolio interest and dividend income and $0.1 million was attributable to fee income. As of June 30, 2021, ten portfolio company investments in our portfolio with a fair value of $13.6 million were on non-accrual status.

Below are characteristics of the Company's investment portfolio as of June 30, 2021:

- *First Lien Senior Secured Loans*: Approximately 49.71% of the Company's total investment portfolio at fair value was invested in first lien debt;
- *Senior Secured Second Term Lien Loans.* Approximately 1.37% of the Company's total investment portfolio at fair value was invested in second lien debt;
- *Senior Secured Notes:* Approximately 2.05% of the Company's total investment portfolio at fair value was invested in senior secured notes; and
- *Unsecured Debt*: Approximately 1.16% of the Company's total investment portfolio at fair value was invested in unsecured debt; and
- *Equity/Warrants:* Approximately 45.71% of the Company's total investment portfolio at fair value was invested in equity or warrants.

As of June 30, 2021, we had cash and cash equivalents of $52.9 million. Total principal debt outstanding as of June 30, 2021 was $77.8 million.

**Corporate Structure**

Effective January 1, 2021 the Company is managed pursuant to an internalized management structure, by our management team led by David A. Lorber, Chief Executive Officer and Ellida McMillan, Chief Financial Officer, and includes investment and finance professionals with over 80 years of combined industry experience.

**Operating and Regulatory Structure**

We have elected to be regulated as a BDC under the 1940 Act. As with other companies regulated by the 1940 Act, a BDC must adhere to certain substantive regulatory requirements. The 1940 Act contains prohibitions and restrictions relating to transactions between BDCs and their affiliates (including any investment advisers or sub-advisers), principal underwriters and affiliates of those affiliates or underwriters. The 1940 Act also requires that a majority of the directors on the Board be persons other than "interested persons," as that term is defined in the 1940 Act. In addition, the 1940 Act provides that we may not change the nature of our business so as to cease to be, or to withdraw our election as, a BDC unless such change is approved by a majority of our outstanding voting securities.

As a BDC, we are generally prohibited from acquiring assets other than qualifying assets, unless, after giving effect to any acquisition, at least 70% of our total assets are qualifying assets. Qualifying assets generally include securities of eligible portfolio companies, cash, cash equivalents, U.S. government securities and high-quality debt instruments maturing in one year or less from the time of investment. Under the rules of the 1940 Act, "eligible portfolio companies" include (1) private U.S. operating companies, (2) public U.S. operating companies whose securities are not listed on a national securities exchange (e.g., the New York Stock Exchange and the Nasdaq Stock Market) or registered under the Exchange Act, and (3) public U.S. operating companies having a market capitalization of less than $250.0 million. Public U.S. operating companies whose securities are quoted on the over-the-counter bulletin board and through OTC Markets Group Inc. are not listed on a national securities exchange and therefore are eligible portfolio companies.

We also have elected to be treated, and intend to operate in a manner so as to qualify annually, as a RIC under Subchapter M of the Code. A BDC that has elected to be a RIC generally does not incur any U.S. federal income tax so long as the BDC continuously maintains its BDC election in accordance with the 1940 Act, at least 90% of the BDC's gross income each taxable year consists of certain types of qualifying investment income, the BDC satisfies certain asset diversification requirements at the close of each quarter of its taxable year, and the BDC distributes all of its taxable income (including net realized capital gains, if any) to its stockholders on a timely basis. See "*Material U.S. Federal Income Tax Considerations*."

**Distributions**

We intend to make quarterly distributions to our stockholders out of assets legally available for distribution (if available). Our distributions, if any, will be determined by our Board. We intend to timely distribute to our stockholders substantially all of our annual taxable income for each year, except that we may retain certain net capital gains for reinvestment and, depending upon the level of taxable income earned in a year, we may choose to defer distribution of taxable income for distribution in the following year and pay any applicable U.S. federal excise tax. The distributions we pay to our stockholders in a year may exceed our taxable income for that year and, accordingly, a portion of such distributions may constitute a return of capital for U.S. federal income tax purposes. The specific tax characteristics of our distributions will be reported to stockholders after the end of the calendar year. See "*Distributions*."

**Dividend Reinvestment Plan**

We have adopted a dividend reinvestment plan ("DRIP") for our stockholders, which is an "opt out" DRIP. Under this plan, if we declare a cash dividend or other distribution, our stockholders who have not elected to "opt out" of our DRIP will have their cash dividend or distribution automatically reinvested in additional shares of our common stock, rather than receiving the cash dividend or distribution. If a stockholder elects to "opt out," that stockholder will receive cash dividends and distributions. Stockholders who receive dividends or distributions in the form of shares of common stock generally are subject to the same U.S. federal, state and local tax consequences as stockholders who elect to receive their dividends or distributions in cash and, for this purpose, stockholders receiving dividends or distributions in the form of stock will generally be treated as receiving dividends or distributions equal to the fair market value of the stock received through the plan. However, since their cash dividends or distributions will be reinvested, those stockholders will not receive cash with which to pay any applicable taxes on reinvested dividends or distributions. See "*Dividend Reinvestment Plan*."

**Fees and Expenses**

As of January 1, 2021, we do not have an investment adviser and are internally managed by our executive officers under the supervision of the Board. As a result, we do not pay investment advisory fees, but instead we pay the operating costs associated with employing management professionals including, without limitation, compensation expenses related to salaries and bonuses.

*See "Fees and Expenses" and "Management"* below for more information.

**Use of Leverage**

We expect to continue to use leverage to make investments. As a result, we may continue to be exposed to the risks of leverage, which include that leverage may be considered a speculative investment technique. The use of leverage magnifies the potential for gain and loss on amounts invested and therefore increases the risks associated with investing in our securities.

As of June 30, 2021, the Company's asset coverage was 302.5% after giving effect to leverage and therefore the Company's asset coverage was greater than 200%, the minimum asset coverage requirement applicable presently to the Company under the 1940 Act.

The Company's outstanding debt as of June 30, 2021 was $77.8 million in principal amount outstanding, consisting of 6.125% Notes due 2023 ("2023 Notes"). The 2023 Notes bear interest at a rate of 6.125% per year, payable quarterly on March 30, June 30, September 30 and December 30 of each year, beginning June 30, 2013 and trade on the NASDAQ Global Market under the trading symbol "PFXNL."

For more information on our debt, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations — Financial Condition, Liquidity and Capital Resources*" from our most recent annual report filed on Form 10-K and our most recent quarterly report filed on Form 10-Q, as well as any amendments reflected in subsequent filings with the SEC, all incorporated by reference herein.

**COVID-19 Developments**

On March 11, 2020, the World Health Organization declared the novel coronavirus ("COVID-19") as a pandemic, and, on March 13, 2020, the United States declared a national emergency with respect to COVID-19. The outbreak of COVID-19 has severely impacted global economic activity and caused significant volatility and negative pressure in financial markets. The global impact of the outbreak has been rapidly evolving and many countries, including the United States, have reacted by instituting quarantines, restricting travel, and temporarily closing or limiting capacity at many corporate offices, retail stores, restaurants, fitness clubs and manufacturing facilities and factories in affected jurisdictions. Such actions are creating disruption in global supply chains and adversely impacting a number of industries. The outbreak has had and could continue to have an adverse impact on economic and market conditions and trigger a period of global economic slowdown.

We are closely monitoring the impact of the outbreak of COVID-19 on all aspects of our business, including how it will impact our portfolio companies, employees, due diligence and underwriting processes, and financial markets. Given the rapid development and fluidity of this situation, we cannot estimate the long-term impact of COVID-19 on our business, future results of operations, financial position or cash flows at this time. Further, the operational and financial performance of the portfolio companies in which we make investments may be significantly impacted by COVID-19, which may in turn impact the valuation of our investments. We believe our portfolio companies have taken immediate actions to effectively and efficiently respond to the challenges posed by COVID-19 and related orders imposed by state and local governments, including developing liquidity plans supported by internal cash reserves, shareholder support, and, as appropriate, accessing their ability to participate in the government Paycheck Protection Program. The Company's performance was negatively impacted during the pandemic. The longer-term impact of COVID-19 on the operations and the performance of the Company (including certain portfolio companies) is difficult to predict, but may also be adverse. The longer-term potential impact on such operations and performance could depend to a large extent on future developments and actions taken by authorities and other entities to contain COVID-19 and its economic impact. The impacts, as well as the uncertainty over impacts to come, of COVID-19 have adversely affected the performance of the Company (including certain portfolio companies) and may continue to do so in the future. Furthermore, the impacts of a potential worsening of global economic conditions and the continued disruptions to and volatility in the financial markets remain unknown. COVID-19 presents material uncertainty and risks with respect to the underlying value of the Company's portfolio companies, the Company's business, financial condition, results of operations and cash flows, such as the potential negative impact to financing arrangements, increased costs of operations, changes in law and/or regulation, and uncertainty regarding government and regulatory policy.

**Trading at a Discount**

Shares of closed-end investment companies, including BDCs, frequently trade at a discount to their NAV. The possibility that our shares may trade at a discount and even a significant discount to our NAV (which our common stock currently does) is separate and distinct from the risk that our NAV per share may decline. This risk may have a greater effect on investors expecting to sell their shares soon after completion of an offering, and our shares may be more appropriate for long-term investors than for investors with shorter investment horizons. We cannot predict whether our shares will trade above, at or below NAV. See "*Risk Factors — Risks Relating to an Investment of our Securities — Shares of closed-end investment companies, including business development companies, may, at times, trade at a discount to their NAV*" from our most recent annual report filed on Form 10-K, Item 1A "*Risk Factors*" from our most recent quarterly report filed on Form 10-Q, our current reports filed on Form 8-K, as applicable, as well as any amendments related to the foregoing reflected in subsequent filings with the SEC, all incorporated by reference herein.

**Summary Risk Factors**

- We currently are operating in a period of capital markets disruption, significant volatility and economic uncertainty.
- Price declines and illiquidity in the corporate debt markets, as well as macro market events affecting us or our portfolio companies, may adversely affect the fair value of our portfolio investments, reducing our NAV through increased net unrealized depreciation.
- We may be unable to meet our investment objective or investment strategy.
- We depend upon key personnel.
- We may need to raise additional capital and existing stockholders may be diluted by any such capital raise.
- We operate in a highly competitive market for investment opportunities, which could reduce returns and result in losses.
- Our Board may change our investment objective, operating policies and strategies without prior notice or stockholder approval.

- Our Administrator can resign on 120 days' notice, and we may not be able to find a suitable replacement within that time, resulting in a disruption in our operations that could adversely affect our financial condition, business and results of operations.
- We are subject to regulations and SEC oversight, including limits on issuance of debt. If we or they fail to comply with applicable requirements, it may adversely impact our results relative to companies that are not subject to such regulations.
- The lack of liquidity in our investments may adversely affect our business.
- We may invest in high yield debt, or junk bonds, which has greater credit and liquidity risk than more highly rated debt obligations.
- Our portfolio companies may default or may need to restructure their obligations.
- Our investments may be concentrated in a limited number of portfolio companies and industries.
- We will be subject to corporate-level income tax if we are unable to qualify as a RIC or do not distribute all of our taxable income.
- Investing in our common stock involves an above average degree of risk.
- Events outside of our control, including public health crises, could negatively affect our portfolio companies and our results of our operations
- Political, social and economic uncertainty, including uncertainty related to the COVID-19 pandemic, creates and exacerbates risks.
- We will be exposed to risks associated with changes in interest rates.
- Because we use debt to finance our investments, changes in interest rates will affect our cost of capital and net investment income.
- Our investments in private middle-market portfolio companies may be risky, and you could lose all or part of your investment.
- Changes relating to the LIBOR calculation process may adversely affect the value of the LIBOR-indexed, floating-rate debt securities in our portfolio.
- A failure of cybersecurity systems, as well as the occurrence of events unanticipated in our disaster recovery systems and management continuity planning could impair our ability to conduct business effectively.
- See "Item 1A. *Risk Factors*" from our most recent annual report filed on Form 10-K, "*Part II — Item 1A. Risk Factors*" from our most recent quarterly report on Form 10-Q, our current reports filed on Form 8-K, as applicable, as well as any amendments related to the foregoing reflected in subsequent filings with the SEC, all incorporated by reference herein, and information included elsewhere in this prospectus, for a description of these and other risks and uncertainties.

**Custodian, transfer agent and dividend disbursing agent**

U.S. Bank National Association ("U.S. Bank") serves as our custodian. American Stock and Transfer Company serves as our transfer agent and dividend disbursing agent. See "*Custodian and Transfer and Dividend Disbursing Agent*."

**Company Information**

Our principal executive offices are located at 445 Park Avenue, 10th Floor, New York, NY 10022, and our telephone number is (212) 859-0390.

We have filed with the SEC a registration statement on Form N-2 under the Securities Act of which this prospectus is a part, which contains additional information about us and the shares of our common stock being offered by this prospectus. We file annual, quarterly and current reports, proxy statements and other information meeting the information requirements of the Exchange Act with the SEC. This information is available on the SEC's website at http://www.sec.gov.

We maintain a website at http://www.phenixfc.com and make all of our periodic and current reports, proxy statements and certain other information available, free of charge, on or through our website. The information on our website is not incorporated by reference in this prospectus. You may also obtain such information by contacting us, in writing at: PhenixFIN Corporation, 445 Park Avenue, 10th Floor, New York, NY 10022, Attention: Investor Relations, and by telephone at (212) 859-0390.

## FEES AND EXPENSES

The following table is intended to assist you in understanding the fees and expenses that an investor in this offering will bear directly or indirectly. We caution you that some of the percentages indicated in the table below are estimates and may vary. The expenses shown in the table under "annual expenses" are based on estimated amounts for our current fiscal year. The following table should not be considered a representation of our future expenses. Actual expenses may be greater or less than shown. Except where the context suggests otherwise, whenever this prospectus contains a reference to fees or expenses paid by "us", "the Company" or that "we" will pay fees or expenses, our stockholders will indirectly bear such fees or expenses as our investors.

| | |
|---|---|
| **Stockholder transaction expenses (as a percentage of offering price):** | |
| Sales load | —(1) |
| Offering expenses | —(2) |
| Dividend reinvestment plan expenses | None(3) |
| Total stockholder transaction expenses | —% |
| **Annual expenses (as a percentage of net assets attributable to common stock):(4)** | |
| Operating expenses | 4.37%(5) |
| Interest payments on borrowed funds | 2.46%(6) |
| Other expenses | —% |
| Acquired fund fees and expenses | —%(7) |
| **Total annual expenses** | 6.82% |

(1) In the event that the securities to which this prospectus relates are sold to or through underwriters or agents, a corresponding prospectus supplement will disclose the applicable sales load.

(2) The related prospectus supplement will disclose the amount of offering expenses, the offering price and the offering expenses borne by us as a percentage of the offering price that will supersede the information included herein.

(3) The expenses of the DRIP are included in "other expenses" in the table below. For additional information, see "*Dividend Reinvestment Plan*."

(4) Net assets attributable to common shares equals net assets as of June 30, 2021.

(5) Operating expenses represent the estimated annual operating expenses of the Company and its consolidated subsidiaries based on annualized operating expenses estimated for the current fiscal year, which considers the actual expenses for the quarter ended June 30, 2021. We do not have an investment adviser and are internally managed by our executive officers under the supervision of the Board. As a result, we do not pay investment advisory fees, but instead we pay the operating costs associated with employing management professionals including, without limitation, compensation expenses related to salaries and bonuses.

(6) Interest payments on borrowed funds represents an estimate of our annualized interest expense based on our total borrowings as of June 30, 2021. At June 30, 2021, the weighted average effective interest rate for total outstanding debt was 7.2%. We may borrow additional funds from time to time to make investments to the extent we determine that the economic situation is conducive to doing so. We may also issue preferred stock, subject to our compliance with applicable requirements under the 1940 Act. See "*Description of Capital Stock — Capital Stock — Preferred Stock*."

(7) Our stockholders indirectly bear the expenses of underlying funds or other investment vehicles in which we may invest.

**Example**

The following example demonstrates the projected dollar amount of total cumulative expenses over various periods with respect to a hypothetical investment in our common stock. In calculating the following expense amounts, we have assumed we would have no additional leverage and that our annual operating expenses would remain at the levels set forth in the table above. The stockholder transaction expenses described above are included in the following example.

| | 1 year | 3 years | 5 years | 10 years |
|---|---|---|---|---|
| You would pay the following expenses on a $1,000 investment, assuming a 5% annual return from realized capital gains | $ 68 | $ 199 | $ 326 | $ 625 |

The foregoing table is to assist you in understanding the various costs and expenses that an investor in our common stock will bear directly or indirectly. While the example assumes, as required by the SEC, a 5% annual return, our performance will vary and may result in a return greater or less than 5%. In addition, while the example assumes reinvestment of all dividends and distributions at net asset value, if our Board authorizes and we declare a cash dividend, participants in our distribution reinvestment plan who have not otherwise elected to receive cash will receive a number of shares of our common stock, determined by dividing the total dollar amount of the dividend payable to a participant by the market price per share of our common stock at the close of trading on the valuation date for the dividend. See "*Distribution Reinvestment Plan*" for additional information regarding our distribution reinvestment plan.

This example and the expenses in the table above should not be considered a representation of our future expenses, and actual expenses (including the cost of debt, if any, and other expenses) may be greater or less than those shown.

## RISK FACTORS

Investing in our securities involves certain risks. There can be no assurance that our investment objectives will be achieved or that an investor will receive a return of its capital. You should carefully consider these risks and uncertainties in the section titled "*Risk Factors*" in the applicable prospectus supplement and any related free writing prospectus, and the risk factors discussed in our most recent annual report on Form 10-K, our most recent quarterly report filed on Form 10-Q, our current reports filed on Form 8-K, as applicable, as well as any amendments related to the foregoing reflected in subsequent filings with the SEC, all incorporated by reference herein, together with all of the other information contained or incorporated by reference into this prospectus, including our consolidated financial statements and the related notes thereto, before you decide whether to make an investment in our securities. If any of these risks occur, our business, financial condition and results of operations could be materially adversely affected. In such case, our NAV and the price per share of our common stock could decline or the value of our preferred stock, warrants, subscription rights, debt securities or units may decline, and you may lose all or part of your investment. Additional risks and uncertainties not presently known to us or not presently deemed material by us may also impair our operations and performance.

## FORWARD-LOOKING STATEMENTS

This prospectus, including the documents we incorporate by reference herein, contains, and any applicable prospectus supplement or free writing prospectus, including the documents we incorporate by reference therein, contain forward-looking statements that involve substantial risks and uncertainties. You can identify these statements by the use of forward-looking terminology such as "may," "will," "should," "expect," "anticipate," "project," "estimate," "intend," "continue" or "believe" or the negatives thereof or other variations thereon or comparable terminology. You should read statements that contain these words carefully because they discuss our plans, strategies, prospects and expectations concerning our business, operating results, financial condition and other similar matters. We believe that it is important to communicate our future expectations to our investors. Our forward-looking statements include information in this prospectus, and any applicable prospectus supplement or free writing prospectus, regarding general domestic and global economic conditions, our future financing plans, our ability to operate as a BDC and the expected performance of, and the yield on, our portfolio companies. In particular, there are forward-looking statements under "*Prospectus Summary — PhenixFIN Corporation*," "*Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations.*" There may be events in the future, however, that we are not able to predict accurately or control. The factors listed under "*Risk Factors*," as well as any cautionary language in this prospectus, 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. Before you invest in our securities, you should be aware that the occurrence of the events described in these risk factors and elsewhere in this prospectus 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:

- our future operating results;
- our business prospects and the prospects of our portfolio companies including as to the impact of COVID-19 on our portfolio companies;
- changes in political, economic or industry conditions, the interest rate environment or conditions affecting the financial and capital markets, including changes from the impact of the COVID-19 pandemic;
- our ability to locate suitable investments for us and to monitor and administer our investments;
- our ability to attract and retain highly talented professionals;
- risk associated with possible disruptions in our operations or the economy generally;
- the timing of cash flows, if any, from the operations of our portfolio companies;
- the ability of our portfolio companies to achieve their objectives, including as a result of the COVID-19 pandemic;
- changes in laws, policies or regulations (including the interpretation thereof) affecting our operations or the operations of our portfolio companies;
- the valuation of our investments in portfolio companies, particularly those having no liquid trading market;
- our ability to recover unrealized losses;
- market conditions and our ability to access alternative debt markets and additional debt and equity capital;
- competition with other entities for investment opportunities;

- the dependence of our future success on the general economy and its effect on the industries in which we invest;
- our ability to maintain our qualification as a BDC and as a RIC;
- the use of borrowed money to finance a portion of our investments and how much money we may borrow;
- the adequacy of our financing sources and working capital;
- the speculative and illiquid nature of our investments;
- our ability to make distributions;
- general price and volume fluctuations in the stock market;
- the costs associated with being a publicly traded company;
- the impact of future acquisitions and divestitures;
- our contractual arrangements and relationships with third parties; and
- the risks, uncertainties and other factors we identify under "*Risk Factors*" and elsewhere in this prospectus.

Any forward-looking statement made by us in this prospectus speaks only as of the date on which we make it. Factors or events that could cause our actual results to differ may emerge from time to time, and it is not possible for us to predict all of them. We undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. You are advised to consult any additional disclosures that we may make directly to you or through reports that we have filed or in the future may file with the SEC, including our annual reports on Form 10-K, registration statements on Form N-2, quarterly reports on Form 10-Q, current reports on Form 8-K and definitive proxy statements on Schedule 14A. Under Sections 27A(b)(2)(B) of the Securities Act and Section 21E(b)(2)(B) of the Exchange Act, the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995 do not apply to statements made in connection with any offering of securities pursuant to this prospectus or in the periodic reports we file under the Exchange Act.

## USE OF PROCEEDS

Unless otherwise specified in a prospectus supplement or a free writing prospectus we have authorized for use in connection with a specific offering, we intend to use the net proceeds from the sale of our securities pursuant to this prospectus for general corporate or strategic purposes, such as repaying outstanding indebtedness and making investments in portfolio companies, in accordance with our investment objective and strategies.

We anticipate that we will use substantially all of the net proceeds of an offering of securities for the above purposes within approximately six months after the completion of this offering, though this may depend on the availability of appropriate investment opportunities consistent with our investment objective and market conditions.

The supplement to this prospectus relating to an offering will more fully identify the use of the proceeds from such offering.

## DISTRIBUTIONS

We have elected to be treated, and intend to operate in a manner so as to qualify annually, as a RIC under Subchapter M of the Code. To maintain our RIC tax status, we must, among other requirements, distribute the sum of our (i) investment company taxable income (which is generally our net ordinary income plus the excess of realized net short-term capital gains over realized net long-term capital losses) determined without regard to the deduction for dividends paid and (ii) net tax exempt interest income (which is the excess of our gross tax exempt interest income over certain disallowed deductions). If we qualify as a RIC, we (but not our stockholders) generally will not be subject to U.S. federal income tax on investment company taxable income and net capital gains that we distribute to our stockholders. We intend to distribute annually all or substantially all of such income and gains, but we may also elect to periodically spill over certain excess undistributed taxable income from one tax year to the next tax year. To the extent that we retain our net capital gains or any investment company taxable income, we will be subject to U.S. federal income tax. We may choose to retain our net capital gains or any investment company taxable income, and pay the associated federal corporate income tax, including the U.S. federal excise tax described below.

Amounts not distributed on a timely basis in accordance with a calendar year distribution requirement are subject to a nondeductible 4% U.S. federal excise tax payable by us. To avoid this tax, we must distribute (or be deemed to have distributed) during each calendar year an amount equal to the sum of:

- 98% of our net ordinary income (not taking into account any capital gains or losses) recognized during a calendar year;
- at least 98.2% of the amount by which our capital gains exceed our capital losses (adjusted for certain ordinary losses) for a one-year period ending on October 31st of the calendar year; and
- income realized, but not distributed, in preceding years and on which we did not pay federal income tax.

While we intend to distribute any income and capital gains in the manner necessary to minimize imposition of the 4% U.S. federal excise tax, sufficient amounts of our taxable income and capital gains may not be distributed to avoid entirely the imposition of the tax. In that event, we will be liable for the tax only on the amount by which we do not meet the foregoing distribution requirement.

We intend to pay quarterly dividends to our stockholders out of assets legally available for distribution. We cannot assure you that we will achieve investment results that will allow us to pay a specified level of dividends or year-to-year increases in dividends. In addition, the inability to satisfy the asset coverage test applicable to us as a BDC could limit our ability to pay dividends. All dividends will be paid at the discretion of our board of directors and will depend on our earnings, our financial condition, maintenance of our RIC tax status, compliance with applicable BDC regulations and such other factors as our board of directors may deem relevant from time to time. We cannot assure you that we will pay dividends to our stockholders in the future.

To the extent our taxable earnings fall below the total amount of our distributions for a taxable year, a portion of those distributions may be deemed a return of capital to our stockholders for U.S. federal income tax purposes. Stockholders should read any written disclosure accompanying a distribution carefully and should not assume that the source of any distribution is our ordinary income or gains.

We have adopted an “opt out” dividend reinvestment plan for our common stockholders. As a result, if we declare a cash dividend or other distribution, each stockholder that has not “opted out” of our dividend reinvestment plan will have their dividends or other distributions automatically reinvested in additional shares of our common stock rather than receiving cash dividends or distributions. Stockholders who receive dividends or distributions in the form of shares of common stock will be subject to the same federal, state and local tax consequences as if they received cash dividends or distributions.

There were no dividend distributions during the nine months ended June 30, 2021.

The federal income tax characterization of distributions declared and paid for the taxable year will be determined at taxable year-end based upon the amount of distributions paid and the sources and amounts of income and realized gains and our earnings and profits as determined for federal income tax purposes for the full taxable year.

## PRICE RANGE OF COMMON STOCK

Shares of common stock of the Company began trading on the NASDAQ Global Market under the symbol "PFX" on January 4, 2021. Prior to such date, shares of common stock of the Company traded on the New York Stock Exchange under the symbol "MCC." The following table sets forth, for each fiscal quarter since October 1, 2018, the net asset value per share of our common stock, the high and low closing market price for our common stock, such closing market price as a premium or discount to our net asset value per share and quarterly distributions per share.

| | Closing Market Price | | | Premium (Discount) of High Market Price to NAV[2] | (Discount) of Low Market Price to NAV[2] |
|---|---|---|---|---|---|
| | NAV[1] | High | Low | | |
| **Fiscal year ending September 30, 2021** | | | | | |
| Third Quarter | $ 58.49 | $ 42.76 | $ 32.80 | 73.11% | 56.08% |
| Second Quarter | $ 55.91 | $ 33.99 | $ 27.71 | 60.79% | 49.56% |
| First Quarter | $ 52.94 | $ 29.88 | $ 18.14 | 56.44% | 34.27% |
| **Fiscal year ending September 30, 2020** | | | | | |
| Fourth Quarter | $ 55.30 | $ 18.19 | $ 12.40 | 32.89% | 22.42% |
| Third Quarter | 54.83 | 18.70 | 9.00 | 34.11% | 16.41% |
| Second Quarter | 52.00 | 45.00 | 7.00 | 86.54% | 13.46% |
| First Quarter | 81.00 | 52.60 | 38.60 | 64.94% | 47.65% |
| **Fiscal year ending September 30, 2019** | | | | | |
| Fourth Quarter | $ 79.46 | $ 56.20 | $ 44.80 | 70.73% | 56.38% |
| Third Quarter | 91.00 | 69.00 | 44.00 | 75.82% | 48.35% |
| Second Quarter | 102.20 | 72.00 | 52.40 | 70.45% | 51.27% |
| First Quarter | 112.20 | 79.00 | 53.20 | 70.41% | 47.42% |

(1) Net asset value per share is determined as of the last day in the relevant quarter and therefore may not reflect the net asset value per share on the date of the high and low market prices. The net asset value per share shown is based on outstanding shares at the end of the period.

(2) Calculated as of the respective high or low closing market price divided by the quarter end net asset value.

For all periods presented in the table above, there was no return of capital included in any distribution.

**Shares of business development companies may trade at a market price that is less than the value of the net assets attributable to those shares. The possibility that our shares of common stock will trade at a discount or premium to net asset value is separate and distinct from the risk that our net asset value will decrease.**

The last reported closing price of our common stock on August 2, 2021 was $41.00 per share. As of August 2, 2021 we had 12 stockholders of record of our common stock.

## SALES OF COMMON STOCK BELOW NET ASSET VALUE

Our stockholders have in the past and may again approve our ability to sell shares of our common stock below our then current NAV per share in one or more public offerings of our common stock.

In making a determination that an offering below NAV per share is in our and our stockholders' best interests, our Board, including a majority of our Independent Directors, may consider a variety of factors, including:

- The effect that an offering below NAV per share would have on our stockholders, including the potential dilution they would experience as a result of the offering;
- The amount per share by which the offering price per share and the net proceeds per share are less than the most recently determined NAV per share;
- The relationship of recent market prices of our common stock to NAV per share and the potential impact of the offering on the market price per share of our common stock;
- Whether the estimated offering price would closely approximate the market value of our shares, less distributing commissions or discounts, and would not be below current market price;
- The potential market impact of being able to raise capital in the current financial market;
- The nature of any new investors anticipated to acquire shares in the offering;
- The anticipated rate of return on and quality, type and availability of investments;
- The leverage available to us, both before and after the offering and other borrowing terms; and
- The potential investment opportunities available relative to the potential dilutive effect of additional capital at the time of the offering.

Sales by us of our common stock at a discount from NAV pose potential risks for our existing stockholders whether or not they participate in the offering, as well as for new investors who participate in the offering.

The following three headings and accompanying tables explain and provide hypothetical examples assuming proceeds are temporarily invested in cash equivalents on the impact of an offering at a price less than NAV per share on three different sets of investors:

- existing stockholders who do not purchase any shares in the offering;
- existing stockholders who purchase a relatively small amount of shares in the offering or a relatively large amount of shares in the offering; and
- new investors who become stockholders by purchasing shares in the offering.

***Impact on Existing Stockholders who do not Participate in the Offering***

Our existing stockholders who do not participate, or who are not given the opportunity to participate, in an offering below NAV per share or who do not buy additional shares in the secondary market at the same or lower price we obtain in the offering (after any underwriting discounts and commissions) face the greatest potential risks. All stockholders will experience an immediate decrease (often called dilution) in the NAV of the shares they hold. Stockholders who do not participate in the offering will also experience a disproportionately greater decrease in their participation in our earnings and assets and their voting power than stockholders who do participate in the offering. All stockholders may also experience a decline in the market price of their shares, which often reflects, to some degree, announced or potential increases and decreases in NAV per share. This decrease could be more pronounced as the size of the offering and level of discounts increase.

The following examples illustrate the level of NAV dilution that would be experienced by a nonparticipating stockholder in three different hypothetical common stock offerings of different sizes and levels of discount from NAV per share, although it is not possible to predict the level of market price decline that may occur. Actual sales prices and discounts may differ from the presentation below.

The examples assume that Company XYZ has 25,000,000 common shares outstanding, $600,000,000 in total assets and $300,000,000 in total liabilities. The current net asset value and net asset value per share are thus $300,000,000 and $12.00. The table illustrates the dilutive effect on nonparticipating Stockholder A of (1) an offering of 2,500,000 shares (10% of the outstanding shares) at $10.80 per share after offering expenses and commissions (a 10% discount from net asset value), (2) an offering of 6,250,000 shares (25% of the outstanding shares) at $10.20 per share after offering expenses and commissions (a 15% discount from net asset value) and (3) an offering of 6,250,000 shares (25% of the outstanding shares) at $0.00 per share after offering expenses and commissions (a 100% discount from net asset value).

| | Prior to Sale | Example 1 – 10% Offering at 10% Discount[1] | | Example 2 – 25% Offering at 15% Discount[1] | | Example 3 – 25% Offering at 100% Discount[1] | |
|---|---|---|---|---|---|---|---|
| | Below NAV Per Share | Following Sale | Percent Change | Following Sale | Percent Change | Following Sale | Percent Change |
| **Offering Price** | | | | | | | |
| Price per Share to Public | — | $ 11.37 | — | $ 10.74 | — | $ — | — |
| Net Proceeds per Share to Issuer | — | $ 10.80 | — | $ 10.20 | — | $ — | — |
| ***Increase in Shares and Decrease to NAV Per Share*** | | | | | | | |
| Total Shares Outstanding | 25,000,000 | 27,500,000 | 10.00% | 31,250,000 | 25.00% | 31,250,000 | 25.00% |
| NAV per Share | $ 12.00 | $ 11.89 | -0.92% | $ 11.64 | -3.00% | $ 9.60 | -20.00% |
| ***Dilution to Nonparticipating Stockholder A*** | | | | | | | |
| **Share Dilution** | | | | | | | |
| Shares Held by Stockholder A | 250,000 | 250,000 | — | 250,000 | — | 250,000 | — |
| Percentage of Shares Held by Stockholder A | 1.00% | 0.91% | -9.09% | 0.80% | -20.00% | 0.80% | -20.00% |
| **NAV Dilution** | | | | | | | |
| Total NAV Held by Stockholder A | $ 3,000,000 | $ 2,972,500 | -0.92% | $ 2,910,000 | -3.00% | $ 2,400,000 | -20.00% |
| Total Investment by Stockholder A (Assumed to be $12.00 per Share) | $ 3,000,000 | $ 3,000,000 | — | $ 3,000,000 | — | $ 3,000,000 | — |
| Total Dilution to Stockholder A (Change in Total NAV Held by Stockholder) | — | $ -27,500 | — | $ -90,000 | — | $ -600,000 | — |
| **NAV Dilution Per Share** | | | | | | | |
| NAV per Share Held by Stockholder A | — | $ 11.89 | — | $ 11.64 | — | $ 9.60 | — |
| Investment per Share Held by Stockholder A | $ 12.00 | $ 12.00 | — | $ 12.00 | — | $ 12.00 | — |
| NAV Dilution per Share Experienced by Stockholder A (NAV per Share Less Investment per Share) | — | $ -0.11 | — | $ -0.36 | — | $ -2.40 | — |
| Percentage NAV Dilution Experienced by Stockholder A (NAV Dilution per Share Divided by Investment per Share) | — | — | -0.92% | — | -3.00% | — | -20.00% |

(1) Assumes a 5% selling compensation and expenses paid by us.

***Impact on Existing Stockholders who Participate in the Offering***

Our existing stockholders who participate in an offering below NAV per share or who buy additional shares in the secondary market at the same or lower price as we obtain in the offering (after any underwriting discounts and commissions) will experience the same types of NAV dilution as the nonparticipating stockholders, albeit at a lower level, to the extent they purchase less than the same percentage of the offering below NAV as their interest in our shares immediately prior to the offering. The level of NAV dilution on an aggregate basis will decrease as the number of shares such stockholders purchase increases. Existing stockholders who buy more than such percentage will experience NAV dilution but will, in contrast to existing stockholders who purchase less than their proportionate share of the offering, experience an increase (often called accretion) in NAV per share over their investment per share and will also experience a disproportionately greater increase in their participation in our earnings and assets and their voting power than our increase in assets, potential earning power and voting interests due to the offering. The level of accretion will increase as the excess number of shares such stockholder purchases increases. Even a stockholder who over-participates will, however, be subject to the risk that we may make additional offerings below NAV in which such stockholder does not participate, in which case such a stockholder will experience NAV dilution as described above in such subsequent offerings. These stockholders may also experience a decline in the market price of their shares, which often reflects to some degree announced or potential increases and decreases in NAV per share. This decrease could be more pronounced as the size of the offering and level of discount to NAV increases.

The following chart illustrates the level of dilution and accretion in the hypothetical 25% offering at a 15% discount from the prior chart (Example 2) for a stockholder that acquires shares equal to (1) 50% of its proportionate share of the offering (i.e., 31,250 shares, which is 0.5% of an offering of 6,250,000 shares rather than its 1.0% proportionate share) and (2) 150% of such percentage (i.e., 93,750 shares, which is 1.5% of an offering of 6,250,000 shares rather than its 1.0% proportionate share). It is not possible to predict the level of market price decline that may occur.

| | Prior to Sale | 50% Participation | | 150% Participation | |
|---|---|---|---|---|---|
| | Below NAV Per Share | Following Sale | Percent Change | Following Sale | Percent Change |
| ***Offering Price*** | | | | | |
| Price per Share to Public | — | $ 10.74 | — | $ 10.74 | — |
| Net Proceeds per Share to Issuer | — | $ 10.20 | — | $ 10.20 | — |
| ***Increase in Shares and Decrease to NAV Per Share*** | | | | | |
| Total Shares Outstanding | 25,000,000 | 31,250,000 | 25.00% | 31,250,000 | 25.00% |
| NAV per Share | $ 12.00 | $ 11.64 | -3.00% | $ 11.64 | -3.00% |
| ***Dilution/Accretion to Participating Stockholder A*** | | | | | |
| **Share Dilution/Accretion** | | | | | |
| Shares Held by Stockholder A | 250,000 | 281,250 | — | 343,750 | — |
| Percentage of Shares Held by Stockholder A | 1.00% | 0.90% | — | 1.10% | — |
| **NAV Dilution/Accretion** | | | | | |
| Total NAV Held by Stockholder A | $ 3,000,000 | $ 3,273,750 | 9.13% | $ 4,001,250 | 33.38% |
| Total Investment by Stockholder A (Assumed to be $12.00 per Share on Shares Held Prior to Sale) | $ 3,000,000 | $ 3,335,526 | — | $ 4,006,579 | — |
| Total Dilution/Accretion to Stockholder A (Total NAV Less Total Investment) | — | $ -61,776 | — | $ -5,329 | — |
| **NAV Dilution/Accretion per Share** | | | | | |
| NAV per Share Held by Stockholder A | — | $ 11.64 | — | $ 11.64 | — |
| Investment per Share Held by Stockholder A (Assumed to be $12.00 per Share on Shares Held Prior to Sale) | $ 12.00 | $ 11.86 | -1.17% | $ 11.66 | -2.83% |
| NAV Dilution/Accretion per Share Experienced by Stockholder A (NAV per Share Less Investment per Share) | — | $ -0.22 | — | $ -0.02 | — |
| Percentage NAV Dilution/Accretion Experienced by Stockholder A (NAV Dilution/Accretion per Share Divided by Investment per Share) | — | — | -1.83% | — | -0.17% |

***Impact on New Investors***

Investors who are not currently stockholders, but who participate in an offering below NAV and whose investment per share is greater than the resulting NAV per share due to any underwriting discounts and commissions paid by us will experience an immediate decrease, albeit small, in the NAV of their shares and their NAV per share compared to the price they pay for their shares. Investors who are not currently stockholders and who participate in an offering below NAV per share and whose investment per share is also less than the resulting NAV per share due to any underwriting discounts and commissions paid by us being significantly less than the discount per share, will experience an immediate increase in the NAV of their shares and their NAV per share compared to the price they pay for their shares. All these investors will experience a disproportionately greater participation in our earnings and assets and their voting power than our increase in assets, potential earning power and voting interests. These investors will, however, be subject to the risk that we may make additional offerings below NAV in which such new stockholder does not participate, in which case such new stockholder will experience dilution as described above in such subsequent offerings. These investors may also experience a decline in the market price of their shares, which often reflects to some degree announced or potential increases and decreases in NAV per share. Their decrease could be more pronounced as the size of the offering and level of discounts increases.

The following chart illustrates the level of dilution or accretion for new investors that would be experienced by a new investor in the same hypothetical discounted offerings as described in the first chart above. The illustration is for a new investor who purchases the same percentage (1.00%) of the shares in the offering as Stockholder A in the prior examples held immediately prior to the offering. The prospectus supplement pursuant to which any discounted offering is made will include a chart for these examples based on the actual number of shares in such offering and the actual discount from the most recently determined net asset value per share.

| | Prior to Sale Below NAV Per Share | Example 1 – 10% Offering at 10% Discount[1] | | Example 2 – 25% Offering at 15% Discount[1] | | Example 3 – 25% Offering at 100% Discount[1] | |
|---|---|---|---|---|---|---|---|
| | | Following Sale | Percent Change | Following Sale | Percent Change | Following Sale | Percent Change |
| **Offering Price** | | | | | | | |
| Price per Share to Public | — | $ 11.37 | — | $ 10.74 | — | $ — | — |
| Net Proceeds per Share to Issuer | — | $ 10.80 | — | $ 10.20 | — | $ — | — |
| ***Increase in Shares and Decrease to NAV Per Share*** | | | | | | | |
| Total Shares Outstanding | 25,000,000 | 27,500,000 | 10.00% | 31,250,000 | 25.00% | 31,250,000 | 25.00% |
| NAV per Share | $ 12.00 | $ 11.89 | -0.92% | $ 11.64 | -3.00% | $ 9.60 | -20.00% |
| ***Accretion to Participating Investor A*** | | | | | | | |
| **Share Accretion** | | | | | | | |
| Shares Held by Investor A | — | 25,000 | — | 62,500 | — | 62,500 | — |
| Percentage of Shares Held by Investor A | — | 0.09% | — | 0.20% | — | 0.20% | — |
| **NAV Accretion** | | | | | | | |
| Total NAV Held by Investor A | — | $ 297,250 | — | $ 727,500 | — | $ 600,000 | — |
| Total Investment by Investor A (At Price to Public) | — | $ 284,211 | — | $ 671,053 | — | $ — | — |
| Total Accretion to Investor A (Total NAV Less Total Investment) | — | $ 13,039 | — | $ 56,447 | — | $ 600,000 | — |
| **NAV Accretion Per Share** | | | | | | | |
| NAV per Share Held by Investor A | — | $ 11.89 | — | $ 11.64 | — | $ 9.60 | — |
| Investment per Share Held by Investor A | — | $ 11.37 | — | $ 10.74 | — | $ — | — |
| NAV Accretion per Share Experienced by Investor A (NAV per Share Less Investment per Share) | — | $ 0.52 | — | $ 0.90 | — | $ 9.60 | — |
| Percentage NAV Accretion Experienced by Investor A (NAV Accretion per Share Divided by Investment per Share) | — | — | 4.57% | — | 8.4% | — | — |

## PLAN OF DISTRIBUTION

We may sell the securities in any of three ways (or in any combination): (a) through underwriters or dealers; (b) directly to a limited number of purchasers or to a single purchaser; or (c) through agents. The securities may also be sold “at-the-market” to or through a market maker or into an existing trading market for the securities, on an exchange or otherwise. The prospectus supplement will set forth the terms of the offering of such securities, including:

- the name or names of any underwriters, dealers or agents and the amounts of securities underwritten or purchased by each of them;
- the offering price of the securities and the proceeds to us and any discounts, commissions or concessions allowed or reallowed or paid to dealers; and
- any securities exchanges on which the securities may be listed.

Any offering price and any discounts or concessions allowed or reallowed or paid to dealers may be changed from time to time.

We may offer our shares of common stock in a public offering at-the-market to a select group of investors, in which case a stockholder may not be able to participate in such offering and a stockholder will experience dilution unless the stockholder purchases additional shares of our common stock in the secondary market at the same or lower price.

If underwriters are used in the sale of any securities, the securities will be acquired by the underwriters for their own accounts and may be resold from time to time in one or more transactions, including negotiated transactions, at a fixed public offering price or at varying prices determined at the time of sale. The securities may be either offered to the public through underwriting syndicates represented by managing underwriters, or directly by underwriters. Generally, the underwriters’ obligations to purchase the securities will be subject to certain conditions precedent. The underwriters will be obligated to purchase all of the securities if they purchase any of the securities.

In compliance with the guidelines of FINRA, the maximum compensation to the underwriters or dealers in connection with the sale of our securities pursuant to this prospectus and the accompanying supplement to this prospectus may not exceed 8% of the aggregate offering price of the securities as set forth on the cover page of the supplement to this prospectus.

We may sell the securities through agents from time to time. The prospectus supplement will name any agent involved in the offer or sale of the securities and any commissions we pay to them. Generally, any agent will be acting on a best efforts basis for the period of its appointment.

We may authorize underwriters, dealers or agents to solicit offers by certain purchasers to purchase the securities from us at the public offering price set forth in the prospectus supplement pursuant to delayed delivery contracts providing for payment and delivery on a specified date in the future.

The contracts will be subject only to those conditions set forth in the prospectus supplement, and the prospectus supplement will set forth any commissions we pay for soliciting these contracts.

Agents and underwriters may be entitled to indemnification by us against certain civil liabilities, including liabilities under the Securities Act, or to contribution with respect to payments which the agents or underwriters may be required to make in respect thereof. Agents and underwriters may be customers of, engage in transactions with, or perform services for us in the ordinary course of business. Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers or persons controlling the Registrant pursuant to the foregoing provisions, the Registrant has been informed that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

We may enter into derivative transactions with third parties, or sell securities not covered by this prospectus to third parties in privately negotiated transactions. If the applicable prospectus supplement indicates, in connection with those derivatives, the third parties may sell securities covered by this prospectus and the applicable prospectus supplement, including in short sale transactions. If so, the third party may use securities pledged by us or borrowed from us or others to settle those sales or to close out any related open borrowings of stock, and may use securities received from us in settlement of those derivatives to close out any related open borrowings of stock. The third party in such sale transactions will be an underwriter and, if not identified in this prospectus, will be identified in the applicable prospectus supplement (or a post-effective amendment). We or one of our affiliates may loan or pledge securities to a financial institution or other third party that in turn may sell the securities using this prospectus. Such financial institution or third party may transfer its short position to investors in our securities or in connection with a simultaneous offering of other securities offered by this prospectus or otherwise.

In order to comply with the securities laws of certain states, if applicable, the securities offered hereby will be sold in such jurisdictions only through registered or licensed brokers or dealers.

We may not sell securities pursuant to this prospectus without delivering a prospectus supplement describing the method and terms of the offering of such securities.

## SELECTED FINANCIAL AND OTHER INFORMATION

The information in "Item 6. Selected Consolidated Financial Data" of our most recent annual report on Form 10-K, "Part I — Consolidated Statements of Assets and Liabilities" of our most recent quarterly report on Form 10-Q and "Part I — Consolidated Statements of Operations" of our most recent quarterly report on Form 10-Q is incorporated by reference herein.

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The information in "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" of our most recent annual report on Form 10-K and in "Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations" of our most recent quarterly report on Form 10-Q is incorporated by reference herein.

## SENIOR SECURITIES

Information about our senior securities (including debt securities and other indebtedness) is shown in the following table as of the dates indicated in the table below which is derived from our consolidated financial statements and related notes. This information about our senior securities should be read in conjunction with our consolidated financial statements and related notes thereto and "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in our most recent quarterly report on Form 10-Q.

| Class and Year | Total Amount Outstanding Exclusive of Treasury Securities[1] | Asset Coverage Per Unit[2] | Involuntary Liquidating Preference Per Unit[3] | Average Market Value Per Unit |
|---|---|---|---|---|
| **Revolving Facility** | | | | |
| September 30, 2011 | $ — | — | N/A[4] | N/A[5] |
| September 30, 2012 | $ 15,000 | 3,630 | N/A[4] | N/A[5] |
| September 30, 2013 | $ 2,500 | 3,256 | N/A[4] | N/A[5] |
| September 30, 2014 | $ 146,500 | 2,732 | N/A[4] | N/A[5] |
| September 30, 2015 | $ 192,700 | 2,318 | N/A[4] | N/A[5] |
| September 30, 2016 | $ 14,000 | 2,414 | N/A[4] | N/A[5] |
| September 30, 2017 | $ 68,000 | 2,327 | N/A[4] | N/A[5] |
| September 30, 2018 | $ — | — | N/A[4] | N/A[5] |
| September 30, 2019 | $ — | — | N/A[4] | N/A[5] |
| September 30, 2020 | $ — | — | N/A[4] | N/A[5] |
| September 30, 2021 (through June 30, 2021) | $ — | — | N/A[4] | N/A[5] |
| | | | | |
| **Term Loan Facility** | | | | |
| September 30, 2011 | $ — | — | N/A[4] | N/A[5] |
| September 30, 2012 | $ 55,000 | 3,630 | N/A[4] | N/A[5] |
| September 30, 2013 | $ 120,000 | 3,256 | N/A[4] | N/A[5] |
| September 30, 2014 | $ 171,500 | 2,732 | N/A[4] | N/A[5] |
| September 30, 2015 | $ 174,000 | 2,318 | N/A[4] | N/A[5] |
| September 30, 2016 | $ 174,000 | 2,414 | N/A[4] | N/A[5] |
| September 30, 2017 | $ 102,000 | 2,327 | N/A[4] | N/A[5] |
| September 30, 2018 | $ — | — | N/A[4] | N/A[5] |
| September 30, 2019 | $ — | — | N/A[4] | N/A[5] |
| September 30, 2020 | $ — | — | N/A[4] | N/A[5] |
| September 30, 2021 (through June 30, 2021) | $ — | — | N/A[4] | N/A[5] |
| | | | | |
| **2019 Notes** | | | | |
| September 30, 2011 | $ — | — | N/A[4] | $ N/A[5] |
| September 30, 2012 | $ 40,000 | 3,630 | N/A[4] | $ 25.47 |
| September 30, 2013 | $ 40,000 | 3,256 | N/A[4] | $ 25.61 |
| September 30, 2014 | $ 40,000 | 2,732 | N/A[4] | $ 25.62 |
| September 30, 2015 | $ 40,000 | 2,318 | N/A[4] | $ 25.26 |
| September 30, 2016 | $ 40,000 | 2,414 | N/A[4] | $ 25.44 |
| September 30, 2017 | $ — | — | N/A[4] | $ 25.39 |
| September 30, 2018 | $ — | — | N/A[4] | $ N/A[5] |
| September 30, 2019 | $ — | — | N/A[4] | N/A[5] |
| September 30, 2020 | $ — | — | N/A[4] | N/A[5] |
| September 30, 2021 (through June 30, 2021) | $ — | — | N/A[4] | N/A[5] |
| | | | | |
| **2021 Notes** | | | | |
| September 30, 2011 | $ — | — | N/A[4] | $ N/A[5] |
| September 30, 2012 | $ — | — | N/A[4] | $ N/A[5] |
| September 30, 2013 | $ — | — | N/A[4] | $ N/A[5] |
| September 30, 2014 | $ — | — | N/A[4] | $ N/A[5] |
| September 30, 2015 | $ — | — | N/A[4] | $ N/A[5] |
| September 30, 2016 | $ 74,013 | 2,414 | N/A[4] | $ 25.48 |
| September 30, 2017 | $ 74,013 | 2,327 | N/A[4] | $ 25.80 |
| September 30, 2018 | $ 74,013 | 2,126 | N/A[4] | $ 25.48 |
| September 30, 2019 | $ 74,013 | 1,842 | N/A[4] | $ 24.82 |
| September 30, 2020 | $ 74,013 | 1,992 | N/A[4] | 23.61 |
| September 30, 2021 (through June 30, 2021) | $ — | — | N/A[4] | N/A[5] |

| Class and Year | Total Amount Outstanding Exclusive of Treasury Securities[1] | Asset Coverage Per Unit[2] | Involuntary Liquidating Preference Per Unit[3] | Average Market Value Per Unit |
|---|---|---|---|---|
| **2023 Notes** | | | | |
| September 30, 2011 | $ — | — | N/A[4] | $ N/A[5] |
| September 30, 2012 | $ — | — | N/A[4] | $ N/A[5] |
| September 30, 2013 | $ 63,500 | 3,256 | N/A[4] | $ 23.74 |
| September 30, 2014 | $ 63,500 | 2,732 | N/A[4] | $ 24.76 |
| September 30, 2015 | $ 63,500 | 2,318 | N/A[4] | $ 24.79 |
| September 30, 2016 | $ 63,500 | 2,414 | N/A[4] | $ 25.19 |
| September 30, 2017 | $ 102,847 | 2,327 | N/A[4] | $ 25.18 |
| September 30, 2018 | $ 89,847 | 2,126 | N/A[4] | $ 25.02 |
| September 30, 2019 | $ 77,847 | 1,842 | N/A[4] | $ 24.28 |
| September 30, 2020 | $ 77,847 | 1,992 | N/A[4] | 21.68 |
| September 30, 2021 (through June 30, 2021) | $ 77,847[6] | 3,025 | N/A[4] | 24.80 |
| | | | | |
| **2024 Notes** | | | | |
| September 30, 2011 | $ — | — | N/A[4] | $ N/A[5] |
| September 30, 2012 | $ — | — | N/A[4] | $ N/A[5] |
| September 30, 2013 | $ — | — | N/A[4] | $ N/A[5] |
| September 30, 2014 | $ — | — | N/A[4] | $ N/A[5] |
| September 30, 2015 | $ — | — | N/A[4] | $ N/A[5] |
| September 30, 2016 | $ — | — | N/A[4] | $ N/A[5] |
| September 30, 2017 | $ — | — | N/A[4] | $ N/A[5] |
| September 30, 2018 | $ 121,276 | 2,126 | N/A[4] | $ 273.95 |
| September 30, 2019 | $ 105,137 | 1,842 | N/A[4] | $ 254.43 |
| September 30, 2020 | $ — | — | N/A[4] | N/A |
| September 30, 2021 (through June 30, 2021) | $ — | — | N/A[4] | N/A |
| | | | | |
| **SBA Debentures** | | | | |
| September 30, 2011 | $ — | — | N/A[4] | N/A[5] |
| September 30, 2012 | $ — | — | N/A[4] | N/A[5] |
| September 30, 2013 | $ 30,000 | 3,256 | N/A[4] | N/A[5] |
| September 30, 2014 | $ 100,000 | 2,732 | N/A[4] | N/A[5] |
| September 30, 2015 | $ 150,000 | 2,318 | N/A[4] | N/A[5] |
| September 30, 2016 | $ 150,000 | 2,414 | N/A[4] | N/A[5] |
| September 30, 2017 | $ 150,000 | 2,327 | N/A[4] | N/A[5] |
| September 30, 2018 | $ 135,000 | 2,126 | N/A[4] | N/A[5] |
| September 30, 2019 | $ — | — | N/A[4] | N/A[5] |
| September 30, 2020 | $ — | — | N/A[4] | N/A[5] |
| September 30, 2021 (through June 30, 2021) | $ — | — | N/A[4] | N/A[5] |

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

(2) The asset coverage ratio for a class of senior securities representing indebtedness is calculated as our consolidated total assets, less all liabilities and indebtedness not represented by senior securities, divided by total senior securities representing indebtedness. This asset coverage ratio is multiplied by $1,000 to determine the Asset Coverage Per Unit.

(3) The amount to which such class of senior security would be entitled upon the involuntary liquidation of the issuer in preference to any security junior to it.

(4) Information that the SEC expressly does not require to be disclosed for certain types of senior securities.

(5) Not applicable as these classes of securities are not registered for public trading.

(6) As of August 2, 2021, there was $77.8 million in aggregate principal amount of the 2023 Notes (unaudited).

**BUSINESS**

Our business is described in "Item 1 — Business" of our most recent annual report on Form 10-K and in "Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations" of our most recent quarterly report on Form 10-Q, which are incorporated by reference herein.

## REGULATION

We are subject to regulation as described in "*Item 1 — Business — Regulation as a Business Development Company*" of our most recent annual report on Form 10-K, and in "*Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations — Overview*" of our most recent quarterly report on Form 10-Q, which are incorporated by reference herein.

**MANAGEMENT**

The information in the sections entitled "*Election of Director Nominees*" in our most recent definitive proxy statement on Schedule 14A for our annual meeting of stockholders (the "Annual Proxy Statement") and the information in the section titled "*Note 6 – Agreements*" in our most recent quarterly report on Form 10-Q are incorporated herein by reference.

## EXECUTIVE COMPENSATION

The information in the sections entitled "*Compensation of Executive Officers*," "*Compensation Discussion and Analysis*" and "*Compensation of Directors*" in our most recent Annual Proxy Statement are incorporated herein by reference.

## RELATED PARTY TRANSACTIONS AND CERTAIN RELATIONSHIPS

Please refer to "*Note 7 — Related Party Transactions*" in the Notes to Consolidated Financial Statements in our most recent annual report filed on Form 10-K; "*Note 7 — Related Party Transactions*" in the Notes to Consolidated Financial Statements and "*Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations – Related Party Transactions*" in our most recent quarterly report filed on Form 10-Q; and our current reports filed on Form 8-K, as applicable, as well as any amendments related to the foregoing reflected in subsequent filings with the SEC, which are incorporated by reference into this prospectus, for information relating to our related party transactions.

## CONTROL PERSONS AND PRINCIPAL STOCKHOLDERS

As of August 2, 2021, there were 2,658,921 shares of common stock issued and outstanding and as of August 2, 2021, there were approximately 12 stockholders of record. The following table sets out, immediately prior to this offering, certain ownership information (rounded to the nearest whole share) with respect to our common stock for those persons who directly or indirectly own, control or hold with the power to vote 5% or more of our outstanding common stock, all of our directors and all officers and directors as a group. Beneficial ownership is determined in accordance with the rules and regulations of the SEC. These rules generally provide that a person is the beneficial owner of securities if the person has or shares the power to vote or direct the voting thereof, or to dispose or direct the disposition thereof or has the right to acquire these powers within 60 days. Ownership information for those persons who beneficially own 5% or more of the outstanding shares of our common stock is based upon Schedule 13D, Schedule 13G, Form 13F or other filings by such persons with the SEC and other information obtained from such persons.

| Name and Address of Beneficial Owner | Number of Shares Owned Beneficially[1] | Percentage of Class[2] |
|---|---|---|
| Almitas Capital LLC[3] | 162,430 | 6.11% |
| Bradley L. Radoff[4] | 207,700 | 7.81% |
| Glacier Point Advisors, LLC[5] | 248,705 | 9.35% |
| **Interested Director** | | |
| David A. Lorber | 96,248[6] | 3.62% |
| **Independent Directors** | | |
| Arthur S. Ainsberg | 850 | *% |
| Howard Amster | 234,802[7] | 8.83% |
| Karin Hirtler-Garvey | 850 | *% |
| Lowell W. Robinson | 150 | *% |
| **Executive Officers** | | |
| Ellida McMillan | 100 | *% |
| **All executive officers and directors as a group (6 persons)** | | 12.52% |

* Represents less than one percent.

(1) Beneficial ownership has been determined in accordance with Rule 13d-3 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). This table assumes the beneficial owners have made no other purchases or sales of our common stock since the most recently available SEC filings. This assumption has been made under the rules and regulations of the SEC and does not reflect any knowledge that we have with respect to the present intent of the beneficial owners of our common stock listed in this table.

(2) Based on a total of 2,658,921 shares of the Company's common stock issued and outstanding on August 2, 2021.

(3) Based on information included in the Schedule 13G filed by Almitas Capital LLC with the SEC on February 17, 2021. The address of Almitas Capital LLC is 1460 4th Street, Suite 300, Santa Monica, CA 90401.

(4) Based on information included in the Schedule 13G filed by Bradley L. Radoff with the SEC on February 16, 2021. Per the Schedule 13G, Mr. Radoff directly owned 96,500 shares. Mr. Radoff, (i) may be deemed the beneficial owner of the 49,896 shares owned by BLR Partners LP, as the sole shareholder and sole director of each of BLRGP Inc. (the general partner of the general partner of BLR Partners LP) and FMLP Inc. (the general partner of the investment manager of BLR Partners LP), (ii) may be deemed the beneficial owner of the 58,804 shares owned by The Radoff Family Foundation, as a director of The Radoff Family Foundation, and (iii) may be deemed the beneficial owner of the 2,500 shares held in a certain donor advised charitable account, as an advisor to such charitable account, which, together with the 96,500 shares he directly owns, constitutes an aggregate of 207,700 shares beneficially owned by Mr. Radoff. The address of Bradley L. Radoff is 2727 Kirby Drive, Unit 29L, Houston, TX 77098.

(5) Based on information included in the Schedule 13G filed by Glacier Point Advisors, LLC with the SEC on February 26, 2021. The address of Glacier Point Advisors, LLC is 13921 Gimbert Lane, North Tustin, CA 92705.

(6) FrontFour Master Fund, Ltd., an exempted company formed under the laws of the Cayman Islands ("FrontFour Master Fund"), beneficially owns 81,662.416 of the reported shares. FrontFour Opportunity Fund, a mutual fund trust formed under the laws of British Columbia, Canada ("FrontFour Opportunity Fund"), beneficially owns 2,085.7 of the reported shares. Each of David A. Lorber, Stephen E. Loukas, and Zachary R. George is a managing member and principal owner of FrontFour Capital Group LLC ("FrontFour Capital"), which serves as an investment manager of FrontFour Master Fund, and a principal owner of FrontFour Capital Corp. ("FrontFour Corp."), which serves as an investment manager to FrontFour Opportunity Fund. David A. Lorber disclaims beneficial ownership of such shares of common stock except to the extent of his pecuniary interest therein.

(7) These shares are deemed to be beneficially owned by Howard Amster, as a result of his personal ownership and in his capacity as President of Pleasant Lakes Apts. Corp., which is the General Partner of Pleasant Lakes Apts. Limited Partnership, and in his capacity as the trustee of the various trusts listed in the Form 3 filed with the SEC by Howard Amster on August 24, 2020.

**PORTFOLIO COMPANIES**

The following table sets forth certain information as of June 30, 2021, for each portfolio company in which we had an investment. Other than these investments, our only formal relationships with our portfolio companies are the significant managerial assistance that we may provide upon request and the board observation or participation rights we may receive in connection with our investment. As indicated by footnote to the following table, we are deemed to "control" a portfolio company, as defined in the 1940 Act, because we own more than 25% of outstanding voting securities of such portfolio company. Where we directly or indirectly own 5% to 25% of the outstanding voting securities of such portfolio company, we are deemed to be an "affiliate." In general, under the 1940 Act, we would be presumed to "control" a portfolio company if we owned more than 25% of its voting securities and would be an "affiliate" of a portfolio company if we owned more than 5% of its outstanding voting securities.

| Company[1] | Industry | Type of Investment | Maturity | Par Amount[2] | Cost[3] | Fair Value[4] | % of Net Assets[5] |
|---|---|---|---|---|---|---|---|
| **Non-Controlled/Non-Affiliated Investments:** | | | | | | | |
| Alpine SG, LLC (8) | High Tech Industries | Senior Secured First Lien Term Loan (LIBOR + 5.75% Cash, 1.00% LIBOR Floor)(14) | 11/16/2022 | $ 4,715,809 | $ 4,715,809 | $ 4,715,806 | 3.01% |
| | | Senior Secured Incremental First Lien Term Loan (LIBOR + 8.50% Cash, 1.00% LIBOR Floor)(14) | 11/16/2022 | 472,087 | 472,087 | 472,087 | 0.30% |
| | | Senior Secured First Lien Delayed Draw Term Loan (LIBOR + 5.75% Cash, 1.00% LIBOR Floor)(14) | 11/16/2022 | 2,277,293 | 2,277,293 | 2,277,293 | 1.45% |
| | | Senior Secured Incremental First Lien Term Loan (LIBOR + 6.50% Cash, 1.00% LIBOR Floor)(14) | 11/16/2022 | 4,174,037 | 4,094,287 | 4,174,037 | 2.66% |
| | | | | 11,639,226 | 11,559,476 | 11,639,223 | 7.42% |
| Autosplice, Inc. | Automotive | Senior Secured First Lien Term Loan (LIBOR + 8.00% Cash & 2.00% PIK, 1.00% LIBOR Floor) (14) | 4/30/2022 | 11,854,234 | 11,854,234 | 11,854,234 | 7.57% |
| | | | | 11,854,234 | 11,854,234 | 11,854,234 | 7.57% |
| Be Green Packaging, LLC | Containers, Packaging & Glass | Equity - 417 Common Units | | 1 | 416,250 | - | 0.00% |
| | | | | 1 | 416,250 | - | 0.00% |
| Chimera Investment Corp.(11) | Banking, Finance, Insurance & Real Estate | Equity - 112,310 Class C Preferred Units(18)(21) | 9/30/2025 | 112,310 | 2,755,253 | 2,904,337 | 1.85% |
| | | | | 112,310 | 2,755,253 | 2,904,337 | 1.85% |
| Cleaver-Brooks, Inc. | Manufacturing | 7.875% Senior Secured Notes(19) | 3/1/2023 | 3,764,000 | 3,756,540 | 3,726,360 | 2.38% |
| | | | | 3,764,000 | 3,756,540 | 3,726,360 | 2.38% |
| CM Finance SPV, LLC | Energy: Oil & Gas | Unsecured Debt(10) | | 101,463 | 101,463 | - | 0.00% |
| | | | | 101,463 | 101,463 | - | 0.00% |

| Company[1] | Industry | Type of Investment | Maturity | Par Amount[2] | Cost[3] | Fair Value[4] | % of Net Assets[5] |
|---|---|---|---|---|---|---|---|
| CPI International, Inc. | Aerospace & Defense | Senior Secured Second Lien Term Loan (LIBOR + 7.25% Cash, 1.00% LIBOR Floor)(13) | 7/28/2025 | 2,607,062 | 2,599,755 | 2,483,227 | 1.58% |
| | | | | 2,607,062 | 2,599,755 | 2,483,227 | 1.58% |
| Crow Precision Components, LLC | Aerospace & Defense | Equity - 350 Common Units | | 350 | 700,000 | 127,474 | 0.08% |
| | | | | 350 | 700,000 | 127,474 | 0.08% |
| DataOnline Corp.(8) | High Tech Industries | Senior Secured First Lien Term Loan (LIBOR + 6.25% Cash, 1.00% LIBOR Floor)(14) | 11/13/2025 | 4,925,000 | 4,925,000 | 4,826,500 | 3.08% |
| | | Revolving Credit Facility (LIBOR + 6.25% Cash, 1.00% LIBOR Floor)(14)(16) | 11/13/2025 | 607,143 | 607,143 | 592,857 | 0.38% |
| | | | | 5,532,143 | 5,532,143 | 5,419,357 | 3.46% |
| Dividend and Income Fund(11) | Banking, Finance, Insurance & Real Estate | Equity - 45,653 Common Units(18) | | 45,653 | 665,852 | 676,121 | 0.43% |
| | | | | 45,653 | 665,852 | 676,121 | 0.43% |
| Dream Finders Homes, LLC(11) | Construction & Building | Preferred Equity (8.00% PIK) | | 4,808,834 | 4,808,834 | 4,616,481 | 2.95% |
| | | | | 4,808,834 | 4,808,834 | 4,616,481 | 2.95% |
| Footprint Acquisition, LLC | Services: Business | Preferred Equity (8.75% PIK)(10) | | 4,049,398 | 4,049,398 | 2,348,651 | 1.50% |
| | | Equity - 150 Common Units | | 150 | - | - | 0.00% |
| | | | | 4,049,548 | 4,049,398 | 2,348,651 | 1.50% |
| Global Accessories Group, LLC | Consumer goods: Non-durable | Equity - 3.8% Membership Interest | | 380 | 151,337 | - | 0.00% |
| | | | | 380 | 151,337 | - | 0.00% |
| Great AJAX Corp.(11) | Banking, Finance, Insurance & Real Estate | Equity - 37,254 Common Units(18) | | 37,254 | 469,512 | 483,557 | 0.31% |
| | | | | 37,254 | 469,512 | 483,557 | 0.31% |

| Company[1] | Industry | Type of Investment | Maturity | Par Amount[2] | Cost[3] | Fair Value[4] | % of Net Assets[5] |
|---|---|---|---|---|---|---|---|
| **Non-Controlled/ Non-Affiliated Investments:** | | | | | | | |
| Impact Group, LLC | Services: Business | Senior Secured First Lien Term Loan (LIBOR + 7.37% Cash, 1.00% LIBOR Floor)(14) | 6/27/2023 | 3,159,309 | 3,159,309 | 3,159,309 | 2.02% |
| | | Senior Secured First Lien Delayed Draw Term Loan (LIBOR + 7.37% Cash, 1.00% LIBOR Floor)(14) | 6/27/2023 | 9,155,136 | 9,155,136 | 9,155,136 | 5.84% |
| | | | | 12,314,445 | 12,314,445 | 12,314,445 | 7.86% |
| InterFlex Acquisition Company, LLC | Containers, Packaging & Glass | Senior Secured First Lien Term Loan (LIBOR + 9.00% Cash, 1.00% LIBOR Floor)(13) | 8/18/2022 | 11,535,906 | 11,535,906 | 11,535,906 | 7.36% |
| | | | | 11,535,906 | 11,535,906 | 11,535,906 | 7.36% |
| Invesco Mortgage Capital, Inc. (11) | Banking, Finance, Insurance & Real Estate | Equity - 205,000 Class C Preferred Units(18)(22) | 9/27/2027 | 205,000 | 5,035,506 | 5,139,350 | 3.28% |
| | | | | 205,000 | 5,035,506 | 5,139,350 | 3.28% |
| Lighting Science Group Corporation | Containers, Packaging & Glass | Warrants - 0.62% of OutstandingEquity | | 5,000,000 | 955,680 | - | 0.00% |
| | | | | 5,000,000 | 955,680 | - | 0.00% |
| New Residential Investment Corp.(11) | Banking, Finance, Insurance & Real Estate | Equity - 159,583 Class B Preferred Units(18)(23) | 8/15/2024 | 159,583 | 3,948,103 | 4,096,496 | 2.61% |
| | | | | 159,583 | 3,948,103 | 4,096,496 | 2.61% |
| New York Mortgage Trust, Inc. (11) | Banking, Finance, Insurance & Real Estate | Equity - 135,000 Class E Preferred Units(18)(24) | 1/15/2025 | 135,000 | 3,335,657 | 3,488,400 | 2.23% |
| | | | | 135,000 | 3,335,657 | 3,488,400 | 2.23% |
| Point.360 | Services: Business | Senior Secured First Lien Term Loan (LIBOR + 6.00% PIK)(10)(15) | 7/8/2020 | 2,777,366 | 2,103,712 | - | 0.00% |
| | | | | 2,777,366 | 2,103,712 | - | 0.00% |

| Company[1] | Industry | Type of Investment | Maturity | Par Amount[2] | Cost[3] | Fair Value[4] | % of Net Assets[5] |
|---|---|---|---|---|---|---|---|
| RateGain Technologies, Inc. | Hotel, Gaming & Leisure | Unsecured Debt(10)(12) | 10/2/2023 | 589,821 | 589,821 | - | 0.00% |
| | | Unsecured Debt(10)(12) | 4/1/2024 | 761,905 | 761,905 | - | 0.00% |
| | | | | 1,351,726 | 1,351,726 | - | 0.00% |
| Redwood Services Group, LLC(8) | Services: Business | Revolving Credit Facility (LIBOR + 6.00% Cash, 1.00% LIBOR Floor)(13)(16) | 6/6/2023 | 175,000 | 175,000 | 157,500 | 0.10% |
| | | | | 175,000 | 175,000 | 157,500 | 0.10% |
| Sendero Drilling Company, LLC | Energy: Oil & Gas | Unsecured Debt (9.00% Cash) (10) | 8/1/2022 | 297,500 | 283,238 | - | 0.00% |
| | | | | 297,500 | 283,238 | - | 0.00% |
| Seotowncenter, Inc. | Services: Business | Equity - 3,434,169.6 Common Units | | 3,434,170 | 566,475 | - | 0.00% |
| | | | | 3,434,170 | 566,475 | - | 0.00% |
| SFP Holding, Inc. | Services: Business | Senior Secured First Lien Term Loan (LIBOR + 6.25% Cash, 1.00% LIBOR Floor)(14) | 9/1/2022 | 4,744,636 | 4,744,636 | 4,697,190 | 3.00% |
| | | Senior Secured First Lien Delayed Draw Term Loan (LIBOR + 6.25% Cash, 1.00% LIBOR Floor)(14) | 9/1/2022 | 1,839,544 | 1,839,544 | 1,821,149 | 1.16% |
| | | Equity - 101,165.93 Common Units in CI (Summit) Investment Holdings LLC | | 101,166 | 1,067,547 | 863,957 | 0.55% |
| | | | | 6,685,346 | 7,651,727 | 7,382,296 | 4.71% |
| SMART Financial Operations, LLC | Retail | Equity - 700,000 Class A Preferred Units | | 700,000 | 700,000 | - | 0.00% |
| | | | | 700,000 | 700,000 | - | 0.00% |

| Company[1] | Industry | Type of Investment | Maturity | Par Amount[2] | Cost[3] | Fair Value[4] | % of Net Assets[5] |
|---|---|---|---|---|---|---|---|
| Stancor, Inc. | Services: Business | Equity - 263,814.43 Class A Units | | 263,814 | 263,814 | 204,946 | 0.13% |
| | | | | 263,814 | 263,814 | 204,946 | 0.13% |
| Thryv Holdings, Inc.(11) | Services: Business | Senior Secured First Lien Term Loan B (LIBOR + 8.50% Cash, 1.00% LIBOR Floor)(13)(19) | 3/1/2026 | 6,120,000 | 5,944,492 | 6,120,000 | 3.91% |
| | | | | 6,120,000 | 5,944,492 | 6,120,000 | 3.91% |
| Velocity Pooling Vehicle, LLC | Automotive | Senior Secured First Lien Term Loan (LIBOR + 11.00% PIK, 1.00% LIBOR Floor)(14) | 4/28/2023 | 1,014,440 | 951,629 | 1,014,440 | 0.65% |
| | | Equity - 5,441 Class A Units | | 5,441 | 302,464 | 62,299 | 0.04% |
| | | Warrants - 0.65% of Outstanding Equity | 3/30/2028 | 6,506 | 361,667 | 74,429 | 0.05% |
| | | | | 1,026,387 | 1,615,760 | 1,151,168 | 0.74% |
| Walker Edison Furniture Company LLC | Consumer goods: Durable | Equity - 10,244 Common Units | | 10,244 | 1,500,000 | 7,537,535 | 4.81% |
| | | | | 10,244 | 1,500,000 | 7,537,535 | 4.81% |
| Watermill-QMC Midco, Inc. | Automotive | Equity - 1.3% Partnership Interest(9) | | 518,283 | 518,283 | - | -0.02% |
| | | | | 518,283 | 518,283 | - | -0.02% |
| **Subtotal Non-Controlled/ Non-Affiliated Investments** | | | | **$ 97,262,228** | **$ 109,219,571** | **$ 105,407,064** | 67.28% |

| Company[1] | Industry | Type of Investment | Maturity | Par Amount[2] | Cost[3] | Fair Value[4] | % of Net Assets[5] |
|---|---|---|---|---|---|---|---|
| **Non-Controlled/Non-Affiliated Investments:** | | | | | | | |
| **Affiliated Investments:[6]** | | | | | | | |
| 1888 Industrial Services, LLC(8) | Energy: Oil & Gas | Senior Secured First Lien Term Loan A (LIBOR + 5.00% PIK, 1.00% LIBOR Floor)(10)(14) | 9/30/2021 | 9,946,740 | 9,473,066 | - | 0.00% |
| | | Senior Secured First Lien Term Loan B (LIBOR + 8.00% PIK, 1.00% LIBOR Floor)(10)(14) | 9/30/2021 | 25,937,520 | 19,468,870 | - | 0.00% |
| | | Senior Secured First Lien Term Loan C (LIBOR + 5.00%, 1.00% LIBOR Floor)(10)(14) | 9/30/2021 | 1,231,932 | 1,191,257 | 197,109 | 0.13% |
| | | Revolving Credit Facility (LIBOR +5.00% PIK, 1.00% LIBOR Floor)(14)(16)(25) | 9/30/2021 | 3,554,069 | 3,554,069 | 3,554,069 | 2.27% |
| | | Equity - 17,493.63 Class A Units | | 21,562 | - | - | 0.00% |
| | | | | 40,691,823 | 33,687,262 | 3,751,178 | 2.40% |
| Black Angus Steakhouses, LLC(8) | Hotel, Gaming & Leisure | Senior Secured First Lien Delayed Draw Term Loan (LIBOR + 9.00% Cash, 1.00% LIBOR Floor)(13) | 6/30/2022 | 758,929 | 758,929 | 758,929 | 0.48% |
| | | Senior Secured First Lien Term Loan (LIBOR + 9.00% PIK, 1.00% LIBOR Floor)(10)(13) | 6/30/2022 | 8,412,596 | 7,767,533 | 2,136,799 | 1.36% |
| | | Senior Secured First Lien Super Priority DDTL (LIBOR + 9.00% Cash, 1.00% LIBOR Floor)(13)(16) | 6/30/2022 | 1,500,000 | 1,500,000 | 1,500,000 | 0.96% |
| | | | | 10,671,525 | 10,026,462 | 4,395,728 | 2.80% |
| Caddo Investors Holdings 1 LLC(11) | Forest Products & Paper | Equity - 6.15% Membership Interest(20) | | 2,528,826 | 2,528,826 | 3,766,822 | 2.40% |
| | | | | 2,528,826 | 2,528,826 | 3,766,822 | 2.40% |

| Company[1] | Industry | Type of Investment | Maturity | Par Amount[2] | Cost[3] | Fair Value[4] | % of Net Assets[5] |
|---|---|---|---|---|---|---|---|
| Dynamic Energy Services International LLC | Energy: Oil & Gas | Senior Secured First Lien Term Loan (LIBOR + 13.50% PIK)(10)(15) | 12/31/2021 | 12,930,235 | 7,824,975 | - | 0.00% |
| | | Equity - 12,350,000 Class A Units | | 12,350,000 | - | - | 0.00% |
| | | | | 25,280,235 | 7,824,975 | - | 0.00% |
| JFL-NGS Partners, LLC | Construction & Building | Equity - 57,300 Class B Units | | 57,300 | 57,300 | 33,383,212 | 21.31% |
| | | | | 57,300 | 57,300 | 33,383,212 | 21.31% |
| JFL-WCS Partners, LLC | Environmental Industries | Equity - 129,588 Class B Units | | 129,588 | 129,588 | 10,070,454 | 6.43% |
| | | | | 129,588 | 129,588 | 10,070,454 | 6.43% |
| Kemmerer Operations, LLC(8) | Metals & Mining | Senior Secured First Lien Term Loan (15.00% PIK) | 6/21/2023 | 2,294,047 | 2,294,047 | 2,294,047 | 1.45% |
| | | Senior Secured First Lien Delayed Draw Term Loan (15.00% PIK)(16) | 6/21/2023 | 288,614 | 288,614 | 288,614 | 0.18% |
| | | Equity - 6.7797 Common Units | | 7 | 962,717 | 276,078 | 0.18% |
| | | | | 2,582,668 | 3,545,378 | 2,858,739 | 1.81% |
| Path Medical, LLC | Healthcare & Pharmaceuticals | Senior Secured First Lien Term Loan A (LIBOR + 9.50% Cash, 1.00% LIBOR Floor)(10)(13) | 10/11/2021 | 5,905,080 | 5,905,080 | 2,911,204 | 1.85% |
| | | Senior Secured First Lien Term Loan B (LIBOR + 13.00% PIK, 1.00% LIBOR Floor)(10)(13) | 10/11/2021 | 7,783,840 | 6,599,918 | - | 0.00% |
| | | Warrants - 7.68% of Outstanding Equity | | 123,867 | 499,751 | - | 0.00% |
| | | | | 13,812,787 | 13,004,749 | 2,911,204 | 1.85% |
| URT Acquisition Holdings Corporation | Services: Business | Unsecured Debt (10.00% Cash) (17) | 12/4/2024 | 2,109,589 | 2,109,589 | 2,109,589 | 1.35% |
| | | Warrants | | 28,912 | - | 1,070,000 | 0.68% |
| | | | | 2,138,501 | 2,109,589 | 3,179,589 | 2.03% |
| US Multifamily, LLC (11) | Banking, Finance, Insurance & Real Estate | Senior Secured First Lien Term Loan (10.00% Cash) | 12/31/2022 | 2,577,418 | 2,577,418 | 2,577,418 | 1.65% |
| | | Equity - 33,300 Preferred Units | | 33,300 | 3,330,000 | 1,828,639 | 1.17% |
| | | | | 2,610,718 | 5,907,418 | 4,406,057 | 2.82% |
| **Subtotal Affiliated Investments** | | | | **$ 100,503,971** | **$ 78,821,547** | **$ 68,722,983** | 43.86% |

| Company[1] | Industry | Type of Investment | Maturity | Par Amount[2] | Cost[3] | Fair Value[4] | % of Net Assets[5] |
|---|---|---|---|---|---|---|---|
| **Controlled Investments:**[7] | | | | | | | |
| NVTN LLC(8) | Hotel, Gaming & Leisure | Senior Secured First Lien Delayed Draw Term Loan (LIBOR + 4.00% Cash, 1.00% LIBOR Floor)(10)(13)(16) | 11/9/2021 | 6,565,875 | 6,565,875 | 6,027,473 | 3.85% |
| | | Senior Secured First Lien Super Priority DDTL (LIBOR + 4.00% Cash, 1.00% LIBOR Floor)(13)(16) | 12/31/2024 | 1,500,000 | 1,497,224 | 1,461,000 | 0.93% |
| | | Senior Secured First Lien Term Loan B (LIBOR + 9.25% PIK, 1.00% LIBOR Floor)(10)(13) | 11/9/2021 | 14,963,195 | 12,305,096 | - | 0.00% |
| | | Senior Secured First Lien Term Loan C (LIBOR + 12.00% PIK, 1.00% LIBOR Floor)(10)(13) | 11/9/2021 | 10,014,223 | 7,570,054 | - | 0.00% |
| | | Equity - 787.4 Class A Units | | 9,550,922 | 9,550,922 | - | 0.00% |
| | | | | 42,594,215 | 37,489,171 | 7,488,473 | 4.78% |
| **Subtotal Control Investments** | | | | **$ 42,594,215** | **$ 37,489,171** | **$ 7,488,473** | 4.78% |
| **Total Investments, June 30, 2021** | | | | **$ 240,360,414** | **$ 225,530,289** | **$ 181,618,520** | 115.92% |

(1) All of our investments are domiciled in the United States. Certain investments also have international operations.

(2) Par amount includes accumulated payment-in-kind ("PIK") interest, as applicable, and is net of repayments.

(3) Net unrealized depreciation for U.S. federal income tax purposes totaled $44,153,134.

The tax cost basis of investments is $225, 771,654 as of June 30, 2021.

(4) Unless otherwise indicated, all securities are valued using significant unobservable inputs, which are categorized as Level 3 assets under the definition of ASC 820 fair value hierarchy (see Note 4).

(5) Percentage is based on net assets of $156,678,576 as of June 30, 2021.

(6) Affiliated Investments are defined by the 1940 Act as investments in companies in which the Company owns between 5% and 25% outstanding voting securities or is under common control with such portfolio company.

(7) Control Investments are defined by the Investment Company Act of 1940, as amended (the "1940 Act"), as investments in companies in which the Company owns more than 25% of the voting securities or maintains greater than 50% of the board representation.

(8) The investment has an unfunded commitment as of June 30, 2021 (see Note 8), and fair value includes the value of any unfunded commitments.

(9) Represents 1.3% partnership interest in Watermill-QMC Partners, LP and Watermill-EMI Partners, LP.

(10) The investment was on non-accrual status as of June 30, 2021.

(11) The investment is not a qualifying asset as defined under Section 55(a) of 1940 Act, in a whole, or in part. As of June 30, 2021, 14.51% of the Company's portfolio investments were non-qualifying assets.

(12) Security is non-income producing.

(13) The interest rate on these loans is subject to the greater of a London Interbank Offering Rate ("LIBOR") floor, or 1 month LIBOR plus a base rate. The 1 month LIBOR as of June 30, 2021 was 0.10%.

(14) 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, 2021 was 0.15%.

(15) The interest rate on these loans is subject to 3 month LIBOR plus a base rate. The 3 month LIBOR as of June 30, 2021 was 0.15%.

(16) This investment earns 0.50% commitment fee on all unused commitment as of June 30, 2021, and is recorded as a component of interest income on the Consolidated Statements of Operations.

(17) In lieu of paying 10.00% Cash, URT Acquisition Holdings Corporation may elect to pay 12.00% PIK. This security has been paying 10.00% Cash since 12/31/20.

(18) This investment represents a Level 1 security in the ASC 820 table as of June 30, 2021 (see Note 4).

(19) This investment represents a Level 2 security in the ASC 820 table as of June 30, 2021 (see Note 4).

(20) As a practical expedient, the Company uses net asset value ("NAV") to determine the fair value of this investment.

(21) The interest rate on this loan is fixed-to-floating and will shift to 3 month LIBOR plus a 4.743% spread on 9/30/2025.

(22) The interest rate on this loan is fixed-to-floating and will shift to 3 month LIBOR plus a 5.29% spread on 9/27/2027.

(23) The interest rate on this loan is fixed-to-floating and will shift to 3 month LIBOR plus a 5.64% spread on 8/15/2024.

(24) The interest rate on this loan is fixed-to-floating and will shift to 3 month LIBOR plus a 6.429% spread on 1/15/2025.

(25) In lieu of paying 5.00% Cash, 1888 Industrial Services, LLC may elect to pay 5.00% PIK. This security has been paying 5.00% Cash.

**DETERMINATION OF NET ASSET VALUE**

The Company follows ASC 820 for measuring the fair value of portfolio investments. Fair value is the price that would be received in the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Where available, fair value is based on observable market prices or parameters, or derived from such prices or parameters. Where observable prices or inputs are not available, valuation models are applied. These valuation models involve some level of management estimation and judgment, the degree of which is dependent on the price transparency for the instruments or market and the instruments' complexity. The Company's fair value analysis includes an analysis of the value of any unfunded loan commitments. Financial investments recorded at fair value in the consolidated financial statements are categorized for disclosure purposes based upon the level of judgment associated with the inputs used to measure their value. The valuation hierarchical levels are based upon the transparency of the inputs to the valuation of the investment as of the measurement date. Investments which are valued using NAV as a practical expedient are excluded from this hierarchy, and certain prior period amounts have been reclassified to conform to the current period presentation. The three levels are defined below:

- Level 1 – Valuations based on quoted prices in active markets for identical assets or liabilities at the measurement date.

- Level 2 — Valuations based on inputs other than quoted prices in active markets included in Level 1, which are either directly or indirectly observable at the measurement date. This category includes quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in non-active markets including actionable bids from third parties for privately held assets or liabilities, and observable inputs other than quoted prices such as yield curves and forward currency rates that are entered directly into valuation models to determine the value of derivatives or other assets or liabilities.

- Level 3 — Valuations based on inputs that are unobservable and where there is little, if any, market activity at the measurement date. The inputs for the determination of fair value may require significant management judgment or estimation and are based upon management's assessment of the assumptions that market participants would use in pricing the assets or liabilities. These investments include debt and equity investments in private companies or assets valued using the Market or Income Approach and may involve pricing models whose inputs require significant judgment or estimation because of the absence of any meaningful current market data for identical or similar investments. The inputs in these valuations may include, but are not limited to, capitalization and discount rates, beta and EBITDA multiples. The information may also include pricing information or broker quotes which include a disclaimer that the broker would not be held to such a price in an actual transaction. The non-binding nature of consensus pricing and/or quotes accompanied by disclaimer would result in classification as Level 3 information, assuming no additional corroborating evidence.

In addition to using the above inputs in investment valuations, the Company continues to employ a valuation policy approved by the board of directors that is consistent with ASC 820. Consistent with our valuation policy, we evaluate the source of inputs, including any markets in which our investments are trading, in determining fair value.

The Company applies fair value accounting to all of its financial instruments in accordance with the 1940 Act and ASC Topic 820 - Fair Value Measurements and Disclosures ("ASC 820"). ASC 820 defines fair value, establishes a framework used to measure fair value and requires disclosures for fair value measurements. In accordance with ASC 820, the Company has categorized its financial instruments carried at fair value, based on the priority of the valuation technique, into a three-level fair value hierarchy as discussed above. Fair value is a market-based measure considered from the perspective of the market participant who holds the financial instrument rather than an entity specific measure. Therefore, when market assumptions are not readily available, the Company's own assumptions are set to reflect those that management believes market participants would use in pricing the financial instrument at the measurement date.

Investments for which market quotations are readily available are valued at such market quotations, which are generally obtained from an independent pricing service or multiple broker-dealers or market makers. We weight the use of third-party broker quotations, if any, in determining fair value based on our understanding of the level of actual transactions used by the broker to develop the quote and whether the quote was an indicative price or binding offer. However, debt investments with remaining maturities within 60 days that are not credit impaired are valued at cost plus accreted discount, or minus amortized premium, which approximates fair value. Investments for which market quotations are not readily available are valued at fair value as determined by the Company's board of directors based upon input from management and third-party valuation firms. Because these investments are illiquid and because there may not be any directly comparable companies whose financial instruments have observable market values, these loans are valued using a fundamental valuation methodology, consistent with traditional asset pricing standards, that is objective and consistently applied across all loans and through time.

Investments in investment funds are valued at fair value. Fair values are generally determined utilizing the NAV supplied by, or on behalf of, management of each investment fund, which is net of management and incentive fees or allocations charged by the investment fund and is in accordance with the "practical expedient", as defined by FASB Accounting Standards Update ("ASU") 2009-12, *Investments in Certain Entities that Calculate Net Asset Value per Share*. NAVs received by, or on behalf of, management of each investment fund are based on the fair value of the investment funds' underlying investments in accordance with policies established by management of each investment fund, as described in each of their financial statements and offering memorandum. If the Company is in the process of the sale of an investment fund, fair value will be determined by actual or estimated sale proceeds.

The methodologies utilized by the Company in estimating the fair value of its investments categorized as Level 3 generally fall into the following two categories:

- The "Market Approach" uses prices and other relevant information generated by market transactions involving identical or comparable (that is, similar) assets, liabilities, or a group of assets and liabilities, such as a business.

- The "Income Approach" converts future amounts (for example, cash flows or income and expenses) to a single current (that is, discounted) amount. When the Income Approach is used, the fair value measurement reflects current market expectations about those future amounts.

The Company has engaged third-party valuation firms (the "Valuation Firms") to assist it and its board of directors in the valuation of its portfolio investments. The valuation reports generated by the Valuation Firms consider the evaluation of financing and sale transactions with third parties, expected cash flows and market-based information, including comparable transactions, performance multiples, and movement in yields of debt instruments, among other factors. The Company uses a market yield analysis under the Income Approach or an enterprise model of valuation under the Market Approach, or a combination thereof. In applying the market yield analysis, the value of the Company's loans is determined based upon inputs such as the coupon rate, current market yield, interest rate spreads of similar securities, the stated value of the loan, and the length to maturity. In applying the enterprise model, the Company uses a waterfall analysis, which takes into account the specific capital structure of the borrower and the related seniority of the instruments within the borrower's capital structure into consideration. To estimate the enterprise value of the portfolio company, we weigh some or all of the traditional market valuation methods and factors based on the individual circumstances of the portfolio company in order to estimate the enterprise value.

We undertake a multi-step valuation process each quarter when valuing investments for which market quotations are not readily available, as described below:

- our quarterly valuation process begins with each portfolio investment being initially valued by one or more Valuation Firms;

- preliminary valuation conclusions will then be documented and discussed with senior management;

- the audit committee of the board of directors reviews the preliminary valuations with management and the Valuation Firms;

- the board of directors discusses the valuations and determines the fair value of each investment in the Company's portfolio in good faith based on the input of management, the respective Valuation Firms and the audit committee.

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 our investments may differ from the values that would have been used had a readily available market value existed for such investments, and the differences could be material. In addition, changes in the market environment (including the impact of COVID-19 on financial markets), portfolio company performance, and other events may occur over the lives of the investments that may cause the gains or losses ultimately realized on these investments to be materially different than the valuations currently assigned. Accordingly, the notes to our consolidated financial statements express the uncertainty with respect to the possible effect of such valuations, and any change in such valuations, on our consolidated financial statements.

## DESCRIPTION OF CAPITAL STOCK

The following description of our capital stock is based on relevant portions of the DGCL and on our Certificate of Incorporation and Bylaws. We refer you to our Certificate of Incorporation and Bylaws, forms of which are incorporated by reference to the exhibits to the registration statement of which this prospectus is a part, for a more detailed description of the provisions summarized below.

### Capital Stock

*General*

Under the terms of our Certificate of Incorporation, our authorized stock consists solely of 5,000,000 shares of common stock, par value $0.01 per share, and 100,000,000 shares of preferred stock, par value $0.01 per share. There are no outstanding options or warrants to purchase our stock. No stock has been authorized for issuance under any equity compensation plans. Under Delaware law, our stockholders generally are not personally liable for our debts or obligations. Unless our Board determines otherwise, we will issue all shares of our capital stock in uncertificated form.

The following are our outstanding classes of securities as of August 2, 2021:

| Title of Class | Amount Authorized | Amount Held by Us or for Our Account | Amount Outstanding Exclusive of Amount Held by Us or for Our Account |
|---|---|---|---|
| Common Stock | 5,000,000 | 64,788 | 2,658,921 |
| Preferred Stock | 100,000,000 | 0 | 0 |

*Common Stock*

All shares of our common stock have equal rights as to earnings, assets, dividends and voting and, when they are issued, are duly authorized, validly issued, fully paid and non-assessable. Distributions may be paid to the holders of our common stock if, as and when authorized by our Board and declared by us out of funds legally available therefor. Shares of our common stock have no preemptive, exchange, conversion or redemption rights and are freely transferable, except when their transfer is restricted by the Certificate of Incorporation, federal and state securities laws or by contract. In the event of our liquidation, dissolution or winding up, each share of our common stock would be entitled to share ratably in all of our assets that are legally available for distribution after we pay all debts and other liabilities and subject to any preferential rights of holders of our preferred stock, if any preferred stock is outstanding at such time. Each share of our common stock is entitled to one vote on all matters submitted to a vote of stockholders, including the election of our directors. Accordingly, holders of a majority of the shares of common stock entitled to vote in any election of directors may elect all of the directors standing for election. The rights, preferences and privileges of holders of common stock are subject to the rights of the holders of any series of preferred stock which we may designate and issue in the future. In addition, holders of our common stock may participate in our dividend reinvestment plan.

*Preferred Stock*

Under the terms of our certificate of incorporation, our board of directors is authorized to issue shares of preferred stock in one or more series without stockholder approval. The board of directors has discretion to determine the rights, preferences, privileges and restrictions, including voting rights, dividend rights, conversion rights, redemption privileges and liquidation preferences of each series of preferred stock. The 1940 Act limits our flexibility as to certain rights and preferences of the preferred stock that our certificate of incorporation may provide and requires, among other things, that immediately after issuance and before any distribution is made with respect to common stock, we meet a coverage ratio of total assets to total senior securities, which include all of our borrowings and our preferred stock, of at least 200% (or 150% if certain requirements under the 1940 Act are met), and the holders of shares of preferred stock, if any are issued, must be entitled as a class to elect two directors at all times and to elect a majority of the directors if and for so long as dividends on the preferred stock are unpaid in an amount equal to two full years of dividends on the preferred stock. The features of the preferred stock will be further limited by the requirements applicable to RICs under the Code. The purpose of authorizing our board of directors to issue preferred stock and determine its rights and preferences is to eliminate delays associated with a stockholder vote on specific issuances. The issuance of preferred stock, while providing desirable flexibility in connection with providing leverage for our investment program, possible acquisitions and other corporate purposes, could make it more difficult for a third party to acquire, or could discourage a third party from acquiring, a majority of our outstanding voting stock.

**Provisions of the DGCL and Our Certificate of Incorporation and Bylaws**

***Limitation on Liability of Directors and Officers; Indemnification and Advance of Expenses***

The indemnification of our officers and directors is governed by Section 145 of the DGCL, our Certificate of Incorporation and Bylaws. Section 145(a) of the DGCL empowers a Delaware corporation to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the corporation) by reason of the fact that such person is or was a director, officer, employee or agent of such corporation, or is or was serving at the request of such corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by the person in connection with such action, suit or proceeding if (1) such person acted in good faith, (2) in a manner such person reasonably believed to be in or not opposed to the best interests of the corporation and (3) with respect to any criminal action or proceeding, such person had no reasonable cause to believe such person's conduct was unlawful.

Section 145(b) of the DGCL empowers a Delaware corporation to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the corporation to procure a judgment in its favor by reason of the fact that such person is or was a director, officer, employee or agent of such corporation, or is or was serving at the request of such corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection with the defense or settlement of such action or suit if such person acted in good faith and in a manner the person reasonably believed to be in, or not opposed to, the best interests of such corporation, and except that no indemnification may be made in respect of any claim, issue or matter as to which such person has been adjudged to be liable to the corporation unless and only to the extent that the Delaware Court of Chancery or the court in which such action or suit was brought determines upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Court of Chancery or such other court deems proper.

Section 145 of the DGCL further provides that to the extent that a present or former director or officer is successful, on the merits or otherwise, in the defense of any action, suit or proceeding referred to in subsections (a) and (b) of Section 145, or in defense of any claim, issue or matter therein, such person will be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection with such action, suit or proceeding. In all cases in which indemnification is permitted under subsections (a) and (b) of Section 145 (unless ordered by a court), it will be made by the corporation only as authorized in the specific case upon a determination that indemnification of the present or former director, officer, employee or agent is proper in the circumstances because the applicable standard of conduct has been met by the party to be indemnified. Such determination must be made, with respect to a person who is a director or officer at the time of such determination, (1) by a majority vote of the directors who are not parties to such action, suit or proceeding, even though less than a quorum, (2) by a committee of such directors designated by majority vote of such directors, even though less than a quorum, (3) if there are no such directors, or if such directors so direct, by independent legal counsel in a written opinion or (4) by the stockholders. The statute authorizes the corporation to pay expenses incurred by an officer or director in advance of the final disposition of a proceeding upon receipt of an undertaking by or on behalf of the person to whom the advance will be made, to repay the advances if it is ultimately determined that he or she was not entitled to indemnification. Section 145 of the DGCL also provides that indemnification and advancement of expenses permitted under such Section are not to be exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under any bylaw, agreement, vote of stockholders or disinterested directors, or otherwise. Section 145 of the DGCL also authorizes the corporation to purchase and maintain liability insurance on behalf of its directors, officers, employees and agents regardless of whether the corporation would have the statutory power to indemnify such persons against the liabilities insured.

Our Certificate of Incorporation requires us to indemnify to the full extent permitted by Section 145 of the DGCL all persons whom we may indemnify under that section. Our Certificate of Incorporation also provides that expenses incurred by our officers or directors in defending any action, suit or proceeding for which they may be entitled to indemnification under our Certificate of Incorporation shall be paid in advance of the final disposition of such action, suit or proceeding.

Our Certificate of Incorporation provides that our directors will not be liable to us or our stockholders for monetary damages for breach of fiduciary duty as a director to the fullest extent permitted by the current DGCL or as the DGCL may hereafter be amended. Section 102(b)(7) of the DGCL provides that the personal liability of a director to a corporation or its stockholders for breach of fiduciary duty as a director may be eliminated except for liability (1) for any breach of the director's duty of loyalty to the registrant or its stockholders, (2) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (3) under Section 174 of the DGCL, relating to unlawful payment of dividends or unlawful stock purchases or redemption of stock or (4) for any transaction from which the director derives an improper personal benefit.

Our Bylaws provide for the indemnification of any person to the full extent permitted, and in the manner provided, by the current DGCL.

As a BDC, we are not permitted to, and will not indemnify any of our executive officers and directors or any other person against liability arising from willful misfeasance, bad faith, gross negligence or reckless disregard of the duties involved in the conduct of such person's office, or by reason of reckless disregard of obligations and duties of such person arising under contract or agreement.

**Delaware Anti-takeover Law**

The DGCL contains provisions that could make it more difficult for a potential acquirer to acquire us by means of a tender offer, proxy contest or otherwise. These provisions are expected to discourage certain coercive takeover practices and inadequate takeover bids and to encourage persons seeking to acquire control of us to negotiate first with our Board. These measures may delay, defer or prevent a transaction or a change in control that might otherwise be in the best interests of our stockholders. We believe, however, that the benefits of these provisions outweigh the potential disadvantages of discouraging any such acquisition proposals because the negotiation of such proposals may improve their terms.

We are subject to the provisions of Section 203 of the DGCL regulating corporate takeovers. In general, these provisions prohibit a Delaware corporation from engaging in any business combination with any interested stockholder for a period of three years following the date that the stockholder became an interested stockholder, unless:

- prior to such time, the board of directors approved either the business combination or the transaction which resulted in the stockholder becoming an interested stockholder;
- upon consummation of the transaction that resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced; or
- at or subsequent to such time, the business combination is approved by the board of directors and authorized at a meeting of stockholders, by at least two-thirds of the outstanding voting stock that is not owned by the interested stockholder.

Section 203 of the DGCL defines "business combination" to include the following:

- any merger or consolidation involving the corporation and the interested stockholder;
- any sale, transfer, pledge or other disposition (in one transaction or a series of transactions) of 10% or more of either the aggregate market value of all the assets of the corporation or the aggregate market value of all the outstanding stock of the corporation involving the interested stockholder;
- subject to certain exceptions, any transaction that results in the issuance or transfer by the corporation of any stock of the corporation to the interested stockholder;
- any transaction involving the corporation that has the effect of increasing the proportionate share of the stock of any class or series of the corporation owned by the interested stockholder; or
- the receipt by the interested stockholder of the benefit of any loans, advances, guarantees, pledges or other financial benefits provided by or through the corporation.

In general, Section 203 of the DGCL defines an "interested stockholder" as any entity or person beneficially owning 15% or more of our outstanding voting stock and any entity or person affiliated with or controlling or controlled by any of these entities or persons.

The statute could prohibit or delay mergers or other takeover or change in control attempts and, accordingly, may discourage attempts to acquire us.

**Classified Board of Directors**

Our Certificate of Incorporation provides that our Board, subject to any rights of holders of one or more series of preferred stock to elect additional preferred directors, is divided into three classes of directors, as nearly equal in number as possible, serving staggered three-year terms. The current terms of the first, second and third classes will expire at successive annual meetings of our stockholders and, in each case, those directors will serve until their successors are duly elected and qualify or until his or her resignation, removal from office, death or incapacity. A classified board may render a change in control of us or removal of our incumbent management more difficult. We believe, however, that the longer time required to elect a majority of a classified board of directors will help to ensure the continuity and stability of our management and policies.

**Election of Directors**

Our Bylaws provide that, unless otherwise provided in our Certificate of Incorporation, the affirmative vote of the holders of a plurality of the votes cast by stockholders present in person or by proxy at an annual or special meeting of stockholders and entitled to vote at such meeting is required to elect a director. Under our Certificate of Incorporation, our Board may amend the Bylaws to alter the vote required to elect directors.

**Number of Directors; Vacancies; Removal**

Our Certificate of Incorporation provides that the number of directors is set only by the Board in accordance with our Bylaws. Our Bylaws provide that a 66 2/3% of our entire Board may at any time increase or decrease the number of directors. However, unless our Bylaws are amended, the number of directors shall be five. Under the DGCL, unless the certificate of incorporation provides otherwise (which our Certificate of Incorporation does not), directors on a classified board such as our Board may be removed only for cause. Under our Bylaws, the Board of Directors or any individual director may be removed from office, with cause, by affirmative vote of the holders of a majority of the capital stock entitled to vote at an election of directors, and a new director or directors elected by a vote of the remaining directors. Under our Certificate of Incorporation and Bylaws, subject to the applicable requirements of the 1940 Act and the rights of holders of one or more series of preferred stock, any vacancy on our Board, including a vacancy resulting from an enlargement of our Board, may be filled only by vote of a majority of our remaining directors then in office, even if our remaining directors do not constitute a quorum, and any director elected to fill a vacancy shall serve for the remainder of the full term of the directorship in which such vacancy occurred and until a successor is duly elected and qualifies. The limitations on the ability of our stockholders to remove directors and fill vacancies could make it more difficult for a third party to acquire, or discourage a third party from seeking to acquire, control of us.

**Action by Stockholders**

Our Certificate of Incorporation provides that stockholder action can be taken only at an annual or special meeting of stockholders or by unanimous written consent in lieu of a meeting. This provision, combined with the requirements by our Certificate of Incorporation regarding the calling of an annual meeting or special meeting of stockholders discussed below, may have the effect of delaying consideration of a stockholder proposal until the next annual meeting.

**Advance Notice Provisions for Stockholder Nominations and Stockholder Proposals**

Our Bylaws provide that with respect to an annual meeting of stockholders, nominations of persons for election to our Board and the proposal of business to be considered by stockholders may be made only (1) by or at the direction of our Board, (2) pursuant to our notice of meeting or (3) by a stockholder who is entitled to vote at the meeting and who has complied with the advance notice procedures of our Bylaws. Nominations of persons for election to our Board at a special meeting may be made only (1) by or at the direction of the Board or (2) by a stockholder who is entitled to vote at the meeting and who has complied with the advance notice provisions of our Bylaws.

The purpose of requiring stockholders to give us advance notice of nominations and other business is to afford our Board a meaningful opportunity to consider the qualifications of the proposed nominees and the advisability of any other proposed business and, to the extent deemed necessary or desirable by our Board, to inform stockholders and make recommendations about such qualifications or business, as well as to provide a more orderly procedure for conducting meetings of stockholders. Although our Bylaws do not give our Board any power to disapprove stockholder nominations for the election of directors or proposals recommending certain action, they may have the effect of precluding a contest for the election of directors or the consideration of stockholder proposals if proper procedures are not followed and of discouraging or deterring a third party from conducting a solicitation of proxies to elect its own slate of directors or to approve its own proposal without regard to whether consideration of such nominees or proposals might be harmful or beneficial to us and our stockholders.

**Stockholder Meetings**

Our Bylaws provide that any action required or permitted to be taken by stockholders at an annual meeting or special meeting of stockholders may only be taken if it is properly brought before such meeting. Our Certificate of Incorporation also provides that, except as otherwise required by law, special meetings of the stockholders can only be called by the Chairman of our Board, by the Chief Executive Officer or by resolution adopted by an affirmative majority of our Board. In addition, our Bylaws establish an advance notice procedure for stockholder proposals to be brought before an annual meeting of stockholders, including proposed nominations of candidates for election to our Board. Stockholders at an annual meeting may only consider proposals or nominations specified in the notice of meeting or brought before the meeting by or at the direction of our Board, or by a stockholder of record on the record date for the meeting who is entitled to vote at the meeting and who has delivered timely written notice in proper form to the Company of the stockholder's intention to bring such business before the meeting. These provisions could have the effect of delaying until the next stockholder meeting stockholder actions that are favored by the holders of a majority of our outstanding voting securities.

**Conflict with 1940 Act**

Our Bylaws provide that, if and to the extent that any provision of the DGCL or any provision of our Certificate of Incorporation or Bylaws conflicts with any provision of the 1940 Act, the applicable provision of the 1940 Act will control.

## DESCRIPTION OF WARRANTS

The following is a general description of the terms of the warrants we may issue from time to time. Particular terms of any warrants we offer will be described in the prospectus supplement relating to such warrants.

We may issue warrants to purchase shares of our common stock, preferred stock or debt securities. Such warrants may be issued independently or together with shares of common or preferred stock or a specified principal amount of debt securities and may be attached or separate from such securities. We will issue each series of warrants under a separate warrant agreement to be entered into between us and a warrant agent. The warrant agent will act solely as our agent and will not assume any obligation or relationship of agency for or with holders or beneficial owners of warrants.

A prospectus supplement will describe the particular terms of any series of warrants we may issue, including the following:

- the title of such warrants;
- the aggregate number of such warrants;
- the price or prices at which such warrants will be issued;
- the currency or currencies, including composite currencies, in which the price of such warrants may be payable;
- if applicable, the designation and terms of the securities with which the warrants are issued and the number of warrants issued with each such security or each principal amount of such security;
- in the case of warrants to purchase debt securities, the principal amount of debt securities purchasable upon exercise of one warrant and the price at which and the currency or currencies, including composite currencies, in which this principal amount of debt securities may be purchased upon such exercise;
- in the case of warrants to purchase common stock or preferred stock, the number of shares of common stock or preferred stock, as the case may be, purchasable upon exercise of one warrant and the price at which and the currency or currencies, including composite currencies, in which these shares may be purchased upon such exercise;
- the date on which the right to exercise such warrants will commence and the date on which such right will expire;
- whether such warrants will be issued in registered form or bearer form; if applicable, the minimum or maximum amount of such warrants which may be exercised at any one time;
- if applicable, the date on and after which such warrants and the related securities will be separately transferable;
- information with respect to book-entry procedures, if any;
- the terms of the securities issuable upon exercise of the warrants;
- if applicable, a discussion of certain U.S. federal income tax considerations; and
- any other terms of such warrants, including terms, procedures and limitations relating to the exchange and exercise of such warrants.

We and the warrant agent may amend or supplement the warrant agreement for a series of warrants without the consent of the holders of the warrants issued thereunder to effect changes that are not inconsistent with the provisions of the warrants and that do not materially and adversely affect the interests of the holders of the warrants.

Prior to exercising their warrants, holders of warrants will not have any of the rights of holders of the securities purchasable upon such exercise, including, in the case of warrants to purchase debt securities, the right to receive principal, premium, if any, or interest payments, on the debt securities purchasable upon exercise or to enforce covenants in the applicable indenture or, in the case of warrants to purchase common stock or preferred stock, the right to receive dividends, if any, or payments upon our liquidation, dissolution or winding up or to exercise any voting rights.

Under the 1940 Act, we may generally only offer warrants provided that (1) the warrants expire by their terms within ten years, (2) the exercise price is not less than the market value of our common stock at the date of issuance, (3) if no such market value exists for our common stock, the exercise price is not less than the then current NAV per share of our common stock (unless the requirements of Section 63 of the 1940 Act are met), (4) our stockholders authorize the proposal to issue such warrants, and our board of directors approves such issuance on the basis that the issuance is in the best interests of us and our stockholders and (5) if the warrants are accompanied by other securities, the warrants are not separately transferable unless no class of such warrants and the securities accompanying them has been publicly distributed. The 1940 Act also provides that the amount of our voting securities that would result from the exercise of all outstanding warrants at the time of issuance may not exceed 25% of our outstanding voting securities.

## DESCRIPTION OF DEBT SECURITIES

On March 18, 2013, the Company issued of $60 million in aggregate principal amount of its 6.125% senior unsecured notes due 2023 (the “2023 Notes”). The 2023 Notes will mature on March 30, 2023. The 2023 Notes bear interest at a rate of 6.125% per year payable quarterly March 30, June 30, September 30 and December 30 of each year, beginning June 30, 2013. The 2023 Notes may be redeemed in whole or in part at any time or from time to time at the Company’s option. The 2023 Notes trade on the NASDAQ Global Market under the trading symbol “PFXNL.”

We may issue additional debt securities in one or more series. The specific terms of each additional series of debt securities will be described in the particular prospectus supplement relating to that series. The prospectus supplement may or may not modify the general terms found in this prospectus and will be filed with the SEC. For a complete description of the terms of a particular series of debt securities, you should read both this prospectus and the prospectus supplement relating to that particular series.

As required by federal law for all bonds and notes of companies that are publicly offered in the United States, the debt securities are governed by a document called an “indenture.” An indenture is a contract between us and a financial institution acting as trustee on your behalf, and is subject to and governed by the Trust Indenture Act of 1939, as amended. The trustee has two main roles. First, the trustee can enforce your rights against us if we default. There are some limitations on the extent to which the trustee acts on your behalf, see “Description of our Debt Securities — Events of Default” for more information. Second, the trustee performs certain administrative duties for us, such as sending interest and principal payments to holders.

Because this section is a summary, it does not describe every aspect of the debt securities and the indenture. We urge you to read the indenture, which is an exhibit to this prospectus, because it, and not this description, defines your rights as a holder of debt securities issued pursuant to this prospectus and any accompanying prospectus supplement. For example, in this section, we use capitalized words to signify terms that are specifically defined in the indenture. Some of the definitions are repeated in this prospectus, but for the rest, you will need to read the indenture. See “Available Information” for information on how to obtain a copy of the indenture.

A prospectus supplement, which will accompany this prospectus, will describe the particular series of debt securities being offered by including:

- the designation or title of the series of debt securities;
- the total principal amount of the series of debt securities and whether or not the offering may be reopened for additional securities of that series and on what terms;
- the percentage of the principal amount at which the series of debt securities will be offered;
- the date or dates on which principal will be payable;
- the rate or rates (which may be either fixed or variable) and/or the method of determining such rate or rates of interest, if any;
- the date or dates from which any interest will accrue, or the method of determining such date or dates, and the date or dates on which any interest will be payable;

- the terms for redemption, extension or early repayment, if any;
- the currencies in which the series of debt securities are issued and payable;
- whether the amount of payments of principal, premium or interest, if any, on a series of debt securities will be determined with reference to an index, formula or other method (which could be based on one or more currencies, commodities, equity indices or other indices) and how these amounts will be determined;
- the place or places, if any, other than or in addition to The City of New York, of payment, transfer, conversion and/or exchange of the debt securities;
- the denominations in which the offered debt securities will be issued;
- the provision for any sinking fund;
- any restrictive covenants;
- any Events of Default;
- whether the series of debt securities are issuable in certificated form;
- any provisions for defeasance or covenant defeasance;
- any special federal income tax implications, including, if applicable, federal income tax considerations relating to original issue discount ("OID");
- whether and under what circumstances we will pay additional amounts in respect of any tax, assessment or governmental charge and, if so, whether we will have the option to redeem the debt securities rather than pay the additional amounts (and the terms of this option);
- any provisions for convertibility or exchangeability of the debt securities into or for any other securities;
- whether the debt securities are subject to subordination and the terms of such subordination;
- the listing, if any, on a securities exchange; and
- any other terms.

The debt securities may be secured or unsecured obligations. Under the provisions of the 1940 Act, we are permitted, as a BDC, to issue debt only in amounts such that we are in compliance with our asset coverage ratio, as defined in the 1940 Act. Unless the prospectus supplement states otherwise, principal (and premium, if any) and interest, if any, will be paid by us in immediately available funds.

**General**

The indenture provides that any debt securities proposed to be sold under this prospectus and any prospectus supplement, or offered debt securities, and any debt securities issuable upon the exercise of warrants or upon conversion or exchange of other offered securities, or underlying debt securities may be issued under the indenture in one or more series.

For purposes of this prospectus, any reference to the payment of principal of, or premium or interest, if any, on, debt securities will include additional amounts if required by the terms of the debt securities.

The indenture does not limit the amount of debt securities that may be issued thereunder from time to time. Debt securities issued under the indenture, when a single trustee is acting for all debt securities issued under the indenture, are called the "indenture securities." The indenture also provides that there may be more than one trustee thereunder, each with respect to one or more different series of indenture securities. See "Description of our Debt Securities — Resignation of Trustee" below. At a time when two or more trustees are acting under the indenture, each with respect to only certain series, the term "indenture securities" means the one or more series of debt securities with respect to which each respective trustee is acting. In the event that there is more than one trustee under the indenture, the powers and trust obligations of each trustee described in this prospectus will extend only to the one or more series of indenture securities for which it is trustee. If two or more trustees are acting under the indenture, then the indenture securities for which each trustee is acting would be treated as if issued under separate indentures.

The indenture does not contain any provisions that give you protection in the event we issue a large amount of debt or we are acquired by another entity.

A prospectus supplement will contain information with respect to any deletions from, modifications of or additions to the Events of Default or our covenants that are described below, including any addition of a covenant or other provision providing event risk or similar protection.

We have the ability to issue indenture securities with terms different from those of indenture securities previously issued and, without the consent of the holders thereof, to reopen a previous issue of a series of indenture securities and issue additional indenture securities of that series unless the reopening was restricted when that series was created.

If any debt securities are convertible into shares of our common stock, the exercise price for such conversion will not be less than the NAV per share at the time of issuance of such debt securities (unless the majority of our board of directors determines that a lower exercise price is in the best interests of us and our stockholders, a majority of our stockholders (including stockholders who are not affiliated persons of us) have approved an issuance of common stock below the then current NAV per share in the 12 months preceding the issuance, and the exercise price closely approximates the market value of our common stock at the time the debt securities are issued).

**Conversion and Exchange**

If any debt securities are convertible into or exchangeable for other securities, the prospectus supplement will explain the terms and conditions of the conversion or exchange, including the conversion price or exchange ratio (or the calculation method), the conversion or exchange period (or how the period will be determined), if conversion or exchange will be mandatory or at the option of the holder or us, provisions for adjusting the conversion price or the exchange ratio and provisions affecting conversion or exchange in the event of the redemption of the underlying debt securities. These terms may also include provisions under which the number or amount of other securities to be received by the holders of the debt securities upon conversion or exchange would be calculated according to the market price of the other securities as of a time stated in the prospectus supplement.

**Issuance of Securities in Registered Form**

We may issue the debt securities in registered form, in which case we may issue them either in book-entry form only or in "certificated" form. Debt securities issued in book-entry form will be represented by global securities.

*Book-Entry Holders*

We will issue registered debt securities in book-entry form only, unless we specify otherwise in the applicable prospectus supplement. This means debt securities will be represented by one or more global securities registered in the name of a depositary that will hold them on behalf of financial institutions that participate in the depositary's book-entry system. These participating institutions, in turn, hold beneficial interests in the debt securities held by the depositary or its nominee. These institutions may hold these interests on behalf of themselves or customers.

Under the indenture, only the person in whose name a debt security is registered is recognized as the holder of that debt security. Consequently, for debt securities issued in book-entry form, we will recognize only the depositary as the holder of the debt securities and we will make all payments on the debt securities to the depositary. The depositary will then pass along the payments it receives to its participants, which in turn will pass the payments along to their customers who are the beneficial owners. The depositary and its participants do so under agreements they have made with one another or with their customers; they are not obligated to do so under the terms of the debt securities.

As a result, investors will not own debt securities directly. Instead, they will own beneficial interests in a global security, through a bank, broker or other financial institution that participates in the depositary's book-entry system or holds an interest through a participant. As long as the debt securities are represented by one or more global securities, investors will be indirect holders, and not holders, of the debt securities.

*Street Name Holders*

In the future, we may issue debt securities in certificated form or terminate a global security. In these cases, investors may choose to hold their debt securities in their own names or in "street name." Debt securities held in street name are registered in the name of a bank, broker or other financial institution chosen by the investor, and the investor holds a beneficial interest in those debt securities through the account he or she maintains at that institution.

For debt securities held in street name, we will recognize only the intermediary banks, brokers and other financial institutions in whose names the debt securities are registered as the holders of those debt securities, and we will make all payments on those debt securities to them. These institutions will pass along the payments they receive to their customers who are the beneficial owners, but only because they agree to do so in their customer agreements or because they are legally required to do so. Investors who hold debt securities in street name will be indirect holders, and not holders, of the debt securities.

*Legal Holders*

Our obligations, as well as the obligations of the applicable trustee and those of any third parties employed by us or the applicable trustee, run only to the legal holders of the debt securities. We do not have obligations to investors who hold beneficial interests in global securities, in street name or by any other indirect means. This will be the case whether an investor chooses to be an indirect holder of a debt security or has no choice because we are issuing the debt securities only in book-entry form.

For example, once we make a payment or give a notice to the holder, we have no further responsibility for the payment or notice even if that holder is required, under agreements with depositary participants or customers or by law, to pass it along to the indirect holders but does not do so. Similarly, if we want to obtain the approval of the holders for any purpose (for example, to amend an indenture or to relieve us of the consequences of a default or of our obligation to comply with a particular provision of an indenture), we would seek the approval only from the holders, and not the indirect holders, of the debt securities. Whether and how the holders contact the indirect holders is up to the holders.

When we refer to you, we mean those who invest in the debt securities being offered by this prospectus, whether they are the holders or only indirect holders of those debt securities. When we refer to your debt securities, we mean the debt securities in which you hold a direct or indirect interest.

*Special Considerations for Indirect Holders*

If you hold debt securities through a bank, broker or other financial institution, either in book-entry form or in street name, we urge you to check with that institution to find out:

- how it handles securities payments and notices;
- whether it imposes fees or charges;
- how it would handle a request for the holders' consent, if ever required;
- whether and how you can instruct it to send you debt securities registered in your own name so you can be a holder, if that is permitted in the future for a particular series of debt securities;
- how it would exercise rights under the debt securities if there were a default or other event triggering the need for holders to act to protect their interests; and
- if the debt securities are in book-entry form, how the depositary's rules and procedures will affect these matters.

**Global Securities**

As noted above, we expect that we will issue debt securities as registered securities in book-entry form only. A global security represents one or any other number of individual debt securities. Generally, all debt securities represented by the same global securities will have the same terms.

Each debt security issued in book-entry form will be represented by a global security that we deposit with and register in the name of a financial institution or its nominee that we select. The financial institution that we select for this purpose is called the depositary. Unless we specify otherwise in the applicable prospectus supplement, The Depository Trust Company, New York, New York, known as DTC, will be the depositary for all debt securities issued in book-entry form.

A global security may not be transferred to or registered in the name of anyone other than the depositary or its nominee, unless special termination situations arise. We describe those situations below under "*Description of our Debt Securities — Global Securities — Special Situations when a Global Security Will Be Terminated*." As a result of these arrangements, the depositary, or its nominee, will be the sole registered owner and holder of all debt securities represented by a global security, and investors will be permitted to own only beneficial interests in a global security. Beneficial interests must be held by means of an account with a broker, bank or other financial institution that in turn has an account with the depositary or with another institution that has an account with the depositary. Thus, an investor whose security is represented by a global security will not be a holder of the debt security, but only an indirect holder of a beneficial interest in the global security.

*Special Considerations for Global Securities*

As an indirect holder, an investor's rights relating to a global security will be governed by the account rules of the investor's financial institution and of the depositary, as well as general laws relating to securities transfers. The depositary that holds the global security will be considered the holder of the debt securities represented by the global security.

If debt securities are issued only in the form of a global security, an investor should be aware of the following:

- an investor cannot cause the debt securities to be registered in his or her name and cannot obtain certificates for his or her interest in the debt securities, except in the special situations we describe below;

- an investor will be an indirect holder and must look to his or her own bank or broker for payments on the debt securities and protection of his or her legal rights relating to the debt securities, as we describe under "*Description of our Debt Securities — Issuance of Securities in Registered Form*" above;

- an investor may not be able to sell interests in the debt securities to some insurance companies and other institutions that are required by law to own their securities in non-book-entry form;

- an investor may not be able to pledge his or her interest in a global security in circumstances where certificates representing the debt securities must be delivered to the lender or other beneficiary of the pledge in order for the pledge to be effective;

- the depositary's policies, which may change from time to time, will govern payments, transfers, exchanges and other matters relating to an investor's interest in a global security. We and the trustee have no responsibility for any aspect of the depositary's actions or for its records of ownership interests in a global security. We and the trustee also do not supervise the depositary in any way;

- if we redeem less than all the debt securities of a particular series being redeemed, DTC's practice is to determine by lot the amount to be redeemed from each of its participants holding that series;

- an investor is required to give notice of exercise of any option to elect repayment of its debt securities, through its participant, to the applicable trustee and to deliver the related debt securities by causing its participant to transfer its interest in those debt securities, on DTC's records, to the applicable trustee;

- DTC requires that those who purchase and sell interests in a global security deposited in its book-entry system use immediately available funds. Your broker or bank may also require you to use immediately available funds when purchasing or selling interests in a global security; and

- financial institutions that participate in the depositary's book-entry system, and through which an investor holds its interest in a global security, may also have their own policies affecting payments, notices and other matters relating to the debt securities. There may be more than one financial intermediary in the chain of ownership for an investor. We do not monitor and are not responsible for the actions of any of those intermediaries.

*Special Situations when a Global Security Will Be Terminated*

In a few special situations described below, a global security will be terminated and interests in it will be exchanged for certificates in non-book-entry form (certificated securities). After that exchange, the choice of whether to hold the certificated debt securities directly or in street name will be up to the investor. Investors must consult their own banks or brokers to find out how to have their interests in a global security transferred on termination to their own names, so that they will be holders. We have described the rights of holders and street name investors under "*Description of our Debt Securities — Issuance of Securities in Registered Form*" above.

The special situations for termination of a global security include the following:

- if the depositary notifies us that it is unwilling, unable or no longer qualified to continue as depositary for that global security, and we are unable to appoint another institution to act as depositary;
- if we notify the trustee that we wish to terminate that global security; or
- if an event of default has occurred with regard to the debt securities represented by that global security and has not been cured or waived; we discuss defaults later under "*Description of our Debt Securities — Events of Default.*"

The prospectus supplement may list situations for terminating a global security that would apply only to the particular series of debt securities covered by the prospectus supplement. If a global security is terminated, only the depositary, and not we or the applicable trustee, is responsible for deciding the names of the institutions in whose names the debt securities represented by the global security will be registered and, therefore, who will be the holders of those debt securities.

**Payment and Paying Agents**

We will pay interest (either in cash or by delivery of additional indenture securities, as applicable) to the person listed in the applicable trustee's records as the owner of the debt security at the close of business on a particular day in advance of each due date for interest, even if that person no longer owns the debt security on the interest due date. That day, often about two weeks in advance of the interest due date, is called the "record date." Because we will pay all the interest for an interest period to the holders on the record date, holders buying and selling debt securities must work out between themselves the appropriate purchase price. The most common manner is to adjust the sales price of the debt securities to prorate interest fairly between buyer and seller based on their respective ownership periods within the particular interest period. This prorated interest amount is called "accrued interest."

*Payments on Global Securities*

We will make payments on a global security in accordance with the applicable policies of the depositary as in effect from time to time. Under those policies, we will make payments directly to the depositary, or its nominee, and not to any indirect holders who own beneficial interests in the global security. An indirect holder's right to those payments will be governed by the rules and practices of the depositary and its participants, as described under "*Description of our Debt Securities — Global Securities*."

*Payments on Certificated Securities*

We will make payments on a certificated debt security as follows. We will pay interest that is due on an interest payment date to the holder of debt securities as shown on the trustee's records as of the close of business on the regular record date. We will make all payments of principal and premium, if any, by check at the office of the applicable trustee and/or at other offices that may be specified in the prospectus supplement or in a notice to holders against surrender of the debt security.

Alternatively, if the holder asks us to do so, we will pay any amount that becomes due on the debt security by wire transfer of immediately available funds to an account at a bank in the United States, on the due date. To request payment by wire, the holder must give the applicable trustee or other paying agent appropriate transfer instructions at least 15 business days before the requested wire payment is due. In the case of any interest payment due on an interest payment date, the instructions must be given by the person who is the holder on the relevant regular record date. Any wire instructions, once properly given, will remain in effect unless and until new instructions are given in the manner described above.

*Payment When Offices Are Closed*

If any payment is due on a debt security on a day that is not a business day, we will make the payment on the next day that is a business day. Payments made on the next business day in this situation will be treated under the indenture as if they were made on the original due date, except as otherwise indicated in the attached prospectus supplement. Such payment will not result in a default under any debt security or the indenture, and no interest will accrue on the payment amount from the original due date to the next day that is a business day.

**Book-entry and other indirect holders should consult their banks or brokers for information on how they will receive payments on their debt securities.**

**Events of Default**

You will have rights if an Event of Default occurs in respect of the debt securities of your series and is not cured, as described later in this subsection.

The term "Event of Default" in respect of the debt securities of your series may include any of the following:

- we do not pay the principal of, or any premium on, a debt security of the series on its due date;
- we do not pay interest on a debt security of the series within 30 days of its due date;
- we do not deposit any sinking fund payment in respect of debt securities of the series within 2 business days of its due date;
- we remain in breach of a covenant in respect of debt securities of the series for 60 days after we receive a written notice of default stating we are in breach. The notice must be sent by either the trustee or holders of at least 25% of the principal amount of debt securities of the series;
- we file for bankruptcy or certain other events of bankruptcy, insolvency or reorganization occur;
- any class of securities has an asset coverage of less than 100 per centum on the last business day of each twenty-four consecutive calendar months; and
- any other Event of Default in respect of debt securities of the series described in the prospectus supplement occurs.

An Event of Default for a particular series of debt securities does not necessarily constitute an Event of Default for any other series of debt securities issued under the same or any other indenture. The trustee may withhold notice to the holders of debt securities of any default, except in the payment of principal, premium or interest or in the payment of any sinking or purchase fund installment, if it in good faith considers the withholding of notice to be in the best interests of the holders.

*Remedies if an Event of Default Occurs*

If an Event of Default has occurred and has not been cured or waived, the trustee or the holders of not less than 25% in principal amount of the debt securities of the affected series may declare the entire principal amount of all the debt securities of that series to be due and immediately payable. This is called a declaration of acceleration of maturity. A declaration of acceleration of maturity may be canceled by the holders of a majority in principal amount of the debt securities of the affected series if (i) we have deposited with the trustee all amounts due and owing with respect to the securities, and (ii) no other Events of Default are continuing.

Except in cases of default, where the trustee has some special duties, the trustee is not required to take any action under the indenture at the request of any holders unless the holders offer the trustee reasonable protection from expenses and liability (called an "indemnity"). If reasonable indemnity and/or security is provided, the holders of a majority in principal amount of the outstanding debt securities of the relevant series may direct the time, method and place of conducting any lawsuit or other formal legal action seeking any remedy available to the trustee. The trustee may refuse to follow those directions in certain circumstances. No delay or omission in exercising any right or remedy will be treated as a waiver of that right, remedy or Event of Default.

Before you are allowed to bypass your trustee and bring your own lawsuit or other formal legal action or take other steps to enforce your rights or protect your interests relating to the debt securities, the following must occur:

- you must give the trustee written notice that an Event of Default has occurred and remains uncured;
- the holders of at least 25% in principal amount of all outstanding debt securities of the relevant series must make a written request that the trustee take action because of the default and must offer reasonable indemnity to the trustee against the cost and other liabilities of taking that action;
- the trustee must not have taken action for 60 days after receipt of the above notice and offer of indemnity; and
- the holders of a majority in principal amount of the debt securities must not have given the trustee a direction inconsistent with the above notice during that 60-day period.

However, you are entitled at any time to bring a lawsuit for the payment of money due on your debt securities on or after the due date.

Holders of a majority in principal amount of the debt securities of the affected series may waive any past defaults other than:

- the payment of principal, any premium or interest; or
- in respect of a covenant that cannot be modified or amended without the consent of each holder.

**Book-entry and other indirect holders should consult their banks or brokers for information on how to give notice or direction to or make a request of the trustee and how to declare or cancel an acceleration of maturity.**

Each year, we will furnish to each trustee a written statement of certain of our officers certifying that to their knowledge we are in compliance with the indenture and the debt securities, or else specifying any default.

**Merger or Consolidation**

Under the terms of the indenture, we are generally permitted to consolidate or merge with another entity. We are also permitted to sell all or substantially all of our assets to another entity. However, we may not take any of these actions unless all the following conditions are met:

- where we merge out of existence or sell our assets, the resulting entity must agree to be legally responsible for our obligations under the debt securities;
- the merger or sale of assets must not cause a default on the debt securities and we must not already be in default (unless the merger or sale would cure the default). For purposes of this no-default test, a default would include an Event of Default that has occurred and has not been cured, as described under "Events of Default" above. A default for this purpose would also include any event that would be an Event of Default if the requirements for giving us a notice of default or our default having to exist for a specific period of time were disregarded.
- we must deliver certain certificates and documents to the trustee; and
- we must satisfy any other requirements specified in the prospectus supplement relating to a particular series of debt securities.

**Modification or Waiver**

There are three types of changes we can make to the indenture and the debt securities issued thereunder.

Changes Requiring Your Approval

First, there are changes that we cannot make to your debt securities without your specific approval. The following is a list of those types of changes:

- change the stated maturity of the principal of or interest on a debt security;
- reduce any amounts due on a debt security;
- reduce the amount of principal payable upon acceleration of the maturity of a security following a default;
- adversely affect any right of repayment at the holder's option;
- change the place or currency of payment on a debt security (except as otherwise described in the prospectus or prospectus supplement);
- impair your right to sue for payment;
- adversely affect any right to convert or exchange a debt security in accordance with its terms;
- reduce the percentage of holders of debt securities whose consent is needed to modify or amend the indenture;
- reduce the percentage of holders of debt securities whose consent is needed to waive compliance with certain provisions of the indenture or to waive certain defaults;
- modify any other aspect of the provisions of the indenture dealing with supplemental indentures, modification and waiver of past defaults, changes to the quorum or voting requirements or the waiver of certain covenants; and
- change any obligation we have to pay additional amounts.

*Changes Not Requiring Approval*

The second type of change does not require any vote by the holders of the debt securities. This type is limited to clarifications, establishment of the form or terms of new securities of any series as permitted by the indenture and certain other changes that would not adversely affect holders of the outstanding debt securities in any material respect. We also do not need any approval to make any change that affects only debt securities to be issued under the indenture after the change takes effect.

*Changes Requiring Majority Approval*

Any other change to the indenture and the debt securities would require the following approval:

- if the change affects only one series of debt securities, it must be approved by the holders of a majority in principal amount of that series; and
- if the change affects more than one series of debt securities issued under the same indenture, it must be approved by the holders of a majority in principal amount of all of the series affected by the change, with all affected series voting together as one class for this purpose.

In each case, the required approval must be given by written consent.

The holders of a majority in principal amount of all of the series of debt securities issued under an indenture, voting together as one class for this purpose, may waive our compliance with some of our covenants in that indenture. However, we cannot obtain a waiver of a payment default or of any of the matters covered by the bullet points included above under "*Description of our Debt Securities — Modification or Waiver — Changes Requiring Your Approval.*"

*Further Details Concerning Voting*

When taking a vote, we will use the following rules to decide how much principal to attribute to a debt security:

- for original issue discount securities, we will use the principal amount that would be due and payable on the voting date if the maturity of these debt securities were accelerated to that date because of a default;
- for debt securities whose principal amount is not known (for example, because it is based on an index), the principal face amount at original issuance or a special rule for that debt security described in the prospectus supplement; and
- for debt securities denominated in one or more foreign currencies, we will use the U.S. dollar equivalent.

Debt securities will not be considered outstanding, and therefore not eligible to vote, if we have deposited or set aside in trust money for their payment or redemption or if we, any other obligor or any affiliate of us or any obligor own such debt securities. Debt securities will also not be eligible to vote if they have been fully defeased as described later under "*Description of our Debt Securities — Defeasance — Full Defeasance*."

We will generally be entitled to set any day as a record date for the purpose of determining the holders of outstanding indenture securities that are entitled to vote or take other action under the indenture. However, the record date may not be more than 30 days before the date of the first solicitation of holders to vote on or take such action. If we set a record date for a vote or other action to be taken by holders of one or more series, that vote or action may be taken only by persons who are holders of outstanding indenture securities of those series on the record date and must be taken within eleven months following the record date.

**Book-entry and other indirect holders should consult their banks or brokers for information on how approval may be granted or denied if we seek to change the indenture or the debt securities or request a waiver.**

**Defeasance**

The following provisions will be applicable to each series of debt securities unless we state in the applicable prospectus supplement that the provisions of covenant defeasance and full defeasance will not be applicable to that series.

*Covenant Defeasance*

Under current U.S. federal tax law and the indenture, we can make the deposit described below and be released from some of the restrictive covenants in the indenture under which the particular series was issued. This is called "covenant defeasance." In that event, you would lose the protection of those restrictive covenants but would gain the protection of having money and government securities set aside in trust to repay your debt securities. If applicable, you also would be released from the subordination provisions described under "*Description of our Debt Securities — Indenture Provisions — Subordination*" below. In order to achieve covenant defeasance, we must do the following:

- if the debt securities of the particular series are denominated in U.S. dollars, we must deposit in trust for the benefit of all holders of such debt securities a combination of money and U.S. government or U.S. government agency notes or bonds that will generate enough cash to make interest, principal and any other payments on the debt securities on their various due dates and any mandatory sinking fund payments or analogous payments;
- we must deliver to the trustee a legal opinion of our counsel confirming that, under current U.S. federal income tax law, we may make the above deposit without causing you to be taxed on the debt securities any differently than if we did not make the deposit and just repaid the debt securities ourselves at maturity;
- we must deliver to the trustee a legal opinion of our counsel stating that the above deposit does not require registration by us under the 1940 Act, as amended, and a legal opinion and officers' certificate stating that all conditions precedent to covenant defeasance have been complied with;
- defeasance must not result in a breach of the indenture or any of our other material agreements; and
- satisfy the conditions for covenant defeasance contained in any supplemental indentures.

If we accomplish covenant defeasance, you can still look to us for repayment of the debt securities if there were a shortfall in the trust deposit or the trustee is prevented from making payment. In fact, if one of the remaining Events of Default occurred (such as our bankruptcy) and the debt securities became immediately due and payable, there might be a shortfall. Depending on the event causing the default, you may not be able to obtain payment of the shortfall.

*Full Defeasance*

If there is a change in U.S. federal tax law, as described below, we can legally release ourselves from all payment and other obligations on the debt securities of a particular series (called "full defeasance") if we put in place the following other arrangements for you to be repaid:

- if the debt securities of the particular series are denominated in U.S. dollars, we must deposit in trust for the benefit of all holders of such debt securities a combination of money and U.S. government or U.S. government agency notes or bonds that will generate enough cash to make interest, principal and any other payments on the debt securities on their various due dates;

- we must deliver to the trustee a legal opinion confirming that there has been a change in current United States federal tax law or an IRS ruling that allows us to make the above deposit without causing you to be taxed on the debt securities any differently than if we did not make the deposit and just repaid the debt securities ourselves at maturity. Under current United States federal tax law, the deposit and our legal release from the debt securities would be treated as though we paid you your share of the cash and notes or bonds at the time the cash and notes or bonds were deposited in trust in exchange for your debt securities and you would recognize gain or loss on the debt securities at the time of the deposit.

- we must deliver to the trustee a legal opinion of our counsel stating that the above deposit does not require registration by us under the 1940 Act, as amended, and a legal opinion and officers' certificate stating that all conditions precedent to covenant defeasance have been complied with;

- defeasance must not result in a breach of the indenture or any of our other material agreements; and

- satisfy the conditions for covenant defeasance contained in any supplemental indentures.

If we ever did accomplish full defeasance, as described above, you would have to rely solely on the trust deposit for repayment of the debt securities. You could not look to us for repayment in the unlikely event of any shortfall. Conversely, the trust deposit would most likely be protected from claims of our lenders and other creditors if we ever became bankrupt or insolvent. If applicable, you would also be released from the subordination provisions described later under "*Description of our Debt Securities — Indenture Provisions — Subordination*."

**Form, Exchange and Transfer of Certificated Registered Securities**

If registered debt securities cease to be issued in book-entry form, they will be issued:

- only in fully registered certificated form;

- without interest coupons; and

- unless we indicate otherwise in the prospectus supplement, in denominations of $1,000 and amounts that are multiples of $1,000.

Holders may exchange their certificated securities for debt securities of smaller denominations or combined into fewer debt securities of larger denominations, as long as the total principal amount is not changed and as long as the denomination is greater than the minimum denomination for such securities.

Holders may exchange or transfer their certificated securities at the office of their trustee. We have appointed the trustee to act as our agent for registering debt securities in the names of holders transferring debt securities. We may appoint another entity to perform these functions or perform them ourselves.

Holders will not be required to pay a service charge to transfer or exchange their certificated securities, but they may be required to pay any tax or other governmental charge associated with the transfer or exchange. The transfer or exchange will be made only if our transfer agent is satisfied with the holder's proof of legal ownership.

If we have designated additional transfer agents for your debt security, they will be named in the prospectus supplement. We may appoint additional transfer agents or cancel the appointment of any particular transfer agent. We may also approve a change in the office through which any transfer agent acts.

If any certificated securities of a particular series are redeemable and we redeem less than all the debt securities of that series, we may block the transfer or exchange of those debt securities during the period beginning 15 days before the day we mail the notice of redemption and ending on the day of that mailing, in order to freeze the list of holders to prepare the mailing. We may also refuse to register transfers or exchanges of any certificated securities selected for redemption, except that we will continue to permit transfers and exchanges of the unredeemed portion of any debt security that will be partially redeemed.

If a registered debt security is issued in book-entry form, only the depositary will be entitled to transfer and exchange the debt security as described in this subsection, since it will be the sole holder of the debt security.

**Resignation of Trustee**

Each trustee may resign or be removed with respect to one or more series of indenture securities provided that a successor trustee is appointed to act with respect to these series and has accepted such appointment. In the event that two or more persons are acting as trustee with respect to different series of indenture securities under the indenture, each of the trustees will be a trustee of a trust separate and apart from the trust administered by any other trustee.

**Indenture Provisions — Subordination**

Upon any distribution of our assets upon our dissolution, winding up, liquidation or reorganization, the payment of the principal of (and premium, if any) and interest, if any, on any indenture securities denominated as subordinated debt securities is to be subordinated to the extent provided in the indenture in right of payment to the prior payment in full of all Designated Senior Indebtedness (as defined below), but our obligation to you to make payment of the principal of (and premium, if any) and interest, if any, on such subordinated debt securities will not otherwise be affected. In addition, no payment on account of principal (or premium, if any), sinking fund or interest, if any, may be made on such subordinated debt securities at any time unless full payment of all amounts due in respect of the principal (and premium, if any), sinking fund and interest on Designated Senior Indebtedness has been made or duly provided for in money or money's worth.

In the event that, notwithstanding the foregoing, any payment by us is received by the trustee in respect of subordinated debt securities or by the holders of any of such subordinated debt securities before all Designated Senior Indebtedness is paid in full, the payment or distribution must be paid over to the holders of the Designated Senior Indebtedness or on their behalf for application to the payment of all the Designated Senior Indebtedness remaining unpaid until all the Designated Senior Indebtedness has been paid in full, after giving effect to any concurrent payment or distribution to the holders of the Designated Senior Indebtedness. Subject to the payment in full of all Designated Senior Indebtedness upon this distribution by us, the holders of such subordinated debt securities will be subrogated to the rights of the holders of the Designated Senior Indebtedness to the extent of payments made to the holders of the Designated Senior Indebtedness out of the distributive share of such subordinated debt securities.

By reason of this subordination, in the event of a distribution of our assets upon our insolvency, certain of our senior creditors may recover more, ratably, than holders of any subordinated debt securities or the holders of any indenture securities that are not Designated Senior Indebtedness. The indenture provides that these subordination provisions will not apply to money and securities held in trust under the defeasance provisions of the indenture.

Designated Senior Indebtedness is defined in the indenture as the principal of (and premium, if any) and unpaid interest on:

- our indebtedness (including indebtedness of others guaranteed by us), whenever created, incurred, assumed or guaranteed, for money borrowed, that we have designated as "Designated Senior Indebtedness" for purposes of the indenture and in accordance with the terms of the indenture (including any indenture securities designated as Designated Senior Indebtedness); and

- renewals, extensions, modifications and refinancings of any of this indebtedness.

If this prospectus is being delivered in connection with the offering of a series of indenture securities denominated as subordinated debt securities, the prospectus supplement will set forth the approximate amount of our Designated Senior Indebtedness outstanding as of a recent date.

**The Trustee under the Indenture**

U.S. Bank National Association is the trustee under the indenture.

**Certain Considerations Relating to Foreign Currencies**

Debt securities denominated or payable in foreign currencies may entail significant risks. These risks include the possibility of significant fluctuations in the foreign currency markets, the imposition or modification of foreign exchange controls and potential illiquidity in the secondary market. These risks will vary depending upon the currency or currencies involved and will be more fully described in the applicable prospectus supplement.

## DESCRIPTION OF SUBSCRIPTION RIGHTS

We may issue subscription rights to purchase common stock. Subscription rights may be issued independently or together with any other offered security and may or may not be transferable by the person purchasing or receiving the subscription rights. In connection with a subscription rights offering to our stockholders, we would distribute certificates evidencing the subscription rights and a prospectus supplement to our stockholders on the record date that we set for receiving subscription rights in such subscription rights offering.

The applicable prospectus supplement would describe the following terms of subscription rights in respect of which this prospectus is being delivered:

- the period of time the offering would remain open (which shall be open a minimum number of days such that all record holders would be eligible to participate in the offering and shall not be open longer than 120 days);
- the title of such subscription rights;
- the exercise price or a formula for the determination of the exercise price for such subscription rights;
- the number or a formula for the determination of the number of such subscription rights issued to each stockholder;
- the extent to which such subscription rights are transferable;
- if applicable, a discussion of the material U.S. federal income tax considerations applicable to the issuance or exercise of such subscription rights;
- the date on which the right to exercise such subscription rights would commence, and the date on which such rights will expire (subject to any extension);
- the extent to which such subscription rights include an over-subscription privilege with respect to unsubscribed securities;
- any termination right we may have in connection with such subscription rights offering;
- if applicable, the material terms of any standby underwriting or other purchase arrangement that we may enter into in connection with the subscription rights offering; and
- any other terms of such subscription rights, including terms, procedures and limitations relating to the exchange and exercise of such subscription rights.

### Exercise of Subscription Rights

Each subscription right would entitle the holder of the subscription right to purchase for cash such amount of shares of common stock at such exercise price as will in each case be set forth in, or be determinable as set forth in, the prospectus supplement relating to the subscription rights offered thereby or another report filed with the SEC. Subscription rights may be exercised at any time up to the close of business on the expiration date for such subscription rights set forth in the applicable prospectus supplement. After the close of business on the expiration date, all unexercised subscription rights would become void.

Subscription rights may be exercised as set forth in the prospectus supplement relating to the subscription rights offered thereby. Upon receipt of payment and the subscription rights certificate properly completed and duly executed at the corporate trust office of the subscription rights agent or any other office indicated in the prospectus supplement, we will forward, as soon as practicable, the shares of common stock or other securities purchasable upon such exercise. To the extent permissible under applicable law, we may determine to offer any unsubscribed offered securities directly to stockholders, persons other than stockholders, to or through agents, underwriters or dealers or through a combination of such methods, including pursuant to standby underwriting or other arrangements, as set forth in the applicable prospectus supplement.

### Dilutive Effects

Any stockholder who chooses not to participate in a rights offering should expect to own a smaller interest in us upon completion of such rights offering. Any rights offering will dilute the ownership interest and voting power of stockholders who do not fully exercise their subscription rights. Further, because the net proceeds per share from any rights offering may be lower than our current NAV per share, the rights offering may reduce our NAV per share. The amount of dilution that a stockholder will experience could be substantial, particularly to the extent we engage in multiple rights offerings within a limited time period. In addition, the market price of our common stock could be adversely affected while a rights offering is ongoing as a result of the possibility that a significant number of additional shares may be issued upon completion of such rights offering. All of our stockholders will also indirectly bear the expenses associated with any rights offering we may conduct, regardless of whether they elect to exercise any rights.

## DIVIDEND REINVESTMENT PLAN

We have adopted a DRIP that is an "opt out" DRIP. As a result, if our Board declares a cash dividend or other distribution, then our stockholders who have not elected to "opt out" of our DRIP will have their dividends or cash distributions automatically reinvested in additional shares of our common stock as described below. Stockholders who receive dividends or distributions in the form of common stock will be subject to the same federal, state, and local tax consequences as if they received cash dividends or distributions.

No action is required on the part of a stockholder to have their cash dividend or other distribution reinvested in shares of our common stock. A stockholder may elect to receive an entire dividend or distribution in cash by notifying American Stock Transfer & Trust Company, the transfer agent and plan administrator, in writing so that such notice is received by the plan administrator no later than the record date for the dividends or distributions to stockholders. The plan administrator will set up an account for shares acquired through the plan for each stockholder who has not elected to receive dividends or other distributions in cash and hold such shares in non-certificated form. Upon request by a stockholder participating in the plan, received in writing not less than 10 days prior to the record date, the plan administrator will, instead of crediting shares to the participant's account, issue a certificate registered in the participant's name for the number of whole shares of our common stock and a check for any fractional share.

Those stockholders whose shares are held by a broker or other financial intermediary may receive dividends or distributions in cash by notifying their broker or other financial intermediary of their election.

We intend to use only newly-issued shares to implement the plan if our common stock is trading at or above NAV. Under such circumstances, the number of shares to be issued to a stockholder is determined by dividing the total dollar amount of the dividend or distribution payable to such stockholder by the greater of (i) NAV per share, and (ii) 95% of the market price per share of our common stock at the close of regular trading on the NASDAQ Global Market on the payment date fixed by our board of directors for such dividend or distribution. The market price per share on that date shall be the closing price for such shares on the NASDAQ Global Market or, if no sale is reported for such day, at the average of their electronically-reported bid and asked prices. The number of shares of our common stock to be outstanding after giving effect to payment of the dividend or distribution cannot be established until the value per share at which additional shares will be issued has been determined and elections of our stockholders have been tabulated.

If we declare a dividend or distribution to stockholders, the plan administrator may be instructed not to credit accounts with newly-issued shares and instead to buy shares in the market (in which case there would be no discount available to stockholders) if (1) the price at which newly-issued shares are to be credited does not exceed 110% of the last determined NAV per share; or (2) we advise the plan administrator that since such NAV was last determined, we have become aware of events that indicate the possibility of a material change in per share NAV as a result of which the NAV of the shares on the payment date might be higher than the price at which the plan administrator would credit newly-issued shares to stockholders. Shares purchased in open market transactions by the plan administrator shall be allocated to each stockholder participating based upon the average purchase price, excluding any brokerage charges or other charges, of all shares of common stock purchased with respect to the applicable distribution.

The plan administrator's fees under the plan will be paid by us. If a participant elects by written notice to the plan administrator to have the plan administrator sell part or all of the shares held by the plan administrator in the participant's account and remit the proceeds to the participant, the plan administrator is authorized to deduct a $15.00 transaction fee plus a $0.10 per share brokerage commission from the proceeds.

Stockholders who receive dividends or distributions in the form of stock are subject to the same U.S. federal, state and local tax consequences as are stockholders who elect to receive their dividends or distributions in cash. A shareholder receiving dividends or distributions in the form of stock will be treated as receiving a dividend or distribution equal to the fair market value of the stock received through the plan. A stockholder's basis for determining gain or loss upon the sale of stock received in a dividend or distribution from us will be equal the amount treated as a dividend or distribution for federal tax purposes. Any stock received in a dividend or distribution will have a new holding period for tax purposes commencing on the day following the day on which the shares are credited to the stockholder's account. Participants may terminate their accounts under the plan by notifying the plan administrator via its website at *www.amstock.com*, by filling out the transaction request form located at bottom of their statement and sending it to the plan administrator at the address below.

The plan may be terminated by us upon notice in writing mailed to each participant at least 30 days prior to any record date for the payment of any dividend by us. All correspondence concerning the plan should be directed to the plan administrator by mail at American Stock Transfer & Trust Company, LLC, P.O. Box 922, Wall Street Station, New York, New York 10269, or by the Plan Administrator's Interactive Voice Response System at (888) 777-0324.

If you withdraw or the plan is terminated, you will receive the number of whole shares in your account under the plan and a cash payment for any fraction of a share in your account.

If you hold your common stock with a brokerage firm that does not participate in the plan, you will not be able to participate in the plan and any dividend or distribution reinvestment may be effected on different terms than those described above. Consult your financial advisor for more information.

## MATERIAL U.S. FEDERAL INCOME TAX CONSIDERATIONS

The following discussion is a general summary of certain material U.S. federal income tax considerations applicable to us and to an investment in shares of our common stock. This summary does not purport to be a complete description of the U.S. federal income tax considerations applicable to such an investment. For example, we have not described certain considerations that may be relevant to certain types of holders subject to special treatment under U.S. federal income tax laws, including stockholders subject to the alternative minimum tax, tax-exempt organizations, insurance companies, dealers in securities, traders in securities that elect to mark-to-market their securities holdings, pass-through entities (including S corporations) pension plans and trusts, financial institutions, REITs, RICs, and persons that have a functional currency (as defined in Section 985 of the Code) other than the U.S. dollar. This summary assumes that investors hold shares of our common stock as capital assets (within the meaning of Section 1221 of the Code). This discussion is based upon the Code, Treasury regulations, and administrative and judicial interpretations, each as of the date of the filing of this prospectus and all of which are subject to change, possibly retroactively, which could affect the continuing validity of this discussion. We have not sought and will not seek any ruling from the Internal Revenue Service (the "IRS") regarding any offering of our securities. This summary does not discuss any aspects of U.S. estate or gift tax or foreign, state or local tax. It does not discuss the special treatment under U.S. federal income tax laws that could result if we were to invest in tax-exempt securities or certain other investment assets.

For purposes of this discussion, a "U.S. stockholder" is a beneficial owner of shares of our common stock that is, for U.S. federal income tax purposes:

- a citizen or individual resident of the United States;
- a corporation, or other entity treated as a corporation for U.S. federal income tax purposes, created or organized in or under the laws of the United States or any state thereof or the District of Columbia;
- an estate, the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust if either a U.S. court can exercise primary supervision over its administration and one or more U.S. persons have the authority to control all of its substantial decisions or has in effect a valid election to be treated as a U.S. person.

A "non-U.S. stockholder" is a beneficial owner of shares of our common stock that is not a U.S. stockholder or a partnership.

If a partnership (including an entity treated as a partnership for U.S. federal income tax purposes) holds shares of our common stock, the tax treatment of a partner in the partnership will generally depend upon the status of the partner and the activities of the partnership. A prospective investor that is a partnership or a partner in a partnership that will hold shares of our common stock should consult its tax advisors with respect to the purchase, ownership and disposition of shares of our common stock.

Tax matters are very complicated and the tax consequences to an investor of an investment in shares of our common stock will depend on the facts of the investor's particular situation. We encourage investors to consult their own tax advisors regarding the specific consequences of such an investment, including tax reporting requirements, the applicability of U.S. federal, state, local and foreign tax laws, eligibility for the benefits of any applicable tax treaty, and the effect of any possible changes in the tax laws.

### Election to Be Taxed as a RIC

We have elected to be treated as a RIC under Subchapter M of the Code. As a RIC, we generally will not have to pay corporate-level U.S. federal income taxes on any net ordinary income or capital gains that we timely distribute to our stockholders as dividends. To qualify as a RIC, we must, among other things, meet certain source-of-income and asset diversification requirements (as described below). In addition, we must distribute to our stockholders, for each taxable year, dividends of an amount at least equal to 90% of our "investment company taxable income," which is generally our net ordinary income plus the excess of realized net short-term capital gains over realized net long-term capital losses and determined without regard to any deduction for dividends paid (the "Annual Distribution Requirement"). Although not required for us to maintain our RIC tax status, in order to preclude the imposition of a 4% nondeductible federal excise tax imposed on RICs, we must distribute to our stockholders in respect of each calendar year dividends of an amount at least equal to the sum of (1) 98% of our net ordinary income (taking into account certain deferrals and elections) for the calendar year, (2) 98.2% of the excess (if any) of our realized capital gains over our realized capital losses, or capital gain net income (adjusted for certain ordinary losses), generally for the one-year period ending on October 31 of the calendar year and (3) the sum of any net ordinary income plus capital gains net income for preceding years that were not distributed during such years and on which we paid no federal income tax (the "Excise Tax Avoidance Requirement").

**Taxation as a RIC**

If we:

- qualify as a RIC; and
- satisfy the Annual Distribution Requirement;

then we will not be subject to U.S. federal income tax on the portion of our investment company taxable income and net capital gain, defined as net long-term capital gains in excess of net short-term capital losses, we timely distribute (or are deemed to timely distribute) to stockholders. As a RIC, we will be subject to U.S. federal income tax at regular corporate rates on any net income or net capital gain not distributed or deemed distributed as dividends to our stockholders.

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

- qualify to be treated as a BDC under the 1940 Act at all times during each taxable year;
- derive in each taxable year at least 90% of our gross income from dividends, interest, payments with respect to certain securities loans, gains from the sale of stock or other securities, or other income derived with respect to our business of investing in such stock or securities, and net income derived from interests in "qualified publicly traded partnerships" (partnerships that are traded on an established securities market or tradable on a secondary market, other than partnerships that derive 90% of their income from interest, dividends and other permitted RIC income) (the "90% Income Test"); and
- diversify our holdings so that at the end of each quarter of the taxable year (i) at least 50% of the value of our assets consists of cash, cash equivalents, U.S. government securities, securities of other RICs, and other securities if such other securities of any one issuer do not represent more than 5% of the value of our assets or more than 10% of the outstanding voting securities of the issuer; and (ii) no more than 25% of the value of our assets is invested in the securities, other than U.S. government securities or securities of other RICs, of one issuer or of two or more issuers that are controlled, as determined under applicable tax rules, by us and that are engaged in the same or similar or related trades or businesses or in the securities of one or more qualified publicly traded partnerships (collectively, the "Diversification Tests").

We may invest in partnerships, including qualified publicly traded partnerships, which may result in our being subject to state, local or foreign income, franchise or other tax liabilities. For the purpose of determining whether the Company satisfies the 90% Income Test described above, the character of our distributive share of items of income, gain, losses, deductions and credits derived through any investments in companies that are treated as partnerships for U.S. federal income tax purposes (other than qualified publicly traded partnerships), or are treated as disregarded as separate from us for U.S. federal income tax purposes, generally will be determined as if we realized these tax items directly. Further, for purposes of calculating the value of our investment in the securities of an issuer for purposes of determining the 25% requirement described above, the Company's proper proportion of any investment in the securities of that issuer that are held by a member of our "controlled group" must be aggregated with our investment in that issuer. A controlled group is one or more chains of corporations connected through stock ownership with us if (a) at least 20% of the total combined voting power of all classes of voting stock of each of the corporations is owned directly by one or more of the other corporations, and (b) we directly own at least 20% or more of the combined voting stock of at least one of the other corporations.

In addition, as a RIC we are subject to ordinary income and capital gain distribution requirements under U.S. federal excise tax rules for each calendar year. If we do not meet the required distributions under the Excise Tax Avoidance Requirement, we will be subject to a 4% nondeductible federal excise tax on the undistributed amount. The failure to meet the Excise Tax Avoidance Requirement will not cause us to lose our RIC status. Although we currently intend to make sufficient distributions each taxable year to satisfy the U.S. federal excise tax requirements, under certain circumstances, we may choose to retain taxable income or capital gains in an amount that would trigger payments of the 4% federal excise tax.

A RIC is limited in its ability to deduct expenses in excess of its investment company taxable income. If our deductible expenses in a given taxable year exceed our investment company taxable income, we may incur a net operating loss for that taxable year. However, a RIC is not permitted to carry forward net operating losses to subsequent taxable years and such net operating losses do not pass through to its stockholders. In addition, deductible expenses can be used only to offset investment company taxable income, not net capital gain. A RIC may not use any net capital losses (that is, the excess of realized capital losses over realized capital gains) to offset its investment company taxable income, but may carry forward such net capital losses, and use them to offset future capital gains, indefinitely. Any underwriting fees paid by us are not deductible. Due to these limits on deductibility of expenses and net capital losses, we may for tax purposes have aggregate taxable income for several taxable years that we are required to distribute and that is taxable to our stockholders even if such taxable income is greater than the net income we actually earn during those taxable years.

We may be required to recognize taxable income in circumstances in which we do not receive cash. For example, if we hold debt obligations that are treated under applicable tax rules as having OID (such as debt instruments with pay-in-kind interest or, in certain cases, with increasing interest rates or issued with warrants), we must include in income each year a portion of the OID that accrues over the life of the obligation, regardless of whether cash representing such income is received by us in the same taxable year. Because any OID accrued will be included in our investment company taxable income for the taxable year of accrual, we may be required to make a distribution to our stockholders in order to satisfy the Annual Distribution Requirement or the Excise Tax Avoidance Requirement, even though we will not have received any corresponding cash amount.

Although we do not presently expect to do so, we are authorized to borrow funds and to sell assets in order to satisfy distribution requirements. However, under the 1940 Act, we are not permitted to make distributions to our stockholders while our debt obligations and other senior securities are outstanding unless certain “asset coverage” tests are met. Moreover, our ability to dispose of assets to meet our distribution requirements may be limited by (1) the illiquid nature of our portfolio and/or (2) other requirements relating to our qualification as a RIC, including the Diversification Tests. If we dispose of assets in order to meet the Annual Distribution Requirement or the Excise Tax Avoidance Requirement, we may make such dispositions at times that, from an investment standpoint, are not advantageous.

Some of the income and fees that we may recognize, such as fees for providing managerial assistance, certain fees earned with respect to our investments, income recognized in a work-out or restructuring of a portfolio investment, or income recognized from an equity investment in an operating partnership, will not satisfy the 90% Income Test. In order to manage the risk that such income and fees might disqualify us as a RIC for a failure to satisfy the 90% Income Test, we may be required to recognize such income and fees indirectly through one or more entities treated as corporations for U.S. federal income tax purposes. Such corporations will be required to pay U.S. corporate income tax on their earnings, which ultimately will reduce our return on such income and fees.

**Failure to Qualify as a RIC**

If we were unable to qualify for treatment as a RIC and are unable to cure the failure, for example, by disposing of certain investments quickly or raising additional capital to prevent the loss of RIC status, we would be subject to tax on all of our taxable income at regular corporate rates (and any applicable U.S. state and local taxes). The Code provides some relief from RIC disqualification due to failures to comply with the 90% Income Test and the Diversification Tests, although there may be additional taxes due in such cases. We cannot assure you that we would qualify for any such relief should we fail the 90% Income Test or the Diversification Tests.

Should failure occur, not only would all our taxable income be subject to tax at regular corporate rates (as well as any applicable U.S. state and local taxes), we would not be able to deduct dividend distributions to stockholders, nor would they be required to be made. Distributions, including distributions of net long-term capital gain, would generally be taxable to our stockholders as ordinary dividend income to the extent of our current and accumulated earnings and profits. Subject to certain limitations under the Code, certain corporate stockholders would be eligible to claim a dividends received deduction with respect to such dividends and non-corporate stockholders would generally be able to treat such dividends as "qualified dividend income," which is subject to reduced rates of U.S. federal income tax. Distributions in excess of our current and accumulated earnings and profits would be treated first as a return of capital to the extent of the stockholder's tax basis, and any remaining distributions would be treated as a capital gain. If we fail to qualify as a RIC, we may be subject to regular corporate tax on any net built-in gains with respect to certain of our assets (i.e., the excess of the aggregate gains, including items of income, over aggregate losses that would have been realized with respect to such assets if we had been liquidated) that we elect to recognize on requalification or when recognized over the next five taxable years.

Although we expect to operate in a manner so as to qualify continuously as a RIC, we may decide in the future that we should be taxed as a C corporation, even if we would otherwise qualify as a RIC, if we determine that treatment as a C corporation for a particular year would be in our best interest.

The remainder of this discussion assumes that we qualify as a RIC and have satisfied the Annual Distribution Requirement.

**Our Investments — General**

Certain of our investment practices may be subject to special and complex U.S. federal income tax provisions that may, among other things, (1) treat dividends that would otherwise constitute qualified dividend income as non-qualified dividend income, (2) treat dividends that would otherwise be eligible for the corporate dividends received deduction as ineligible for such treatment, (3) disallow, suspend or otherwise limit the allowance of certain losses or deductions, (4) convert lower-taxed long-term capital gain into higher-taxed short-term capital gain or ordinary income, (5) convert an ordinary loss or a deduction into a capital loss (the deductibility of which is more limited), (6) cause us to recognize income or gain without receipt of a corresponding cash payment, (7) adversely affect the time as to when a purchase or sale of stock or securities is deemed to occur, (8) adversely alter the characterization of certain complex financial transactions and (9) produce income that will not be qualifying income for purposes of the 90% Income Test. We intend to monitor our transactions and may make certain tax elections to mitigate the potential adverse effect of these provisions, but there can be no assurance that we will be eligible for any such tax elections or that any adverse effects of these provisions will be mitigated.

Gain or loss recognized by us from warrants or other securities acquired by us, as well as any loss attributable to the lapse of such warrants, generally will be treated as capital gain or loss. Such gain or loss generally will be long-term or short-term depending on how long we held a particular warrant or security.

A portfolio company in which we invest may face financial difficulties that require us to work-out, modify or otherwise restructure our investment in the portfolio company. Any such transaction could, depending upon the specific terms of the transaction, result in unusable capital losses or future non-cash income. Any such transaction could also result in our receiving assets that give rise to non-qualifying income for purposes of the 90% Income Test or otherwise would not count toward satisfying the Diversification Requirements.

Our investment in non-U.S. securities may be subject to non-U.S. income, withholding and other taxes. In that case, our yield on those securities would be decreased. Stockholders generally will not be entitled to claim a U.S. foreign tax credit or deduction with respect to non-U.S. taxes paid by us.

If we purchase shares in a "passive foreign investment company" (a "PFIC"), we may be subject to U.S. federal income tax on a portion of any "excess distribution" received on, or any gain from the disposition of, such shares even if we distribute such income as a taxable dividend to our stockholders. Additional charges in the nature of interest generally will be imposed on us in respect of deferred taxes arising from any such excess distribution or gain. If we invest in a PFIC and elect to treat the PFIC as a "qualified electing fund" under the Code (a "QEF"), in lieu of the foregoing requirements, we will be required to include in income each year our proportionate share of the ordinary earnings and net capital gain of the QEF, even if such income is not distributed by the QEF. Alternatively, we may be able to elect to mark-to-market at the end of each taxable year our shares in a PFIC; in this case, we will recognize as ordinary income any increase in the value of such shares, and as ordinary loss any decrease in such value to the extent that any such decrease does not exceed prior increases included in our income. Our ability to make either election will depend on factors beyond our control, and is subject to restrictions which may limit the availability of the benefit of these elections. Under either election, we may be required to recognize in a year income in excess of any distributions we receive from PFICs and any proceeds from dispositions of PFIC stock during that year, and such income will nevertheless be subject to the Annual Distribution Requirement and will be taken into account for purposes of determining whether we satisfy the Excise Tax Avoidance Requirement

Under Section 988 of the Code, gains or losses attributable to fluctuations in exchange rates between the time we accrue income, expenses or other liabilities denominated in a foreign currency and the time we actually collect such income or pay such expenses or liabilities are generally treated as ordinary income or loss. Similarly, gains or losses on foreign currency forward contracts and the disposition of debt obligations denominated in a foreign currency, to the extent attributable to fluctuations in exchange rates between the acquisition and disposition dates, are also treated as ordinary income or loss.

**Taxation of U.S. Stockholders**

The following discussion only applies to U.S. stockholders. Prospective stockholders that are not U.S. stockholders should refer to "*— Taxation of Non-U.S. Stockholders*" below.

***Distributions***

Distributions by us generally are taxable to U.S. stockholders as ordinary income or capital gains. Distributions of our "investment company taxable income" (which is, generally, our net ordinary income plus net short-term capital gains in excess of net long-term capital losses) will be taxable as ordinary income to U.S. stockholders to the extent of our current or accumulated earnings and profits, whether paid in cash or reinvested in additional shares. To the extent such distributions paid by us to non-corporate stockholders (including individuals) are attributable to dividends from U.S. corporations and certain qualified foreign corporations and if certain holding period requirements are met, such distributions generally will be treated as qualified dividend income and generally eligible for a maximum U.S. federal tax rate of 20%, and if other applicable requirements are met, such distributions generally will be eligible for the corporate dividends received deduction to the extent such dividends have been paid by a U.S. corporation. Subject to any future regulatory guidance to the contrary, distributions we make to stockholders in respect of any qualified publicly traded partnership income we receive will not be eligible for the 20% pass through deduction accorded to non-corporate taxpayers under Section 199A of the Code in respect of such income received directly from a publicly traded partnership.

Distributions of our net capital gains (which is generally our realized net long-term capital gains in excess of realized net short-term capital losses) properly reported by us as "capital gain dividends" will be taxable to a U.S. stockholder as long-term capital gains (currently generally at a maximum rate of 20%) in the case of individuals, trusts or estates, regardless of the U.S. stockholder's holding period for their shares and regardless of whether paid in cash or reinvested in additional shares. Distributions in excess of our earnings and profits first will reduce a U.S. stockholder's adjusted tax basis in such stockholder's shares and, after the adjusted basis is reduced to zero, will constitute capital gains to such U.S. stockholder. A stockholder's basis for determining gain or loss upon the sale of shares received in a distribution from us will generally be equal to the cash that would have been received if the stockholder had received the distribution in cash, unless we issue new shares that are trading at or above NAV, in which case the stockholder's basis in the new shares will generally be equal to their fair market value.

Although we currently intend to distribute any net capital gains at least annually, we may in the future decide to retain some or all of our net capital gains but report the retained amount as a "deemed distribution." In that case, among other consequences, we will pay tax on the retained amount, each U.S. stockholder will be required to include their *pro rata* share of the deemed distribution in income as if it had been distributed to the U.S. stockholder, and the U.S. stockholder will be entitled to claim a credit equal to their *pro rata* allocable share of the tax paid on the retained amount by us. The amount of the deemed distribution net of such tax will be added to the U.S. stockholder's tax basis for their shares. Since we expect to pay tax on any retained net capital gains at our regular corporate tax rate, and since that rate is in excess of the maximum rate currently payable by individuals on long-term capital gains, the amount of tax that individual stockholders will be treated as having paid and for which they will receive a credit will exceed the tax they owe on the deemed distribution. Such excess generally may be claimed as a credit against the U.S. stockholder's other U.S. federal income tax obligations or may be refunded to the extent it exceeds a stockholder's liability for U.S. federal income tax. A stockholder that is not subject to U.S. federal income tax or otherwise required to file a U.S. federal income tax return would be required to file a U.S. federal income tax return on the appropriate form in order to claim a refund for such excess. In order to utilize the deemed distribution approach, we must provide written notice to our stockholders prior to the expiration of 60 days after the close of the relevant taxable year. We cannot treat any of our investment company taxable income as a "deemed distribution."

For purposes of determining (1) whether the Annual Distribution Requirement is satisfied for any tax year and (2) the amount of capital gain dividends paid for that tax year, we may, under certain circumstances, elect to treat a dividend that is paid during the following tax year as if it had been paid during the tax year in question. If we make such an election, the U.S. stockholder will still be treated as receiving the dividend in the tax year in which the distribution is made. However, any dividend declared by us in October, November or December of any calendar year, payable to stockholders of record on a specified date in such a month and actually paid during January of the following calendar year, will be treated as if it had been received by our U.S. stockholders on December 31 of the calendar year in which the dividend was declared.

If an investor purchases shares shortly before the record date of a distribution, the price of the shares will include the value of the distribution and the investor will be subject to tax on the distribution even though it represents a return of their investment.

We will send to each of our U.S. stockholders, as promptly as possible after the end of each calendar year, a notice detailing, on a per share and per distribution basis, the amounts includible in such U.S. stockholder's taxable income for such year as ordinary income and as long-term capital gain. In addition, the U.S. federal tax status of each calendar year's distributions generally will be reported to the IRS. Distributions may also be subject to additional state, local and foreign taxes depending on a U.S. stockholder's particular situation. Dividends distributed by us generally will not be eligible for the dividends-received deduction or the lower tax rates applicable to certain qualified dividends.

Until and unless we are treated as a "publicly offered regulated investment company" (within the meaning of Section 67 of the Code) as a result of either (1) shares of our common stock and our preferred stock collectively being held by at least 500 persons at all times during a taxable year, (2) shares of our common stock being treated as regularly traded on an established securities market for any taxable year, or (3) shares of our common stock being continuously offered pursuant to a public offering (within the meaning of Section 4 of the Securities Act), for purposes of computing the taxable income of U.S. stockholders that are individuals, trusts or estates, (1) our earnings will be computed without taking into account such U.S. stockholders' allocable shares of certain of our fees and expenses, (2) each such U.S. stockholder will be treated as having received or accrued a dividend from us in the amount of such U.S. stockholder's allocable share of these fees and expenses for such taxable year, (3) each such U.S. stockholder will be treated as having paid or incurred such U.S. stockholder's allocable share of these fees and expenses for the calendar year and (4) each such U.S. stockholder's allocable share of these fees and expenses will be treated as miscellaneous itemized deductions by such U.S. stockholder. For taxable years beginning before 2026, miscellaneous itemized deductions generally are not deductible by a U.S. stockholder that is an individual, trust or estate. For taxable years beginning in 2026 or later, miscellaneous itemized deductions generally are deductible by a U.S. stockholder that is an individual, trust or estate only to the extent that the aggregate of such U.S. stockholder's miscellaneous itemized deductions exceeds 2% of such U.S. stockholder's adjusted gross income for U.S. federal income tax purposes, are not deductible for purposes of the alternative minimum tax and are subject to the overall limitation on itemized deductions under Section 68 of the Code.

***Dispositions***

A U.S. stockholder generally will recognize taxable gain or loss if the U.S. stockholder sells or otherwise disposes of their shares of our common stock. The amount of gain or loss will be measured by the difference between such stockholder's adjusted tax basis in the common stock sold and the amount of the proceeds received in exchange. Any gain or loss arising from such sale or disposition generally will be treated as long-term capital gain or loss if the U.S. stockholder has held their shares of our common stock for more than one year; otherwise, any such gain or loss will be classified as short-term capital gain or loss. However, any capital loss arising from the sale or disposition of shares of our common stock held for six months or less will be treated as long-term capital loss to the extent of the amount of capital gain dividends received, or undistributed capital gain deemed received, with respect to such shares. In addition, all or a portion of any loss recognized upon a disposition of shares of our common stock may be disallowed if other shares of our common stock or substantially identical stock or securities are purchased (whether through reinvestment of distributions or otherwise) within 30 days before or after the disposition. In such case, the basis of the shares acquired will be adjusted to reflect the disallowed loss.

In general, non-corporate U.S. stockholders (including individuals) currently are subject to a maximum U.S. federal income tax rate of 20% on their net capital gain (i.e., the excess of realized net long-term capital gains over realized net short-term capital losses), including any long-term capital gain derived from an investment in shares of our common stock. These rates are lower than the maximum rate on ordinary income currently payable by individuals. Corporate U.S. stockholders currently are subject to U.S. federal income tax on net capital gain at the maximum 21% rate also applied to ordinary income. Non-corporate U.S. stockholders (including individuals) with net capital losses for a year (i.e., capital losses in excess of capital gains) generally may deduct up to $3,000 of such losses against their ordinary income each year; any net capital losses of a non-corporate U.S. stockholder (including an individual) in excess of $3,000 generally may be carried forward and used in subsequent years as provided in the Code. Corporate U.S. stockholders generally may not deduct any net capital losses for a year, but may carry back such losses for three years or carry forward such losses for five years.

Legislation requires reporting of adjusted cost basis information for covered securities, which generally include shares of a RIC, to the Internal Revenue Service and to taxpayers. Stockholders should contact their financial intermediaries with respect to reporting of cost basis and available elections for their accounts.

***Tax on Net Investment Income***

A U.S. stockholder that is an individual or estate, or a trust that does not fall into a special class of trusts that is exempt from such tax, will generally be subject to a 3.8% tax on the lesser of (i) the U.S. stockholder's "net investment income" for a taxable year and (ii) the excess of the U.S. stockholder's modified adjusted gross income for such taxable year over $200,000 ($250,000 in the case of joint filers and $125,000 in the case of married individuals filing a separate return). For these purposes, "net investment income" will generally include taxable distributions and deemed distributions paid with respect to stock, including our common stock, and net gain attributable to the disposition of stock, including our common stock (in each case, unless such stock is held in connection with certain trades or businesses), but will be reduced by any deductions properly allocable to such distributions or net gain.

***Tax Shelter Reporting Regulations***

Under applicable Treasury regulations, if a U.S. stockholder recognizes a loss with respect to our common stock of $2 million or more for a non-corporate U.S. stockholder or $10 million or more for a corporate U.S. stockholder in any single taxable year (or a greater loss over a combination of years), the U.S. stockholder must file with the IRS a disclosure statement on Form 8886. Direct U.S. stockholders of portfolio securities are in many cases excepted from this reporting requirement, but, under current guidance, U.S. stockholders of a RIC are not excepted. Future guidance may extend the current exception from this reporting requirement to U.S. stockholders of most or all RICs. The fact that a loss is reportable under these regulations does not affect the legal determination of whether the taxpayer's treatment of the loss is proper. Significant monetary penalties apply to a failure to comply with this reporting requirement. States may also have a similar reporting requirement. U.S. stockholders should consult their own tax advisers to determine the applicability of these Treasury regulations in light of their individual circumstances.

***Backup Withholding***

Backup withholding, currently at a rate of 24%, may be applicable to all taxable distributions to any non-corporate U.S. stockholder (1) who fails to furnish us with a correct taxpayer identification number or a certificate that such stockholder is exempt from backup withholding or (2) with respect to whom the IRS notifies us that such stockholder has failed to properly report certain interest and dividend income to the IRS and to respond to notices to that effect. An individual's taxpayer identification number is his or her social security number. Any amount withheld under backup withholding is allowed as a credit against the U.S. stockholder's U.S. federal income tax liability and may entitle such stockholder to a refund, provided that proper information is timely provided to the IRS.

**Taxation of Non-U.S. Stockholders**

The following discussion applies only to non-U.S. stockholders. Whether an investment in shares of our common stock is appropriate for a non-U.S. stockholder will depend upon that stockholder's particular circumstances. An investment in shares of our common stock by a non-U.S. stockholder may have adverse tax consequences to such non-U.S. stockholder. Non-U.S. stockholders should consult their own tax advisers before investing in our common stock.

***Distributions; Dispositions***

Subject to the discussion below, distributions of our "investment company taxable income" to non-U.S. stockholders (including interest income, net short-term capital gain or foreign-source dividend and interest income, which generally would be free of withholding if paid to non-U.S. stockholders directly) will be subject to withholding of U.S. federal tax at a 30% rate (or lower rate provided by an applicable treaty) to the extent of our current and accumulated earnings and profits unless the distributions are effectively connected with a U.S. trade or business of the non-U.S. stockholder, in which case the distributions will generally be subject to U.S. federal income tax at the rates applicable to U.S. persons. In that case, we will not be required to withhold U.S. federal tax if the non-U.S. stockholder complies with applicable certification and disclosure requirements. Special certification requirements apply to a non-U.S. stockholder that is a foreign partnership or a foreign trust, and such entities are urged to consult their own tax advisors. Non-U.S. source interest income is not eligible for exemption from U.S. federal withholding tax, and distributions of non-U.S. source income will be subject to the 30% U.S. withholding tax unless reduced by an applicable tax treaty.

Certain properly reported dividends received by a non-U.S. stockholder generally are exempt from U.S. federal withholding tax when they (1) are paid in respect of our "qualified net interest income" (generally, our U.S. source interest income, other than certain contingent interest and interest from obligations of a corporation or partnership in which we are at least a 10% stockholder, reduced by expenses that are allocable to such income), or (2) are paid in connection with our "qualified short-term capital gains" (generally, the excess of our net short-term capital gain over our long-term capital loss for a tax year), in each case provided we report them as such and certain other requirements are satisfied. Nevertheless, it should be noted that in the case of shares of our common stock held through an intermediary, the intermediary may withhold U.S. federal income tax even if we report a payment as an interest-related dividend or short-term capital gain dividend. Moreover, depending on the circumstances, we may report all, some or none of our potentially eligible dividends as derived from such qualified net interest income or as qualified short-term capital gains, or treat such dividends, in whole or in part, as ineligible for this exemption from withholding.

Actual or deemed distributions of our net capital gains to a non-U.S. stockholder, and gains recognized by a non-U.S. stockholder upon the sale of shares of our common stock, will not be subject to federal withholding tax and generally will not be subject to U.S. federal income tax unless the distributions or gains, as the case may be, are effectively connected with a U.S. trade or business of the non-U.S. stockholder and, if an income tax treaty applies, are attributable to a permanent establishment maintained by the non-U.S. stockholder in the United States or, in the case of an individual non-U.S. stockholder, the stockholder is present in the United States for 183 days or more during the year of the sale or capital gain dividend and certain other conditions are met.

If we distribute our net capital gains in the form of deemed rather than actual distributions (which we may do in the future), a non-U.S. stockholder will be entitled to a U.S. federal income tax credit or tax refund equal to the stockholder's allocable share of the tax we pay on the capital gains deemed to have been distributed. In order to obtain the refund, the non-U.S. stockholder must obtain a U.S. taxpayer identification number and file a U.S. federal income tax return even if the non-U.S. stockholder would not otherwise be required to obtain a U.S. taxpayer identification number or file a U.S. federal income tax return. For a corporate non-U.S. stockholder, distributions (both actual and deemed), and gains realized upon the sale of shares of our common stock that are effectively connected with a U.S. trade or business may, under certain circumstances, be subject to an additional "branch profits tax" at a 30% rate (or at a lower rate if provided for by an applicable treaty).

A non-U.S. stockholder who is a non-resident alien individual, and who is otherwise subject to withholding of U.S. federal income tax, may be subject to information reporting and backup withholding of U.S. federal income tax on dividends unless the non-U.S. stockholder provides us or the dividend paying agent with a U.S. nonresident withholding tax certification (e.g., an IRS Form W-8BEN, IRS Form W-8BEN-E, or an acceptable substitute form) or otherwise meets documentary evidence requirements for establishing that it is a non-U.S. stockholder or otherwise establishes an exemption from backup withholding.

***Foreign Account Tax Compliance Act***

Under the Code and Treasury regulations, the applicable withholding agent generally will be required to withhold 30% of the dividends on our common stock to (i) a non-U.S. financial institution (whether such financial institution is the beneficial owner or an intermediary) unless such non-U.S. financial institution agrees to verify, report and disclose its U.S. accountholders and meets certain other specified requirements or is subject to an applicable "intergovernmental agreement" or (ii) a non-financial non-U.S. entity (whether such entity is the beneficial owner or an intermediary) unless such entity certifies that it does not have any substantial U.S. owners or provides the name, address and taxpayer identification number of each substantial U.S. owner and such entity meets certain other specified requirements. If payment of this withholding tax is made, non-U.S. stockholders that are otherwise eligible for an exemption from, or a reduction in, withholding of U.S. federal income taxes with respect to such dividends will be required to seek a credit or refund from the IRS to obtain the benefit of such exemption or reduction. Under rules previously scheduled to apply beginning January 1, 2019, such withholding would also apply to gross proceeds from the disposition of our common stock; however proposed Treasury regulations, which may be relied upon until final Treasury regulations are issued, eliminate withholding on payments of gross proceeds from such dispositions. We will not pay any additional amounts in respect of any amounts withheld.

**Non-U.S. stockholders should consult their own tax advisers with respect to the U.S. federal income and withholding tax consequences, and state, local and non-U.S. tax consequences, of an investment in shares of our common stock.**

**STOCKHOLDERS SHOULD CONSULT THEIR OWN TAX ADVISORS REGARDING THE PARTICULAR TAX CONSEQUENCES TO THEM OF AN INVESTMENT IN THE COMPANY, INCLUDING THE STATE, LOCAL AND NON-U.S. INCOME AND OTHER TAX CONSEQUENCES OF AN INVESTMENT IN SHARES OF OUR COMMON STOCK.**

## CUSTODIAN AND TRANSFER AND DIVIDEND DISBURSING AGENT

Our assets are held by U.S. Bank National Association pursuant to a custody agreement. The principal business address of U.S. Bank is One Federal Street, Boston MA 02110.

American Stock Transfer & Trust Company provides transfer agency and distribution paying agency services to us under a transfer agency agreement and a distribution paying agent agreement, respectively. The address of American Stock Transfer & Trust Company is 59 Maiden Lane, New York, New York, 10038.

## PORTFOLIO TRANSACTIONS AND BROKERAGE

Since we generally acquire and dispose of our investments in privately negotiated transactions, we infrequently use brokers in the normal course of our business. Our management team is primarily responsible for the execution of the publicly traded securities portion of our portfolio transactions and the allocation of brokerage commissions. We do not expect to execute transactions through any particular broker or dealer, but seek to obtain the best net results for us, taking into account such factors as price (including the applicable brokerage commission or dealer spread), size of order, difficulty of execution, and operational facilities of the firm and the firm's risk and skill in positioning blocks of securities. While we generally seek reasonably competitive trade execution costs, we do not necessarily pay the lowest spread or commission available. Subject to applicable legal requirements, we may select a broker based partly upon brokerage or research services provided to us. In return for such services, we may pay a higher commission than other brokers would charge if we determine in good faith that such commission is reasonable in relation to the services provided.

## LEGAL MATTERS

Certain legal matters regarding the securities offered by this prospectus will be passed upon for the Company by Kramer Levin Naftalis & Frankel LLP. Certain legal matters in connection with an offering will be passed upon for the underwriters, if any, by the counsel named in the applicable prospectus supplement.

## EXPERTS

The financial statements of PhenixFIN Corporation appearing in PhenixFIN Corporation's (f/k/a Medley Capital Corporation) Annual Report on Form 10-K for the year ended September 30, 2020 have been audited by Ernst & Young LLP, independent registered public accounting firm, as set forth in their report thereon, included therein, and incorporated herein by reference. Such financial statements are incorporated herein by reference in reliance upon such report given on the authority of such firm as experts in auditing and accounting.

## ADDITIONAL INFORMATION

We have filed with the SEC a registration statement on Form N-2, together with all amendments and related exhibits, under the Securities Act, with respect to our securities offered by this prospectus. The registration statement contains additional information about us and our securities being offered by this prospectus.

We file with or submit to the SEC annual, quarterly and current reports, proxy statements and other information meeting the informational requirements of the Exchange Act. We maintain a website at http://www.phenixfc.com, and make all of our annual, quarterly and current reports, proxy statements and other publicly filed information available, free of charge, on or through our website. You may also obtain such information by contacting us, in writing at: PhenixFIN Corporation, 445 Park Avenue, 10th Floor, New York, NY 10022, Attention: Investor Relations, or by telephone at (212) 859-0390. The SEC maintains an Internet site that contains reports, proxy and information statements and other information filed electronically by us with the SEC which are available on the SEC's Internet site at http://www.sec.gov. Copies of these reports, proxy and information statements and other information may be obtained, after paying a duplicating fee, by electronic request at the following e-mail address: publicinfo@sec.gov. Except for the documents incorporated by reference into this prospectus and any accompanying prospectus supplement, information contained on our website or on the SEC's website about us is not incorporated into this prospectus and you should not consider information contained on our website or on the SEC's website to be part of this prospectus, or the registration statement of which this prospectus is a part.

## INCORPORATION BY REFERENCE

This prospectus is part of a registration statement that we have filed with the SEC. We are allowed to "incorporate by reference" the information that we file with the SEC, which means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is considered to comprise a part of this prospectus from the date we file that document. Any reports filed by us with the SEC before the date that any offering of any securities by means of this prospectus and any applicable prospectus supplement is terminated will automatically be incorporated and, where applicable, supersede any applicable information contained in this prospectus or incorporated by reference in this prospectus.

We incorporate by reference into this prospectus our filings listed below and any future filings (including those made after the date of the filing of this registration statement) we will make with the SEC under Sections 13(a), 13(c), 14, or 15(d) of the Exchange Act, including all such documents we may file with the SEC after the date of the initial registration statement and prior to the effectiveness of the registration statement, until all of the securities offered by this prospectus and any applicable prospectus supplement have been sold or we otherwise terminate the offering of these securities; provided, however, that information "furnished" under Item 2.02 or Item 7.01 of Form 8-K or other information "furnished" to the SEC, which is not deemed filed, is not incorporated by reference in this prospectus and any applicable prospectus supplement (unless specifically set forth in such filing). Information that we file with the SEC will automatically update and may supersede information in this prospectus, any applicable prospectus supplement and information previously filed with the SEC.

This prospectus and any applicable prospectus supplement will incorporate by reference the documents set forth below that have previously been filed with the SEC:

- our definitive proxy statement on Schedule 14A, filed with the SEC on February 26, 2021;
- our quarterly reports on Form 10-Q, filed with the SEC on May 13, 2021 and February 16, 2021;
- our Annual Report on Form 10-K for the fiscal year ended September 30 2020, filed with the SEC on December 11, 2020 and Amendment No.1 to our Annual Report on Form 10-K for the fiscal year ended September 30, 2020, filed with the SEC on January 28, 2021;
- our current reports on Form 8-K (other than information furnished rather than filed), filed with the SEC on May 13, 2021, April 12, 2021, March 16, 2021, February 16, 2021, January 21, 2021, December 28, 2020, and December 11, 2020
- the description of our common stock contained in our Registration Statement on Form N-2 (File No. 333-166491), as filed with the SEC on May 3, 2010, including any amendment or report filed for the purpose of updating such description prior to the termination of the offering of the common stock registered hereby; and
- the description of our debt securities contained in our registration statement on Form N-2 (File No.333-179237), declared effective on March 12, 2013 and the description of our debt securities in the Company's prospectus supplement, dated March 13, 2013 to the Company's prospectus, dated March 12, 2013, including any amendment or report filed for the purpose of updating such description prior to the termination of the offering of the debt securities registered hereby.

To obtain copies of these filings, see "Additional Information."

You should rely only on the information incorporated by reference or provided in this prospectus or any prospectus supplement. We have not authorized anyone to provide you with different or additional information, and you should not rely on such information if you receive it. We are not making an offer of or soliciting an offer to buy, any securities in any state or other jurisdiction where such offer or sale is not permitted. You should not assume that the information in this prospectus or in the documents incorporated by reference is accurate as of any date other than the date on the front of this prospectus or those documents.

# PHENIXFIN CORPORATION

**PROSPECTUS**
**[ ]**

**PART C**
**OTHER INFORMATION**

**Item 25. Financial Statements and Exhibits**

**(1) Financial Statements**

The interim consolidated financial statements included in the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2021 have been incorporated by reference in this registration statement in "Part A — Information Required in a Prospectus."

The consolidated financial statements as of September 30, 2020 and September 30, 2019, for each of the three years in the period ended September 30, 2020, and management's assessment of the effectiveness of internal control over financial reporting as of September 30, 2020 have been incorporated by reference in this registration statement in "Part A — Information Required in a Prospectus."

**(2) Exhibits**

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| (a)(1) | Certificate of Incorporation (Incorporated by reference to Exhibit 99.A.3 to the Registrant's Pre-effective Amendment No. 3 to the Registration Statement on Form N-2 (File No. 333-166491), filed on November 23, 2010). |
| (a)(2) | Certificate of Amendment to Certificate of Incorporation (Incorporated by reference to the Current Report on Form 8-K filed December 28, 2020). |
| (b)(1) | Form of Bylaws (Incorporated by reference to Exhibit 99.B.3 to the Registrant's Pre-effective Amendment No. 3 to the Registration Statement on Form N-2 (File No. 333-166491), filed on November 23, 2010). |
| (b)(2) | Amendment No. 1 to Bylaws (Incorporated by reference to the Current Report on Form 8-K filed February 7, 2019). |
| (b)(3) | Amendment No. 2 to Bylaws (Incorporated by reference to the Current Report on Form 8-K filed December 28, 2020). |
| (c) | Not applicable. |
| (d)(1) | Form of Stock Certificate (Incorporated by reference to Exhibit 99.D to the Registrant's Pre-effective Amendment No. 3 to the Registration Statement on Form N-2 (File No. 333-166491), filed on November 23, 2010). |
| (d)(2) | Indenture, dated February 7, 2012, between Medley Capital Corporation and U.S. Bank National Association, as Trustee (Incorporated by reference to Exhibit 99.D.2 to the Registrant's Pre-Effective Amendment No. 1 to the Registration Statement on Form N-2 (File No. 333-179237), filed on February 13, 2012). |
| (d)(3) | First Supplemental Indenture, dated March 21, 2012, between Medley Capital Corporation and U.S. Bank National Association, as Trustee (Incorporated by reference to Exhibit 99.D.4 to the Registrant's Post-Effective Amendment No. 2 to the Registration Statement on Form N-2 (File No. 333-179237), filed on March 21, 2012). |

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| (d)(4) | Second Supplemental Indenture, dated March 18, 2013, between Medley Capital Corporation and U.S. Bank National Association, as Trustee (Incorporated by reference to Exhibit 99.D.4 to the Registrant's Post-Effective Amendment No. 7 to the Registration Statement on Form N-2 (File No. 333-179237), filed on March 15, 2013). |
| 4.5 | Third Supplemental Indenture, dated December 17, 2015, between Medley Capital Corporation and U.S. Bank National Association, as Trustee (Incorporated by reference to Exhibit 99.D.6 to the Registrant's Post-Effective Amendment No. 11 to the Registration Statement on Form N-2 (File No. 333-187324), filed December 17, 2015). |
| (d)(5) | Deed of Trust, dated January 23, 2018, between Medley Capital Corporation and Mishmeret Trust Company, Ltd. (Incorporated by reference to the Registrant's Registration Statement on Form N-2 (File No. 333-230790), filed on April 10, 2019). |
| (d)(6) | Amendment to Deed of Trust, dated August 12, 2019, between Medley Capital Corporation and Mishmeret Trust Company, Ltd. (Incorporated by reference by the Current Report on Form 8-K filed on August 16, 2019). |
| (d)(7) | Statement of Eligibility of Trustee on Form T-1 (Incorporated by reference to Exhibit d.5 to the Registrant's Registration Statement on Form N-2 (File No. 333-179237), filed on March 15, 2013). |
| (e) | Form of Dividend Reinvestment Plan (Incorporated by reference to Exhibit 99.E to the Registrant's Pre-effective Amendment No. 3 to the Registration Statement on Form N-2 (File No. 333-166491), filed on November 23, 2010). |
| (f)(1) | Senior Secured Revolving Credit Agreement among Medley Capital Corporation as borrower, the Lenders party thereto, and ING Capital LLC, as Administrative Agent, dated August 4, 2011 (Incorporated by reference to the Current Report on Form 8-K filed on August 9, 2011). |
| (f)(2) | Guarantee, Pledge and Security Agreement among the Company, the Subsidiary Guarantors party thereto, ING Capital LLC, as Administrative Agent, each Financial Agent and Designated Indebtedness Holder party thereto and ING Capital LLC, as Collateral Agent, dated August 4, 2011 (Incorporated by reference to the Current Report on Form 8-K filed on August 9, 2011). |
| (f)(3) | Amendment No. 1, dated as of August 31, 2012, to the Senior Secured Revolving Credit Agreement dated as of August 4, 2011, among Medley Capital Corporation as borrower, the Lenders party thereto, and ING Capital LLC, as Administrative Agent (Incorporated by reference to the Current Report on Form 8-K filed on September 6, 2012). |
| (f)(4) | Amendment No. 2, dated as of December 7, 2012, to the Senior Secured Revolving Credit Agreement dated as of August 4, 2011, among Medley Capital Corporation as borrower, the Lenders party thereto, and ING Capital LLC, as Administrative Agent, as amended by Amendment No. 1 to the Senior Secured Revolving Credit Agreement, dated as of August 31, 2012 (Incorporated by reference to the Current Report on Form 8-K filed on December 13, 2012). |
| (f)(5) | Amendment No. 3, dated as of March 28, 2013, to the Senior Secured Revolving Credit Agreement dated as of August 4, 2011, among Medley Capital Corporation as borrower, the Lenders party thereto, and ING Capital LLC, as Administrative Agent, as amended by Amendment Nos. 1 and 2 to the Senior Secured Revolving Credit Agreement, dated as of August 31, 2012 and December 7, 2012, respectively (Incorporated by reference to the Current Report on Form 8-K filed on April 2, 2013). |
| (f)(6) | Senior Secured Term Loan Credit Agreement, dated as of August 31, 2012, among Medley Capital Corporation as borrower, the Lenders party thereto, and ING Capital LLC, as Administrative Agent (Incorporated by reference to the Current Report on Form 8-K filed on September 6, 2012). |

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| (f)(7) | Amendment No. 1, dated as of December 7, 2012, to the Senior Secured Term Loan Credit Agreement dated as of August 31, 2012, among Medley Capital Corporation as borrower, the Lenders party thereto, and ING Capital LLC, as Administrative Agent (Incorporated by reference to the Current Report on Form 8-K filed on December 13, 2012). |
| (f)(8) | Amendment No. 2, dated as of January 23, 2013, to the Senior Secured Term Loan Credit Agreement dated as of August 31, 2012, among Medley Capital Corporation as borrower, the Lenders party thereto, and ING Capital LLC, as Administrative Agent, as amended by Amendment No. 1 to the Senior Secured Term Loan Credit Agreement, dated as of January 23, 2013 (Incorporated by reference to the Current Report on Form 8-K filed on January 29, 2013). |
| (f)(9) | Amendment No. 3, dated as of March 28, 2013, to the Senior Secured Term Loan Credit Agreement, dated as of August 31, 2012, among Medley Capital Corporation as borrower, the Lenders party thereto, and ING Capital LLC, as Administrative Agent, as amended by Amendment Nos. 1 and 2 to the Senior Secured Term Loan Credit Agreement, dated as of December 7, 2012 and January 23, 2013, respectively (Incorporated by reference to the Current Report on Form 8-K filed on April 2, 2013). |
| (f)(10) | Amendment No. 4, dated as of May 1, 2013, to the Senior Secured Revolving Credit Agreement, dated as of August 4, 2011, among Medley Capital Corporation as borrower, the Lenders party thereto, and ING Capital LLC, as Administrative Agent, as amended by Amendment Nos. 1, 2 and 3 to the Senior Secured Revolving Credit Agreement, dated as of August 31, 2012, December 7, 2012 and March 28, 2013, respectively (Incorporated by reference to the Current Report on Form 8-K filed on May 7, 2013). |
| (f)(11) | Amendment No. 4, dated as of May 1, 2013, to the Senior Secured Term Loan Credit Agreement, dated as of August 31, 2012, among Medley Capital Corporation as borrower, the Lenders party thereto, and ING Capital LLC, as Administrative Agent, as amended by Amendment Nos. 1, 2 and 3 to the Senior Secured Term Loan Credit Agreement, dated as of December 7, 2012, January 23, 2013 and March 28, 2013, respectively (Incorporated by reference to the Current Report on Form 8-K filed on May 7, 2013). |
| (f)(12) | Amendment No. 5, dated as of June 2, 2014, to the Senior Secured Revolving Credit Agreement, dated as of August 4, 2011, among Medley Capital Corporation as borrower, the Lenders party thereto, and ING Capital LLC, as Administrative Agent, as amended by Amendment Nos. 1, 2, 3 and 4 to the Senior Secured Revolving Credit Agreement, dated as of August 31, 2012, December 7, 2012, March 28, 2013 and May 1, 2013, respectively (Incorporated by reference to the Current Report on Form 8-K filed on June 3, 2014). |
| (f)(13) | Amendment No. 5, dated as of June 2, 2014, to the Senior Secured Term Loan Credit Agreement, dated as of August 31, 2012, among Medley Capital Corporation as borrower, the Lenders party thereto, and ING Capital LLC, as Administrative Agent, as amended by Amendment Nos. 1, 2, 3 and 4 to the Senior Secured Term Loan Credit Agreement, dated as of December 7, 2012, January 23, 2013, March 28, 2013 and May 1, 2013, respectively (Incorporated by reference to the Current Report on Form 8-K filed on June 3, 2014). |
| (f)(14) | Amendment No. 6, dated as of February 2, 2015, to the Senior Secured Revolving Credit Agreement, dated as of August 4, 2011, among Medley Capital Corporation as borrower, the Lenders party thereto, and ING Capital LLC, as Administrative Agent, as amended by Amendment Nos. 1, 2, 3, 4 and 5 to the Senior Secured Revolving Credit Agreement, dated as of August 31, 2012, December 7, 2012, March 28, 2013, May 1, 2013 and June 2, 2014, respectively (Incorporated by reference to Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q filed on February 9, 2015). |
| (f)(15) | Amendment No. 6 to the Senior Secured Term Loan Credit Agreement, dated as of August 31, 2012, among Medley Capital Corporation as borrower, the Lenders party thereto, and ING Capital LLC, as Administrative Agent, as amended by Amendment Nos. 1, 2, 3, 4 and 5 to the Senior Secured Term Loan Credit Agreement, dated as of December 7, 2012, January 23, 2013, March 28, 2013, May 1, 2013 and June 2, 2014, respectively (Incorporated by reference to Exhibit 10.2 to the Registrant's Quarterly Report on Form 10-Q filed on February 9, 2015). |

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| (f)(16) | Amended and Restated Senior Secured Revolving Credit Agreement, dated as of July 28, 2015, by and among the Company as borrower, each of the subsidiary guarantors party thereto, the Lenders party thereto and ING Capital LLC, as Administrative Agent (Incorporated by reference to the Current Report on Form 8-K filed on July 30, 2015). |
| (f)(17) | Amendment No. 1 to Amended and Restated Senior Secured Revolving Credit Agreement, dated as of September 16, 2016, by and among the Company as borrower, MCC Investment Holdings LLC, MCC Investment Holdings Sendero LLC, MCC Investment Holdings RT1 LLC, MCC Investment Holdings Omnivere LLC, MCC Investment Holdings Amvestar, LLC, and MCC Investment Holdings AAR, LLC, as subsidiary guarantors, the Lenders party thereto and ING Capital LLC, as Administrative Agent (Incorporated by reference to the Current Report on Form 8-K filed on September 22, 2016). |
| (f)(18) | Amendment No. 2 to Amended and Restated Senior Secured Revolving Credit Agreement, dated as of February 8, 2017, by and among the Company as borrower, MCC Investment Holdings LLC, MCC Investment Holdings Sendero LLC, MCC Investment Holdings RT1 LLC, MCC Investment Holdings Omnivere LLC, MCC Investment Holdings Amvestar, LLC, and MCC Investment Holdings AAR, LLC, as subsidiary guarantors, the Lenders party thereto and ING Capital LLC, as Administrative Agent (Incorporated by reference to the Current Report on Form 8-K filed on February 10, 2017). |
| (f)(19) | Amendment No. 3 to Amended and Restated Senior Secured Revolving Credit Agreement, dated as of September 1, 2017, by and among the Company as borrower, MCC Investment Holdings LLC, MCC Investment Holdings Sendero LLC, MCC Investment Holdings RT1 LLC, MCC Investment Holdings Omnivere LLC, MCC Investment Holdings Amvestar, LLC, and MCC Investment Holdings AAR, LLC, as subsidiary guarantors, the Lenders party thereto and ING Capital LLC, as Administrative Agent (Incorporated by reference to the Current Report on Form 8-K filed on September 8, 2017). |
| (f)(20) | Amendment No. 4 to Amended and Restated Senior Secured Revolving Credit Agreement, dated as of February 12, 2018, by and among the Company as borrower, MCC Investment Holdings LLC, MCC Investment Holdings Sendero LLC, MCC Investment Holdings RT1 LLC, MCC Investment Holdings Omnivere LLC, MCC Investment Holdings Amvestar, LLC, and MCC Investment Holdings AAR, LLC, as subsidiary guarantors, the Lenders party thereto and ING Capital LLC, as Administrative Agent (Incorporated by reference to the Current Report on Form 8-K filed on February 16, 2018). |
| (f)(21) | Amended and Restated Senior Secured Term Loan Credit Agreement dated as of July 28, 2015, by and among the Company as borrower, each of the subsidiary guarantors party thereto, the Lenders party thereto and ING Capital LLC, as Administrative Agent (Incorporated by reference to the Current Report on Form 8-K filed on July 30, 2015). |
| (f)(22) | Amendment No. 1 to Amended and Restated Senior Secured Term Loan Credit Agreement dated as of September 16, 2016, by and among the Company as borrower, MCC Investment Holdings LLC, MCC Investment Holdings Sendero LLC, MCC Investment Holdings RT1 LLC, MCC Investment Holdings Omnivere LLC, MCC Investment Holdings Amvestar, LLC, and MCC Investment Holdings AAR, LLC, as subsidiary guarantors, the Lenders party thereto and ING Capital LLC, as Administrative Agent (Incorporated by reference to the Current Report on Form 8-K filed on September 22, 2016). |
| (f)(23) | Amendment No. 2 to Amended and Restated Senior Secured Term Loan Credit Agreement dated as of February 8, 2017, by and among the Company as borrower, MCC Investment Holdings LLC, MCC Investment Holdings Sendero LLC, MCC Investment Holdings RT1 LLC, MCC Investment Holdings Omnivere LLC, MCC Investment Holdings Amvestar, LLC, and MCC Investment Holdings AAR, LLC, as subsidiary guarantors, the Lenders party thereto and ING Capital LLC, as Administrative Agent (Incorporated by reference to the Current Report on Form 8-K filed on February 10, 2017). |
| (f)(24) | Amendment No. 3 to Amended and Restated Senior Secured Term Loan Credit Agreement dated as of September 1, 2017, by and among the Company as borrower, MCC Investment Holdings LLC, MCC Investment Holdings Sendero LLC, MCC Investment Holdings RT1 LLC, MCC Investment Holdings Omnivere LLC, MCC Investment Holdings Amvestar, LLC, and MCC Investment Holdings AAR, LLC, as subsidiary guarantors, the Lenders party thereto and ING Capital LLC, as Administrative Agent (Incorporated by reference to the Current Report on Form 8-K filed on September 8, 2017). |

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|---|---|
| (f)(25) | Incremental Assumption Agreement, dated as of February 10, 2012, made by Credit Suisse AG, Cayman Islands Branch, as Assuming Lender, relating to the Senior Secured Revolving Credit Agreement dated as of August 4, 2011, among Medley Capital Corporation, as Borrower, the Several Lenders and Agents from Time to Time Parties Thereto, and ING Capital LLC, as Administrative Agent and Collateral Agent (Incorporated by reference to the Current Report on Form 8-K filed on February 10, 2012). |
| (f)(26) | Incremental Assumption Agreement dated as of March 30, 2012, made by Onewest Bank, FSB, as Assuming Lender, relating to the Senior Secured Revolving Credit Agreement dated as of August 4, 2011, among Medley Capital Corporation, as Borrower, the Several Lenders and Agents from Time to Time Parties Thereto, and ING Capital LLC, as Administrative Agent and Collateral Agent (Incorporated by reference to the Current Report on Form 8-K filed on April 4, 2012). |
| (f)(27) | Incremental Assumption Agreement dated as of May 3, 2012, made by Doral Bank, as Assuming Lender, relating to the Senior Secured Revolving Credit Agreement dated as of August 4, 2011, among Medley Capital Corporation, as Borrower, the Several Lenders and Agents from Time to Time Parties Thereto, and ING Capital LLC, as Administrative Agent and Collateral Agent (Incorporated by reference to the Current Report on Form 8-K filed on May 3, 2012). |
| (f)(28) | Incremental Assumption Agreement dated as of September 25, 2012, made by Stamford First Bank, a division of the Bank of New Canaan, as Assuming Lender, relating to the Senior Secured Revolving Credit Agreement dated as of August 4, 2011, as amended by Amendment No. 1, dated as of August 31, 2012, among Medley Capital Corporation, as Borrower, the Several Lenders and Agents from Time to Time Parties Thereto, and ING Capital LLC, as Administrative Agent and Collateral Agent (Incorporated by reference to the Current Report on Form 8-K filed on September 28, 2012). |
| (g) | Not applicable. |
| (h) | Form of Underwriting Agreement** |
| (i) | Not applicable. |
| (j) | Form of Custody Agreement (Incorporated by reference to Exhibit 99.J.1 to the Registrant's Pre-effective Amendment No. 3 to the Registration Statement on Form N-2 (File No. 333-166491), filed on November 23, 2010). |
| (k)(1) | Fund Accounting Servicing Agreement (Incorporated by reference to Exhibit 10.16 to the Registrant's Annual Report on Form 10-K filed on December 11, 2020). |
| (k)(2) | Administration Servicing Agreement (Incorporated by reference to Exhibit 10.17 to the Registrant's Annual Report on Form 10-K filed on December 11, 2020). |
| (k)(3) | Certificate of Appointment of Transfer Agent (Incorporated by reference to Exhibit 99.K.1 to the Registrant's Pre-effective Amendment No. 2 to the Registration Statement on Form N-2 (File No. 333-166491), filed on July 2, 2010). |
| (l) | Opinion and Consent of Kramer Levin Naftalis & Frankel LLP.* |
| (m) | Not applicable. |
| (n)(1) | Consent of Ernst & Young LLP.* |
| (n)(2) | Report of Independent Registered Public Accounting Firm on Supplemental Information.* |
| (o) | Not applicable. |
| (p) | Not applicable. |
| (q) | Not applicable. |
| (r) | Code of Business Conduct and Ethics of the Registrant.* |

* Filed herewith.
** To be filed in applicable prospectus supplement.

**Item 26. Marketing Arrangements**

The information contained under the heading "Plan of Distribution" in this Registration Statement is incorporated herein by reference.

**Item 27. Other Expenses of Issuance and Distribution**

| | |
|---|---|
| Securities and Exchange Commission registration fee | $ 21,820.00 |
| Financial Industry Regulatory Authority fees | * |
| NASDAQ listing fee | * |
| Printing expenses | * |
| Accounting fees and expenses | * |
| Legal fees and expenses | * |
| Miscellaneous | * |
| Total | $ * |

* These fees will be calculated based on the securities offered and the number of issuances and accordingly, cannot be estimated at this time. These fees, if any, will be reflected in the applicable prospectus supplement.

**Item 28. Persons Controlled by or Under Common Control with Registrant**

*Direct Subsidiaries*

The following list sets forth our direct subsidiaries, the state or country under whose laws the subsidiary is organized and the percentage of voting securities or membership interests owned by us in such subsidiary:

| | |
|---|---|
| PhenixFIN Small Business Fund, LP (Delaware) | 100% |
| PhenixFIN Small Business Fund GP, LLC (Delaware) | 100% |
| PhenixFIN SLF Funding I LLC (Delaware) | 100% |
| PhenixFIN Investment Holdings LLC (Delaware) | 100% |
| PhenixFIN Investment Holdings AAR LLC (Delaware) | 100% |
| PhenixFIN Investment Holdings AmveStar LLC (Delaware) | 100% |
| PhenixFIN Investment Holdings Omnivere LLC (Delaware) | 100% |

Each of our direct subsidiaries listed above is consolidated for financial reporting purposes.

In addition, we may be deemed to control certain portfolio companies. See "*Portfolio Companies*" forming a part of this Registration Statement.

**Item 29. Number of Holders of Securities**

The following table sets forth the approximate number of record holders of each class of the Registrant's securities as of August 2, 2021.

| Title of Class | Number of Record Holders |
|---|---|
| Common stock, par value $0.01 per share | 12 |
| 6.125% Notes due 2023 | [●] |

**Item 30. Indemnification**

As permitted by Section 102 of the Delaware General Corporate Law, or the DGCL, the Registrant has adopted provisions in its Certificate of Incorporation, as amended, that limit or eliminate the personal liability of its directors for a breach of their fiduciary duty of care as a director. The duty of care generally requires that, when acting on behalf of the Registrant, directors exercise an informed business judgment based on all material information reasonably available to them. Consequently, a director will not be personally liable to the Registrant or its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability for: any breach of the director's duty of loyalty to the Registrant or its stockholders; any act or omission not in good faith or that involves intentional misconduct or a knowing violation of law; any act related to unlawful stock repurchases, redemptions or other distributions or payment of dividends; or any transaction from which the director derived an improper personal benefit. These limitations of liability do not affect the availability of equitable remedies such as injunctive relief or rescission.

The Registrant's Certificate of Incorporation and Bylaws each provide that all directors, officers, employees and agents of the Registrant will be entitled to be indemnified by us to the fullest extent permitted by the DGCL, subject to the requirements of the 1940 Act. Under Section 145 of the DGCL, the Registrant is permitted to offer indemnification to its directors, officers, employees and agents.

Section 145(a) of the DGCL empowers the Registrant to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Registrant) by reason of the fact that the person is or was a director, officer, employee or agent of the Registrant, or is or was serving at the request of the Registrant as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by the person in connection with such action, suit or proceeding if (1) such person acted in good faith, (2) in a manner such person reasonably believed to be in or not opposed to the best interests of the Registrant and (3) with respect to any criminal action or proceeding, such person had no reasonable cause to believe the person's conduct was unlawful.

Section 145(b) of the DGCL empowers the Registrant to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Registrant to procure a judgment in its favor by reason of the fact that the person is or was a director, officer, employee or agent of the Registrant, or is or was serving at the request of the Registrant as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection with the defense or settlement of such action or suit if such person acted in good faith and in a manner the person reasonably believed to be in, or not opposed to, the best interests of the Registrant, and except that no indemnification may be made in respect of any claim, issue or matter as to which such person has been adjudged to be liable to the Registrant unless and only to the extent that the Delaware Court of Chancery or the court in which such action or suit was brought determines upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Court of Chancery or such other court deems proper.

Section 145(c) of the DGCL provides that to the extent that a present or former director or officer of the Registrant has been successful, on the merits or otherwise, in defense of any action, suit or proceeding referred to in subsections (a) and (b) of Section 145, or in defense of any claim, issue or matter therein, such person shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection with such action, suit or proceeding.

Section 145(d) of the DGCL provides that in all cases in which indemnification is permitted under subsections (a) and (b) of Section 145 (unless ordered by a court), it will be made by the Registrant only if it is consistent with the 1940 Act and as authorized in the specific case upon a determination that indemnification of the present or former director, officer, employee or agent is proper in the circumstances because the person to be indemnified has met the applicable standard of conduct set forth in those subsections. Such determination must be made, with respect to a person who is a director or officer at the time of such determination, (1) by a majority vote of the directors who are not parties to such action, suit or proceeding, even though less than a quorum, or (2) by a committee of such directors designated by majority vote of such directors, even though less than a quorum, or (3) if there are no such directors, or if such directors so direct, by independent legal counsel in a written opinion or (4) by the stockholders.

Section 145(e) authorizes the Registrant to pay expenses (including attorneys' fees) incurred by an officer or director of the Registrant in defending any civil, criminal, administrative or investigative action, suit or proceeding in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of the person to whom the advancement will be made to repay the advanced amounts if it is ultimately determined that he or she was not entitled to be indemnified by the Registrant as authorized by Section 145. Section 145(e) also provides that such expenses (including attorneys' fees) incurred by former directors and officers or other employees and agents of the Registrant, or persons serving at the request of the Registrant as directors, officers, employees or agents of another corporation, partnership, joint venture, trust or other enterprise may be so paid upon such terms and conditions, if any, as the Registrant deems appropriate.

Section 145(f) provides that indemnification and advancement of expenses provided by, or granted pursuant to, the other subsections of such Section are not to be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under any bylaw, agreement, vote of stockholders or disinterested directors, or otherwise.

Section 145(g) authorizes the Registrant to purchase and maintain insurance on behalf of its current and former directors, officers, employees and agents (and on behalf of any person who is or was serving at the request of the Registrant as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise) against any liability asserted against such person and incurred by such person in any such capacity, or arising out of such person's status as such, regardless of whether the Registrant would have the power to indemnify such persons against such liability under Section 145.

Section 102(b)(7) of the DGCL allows the Registrant to provide in its certificate of incorporation a provision that limits or eliminates the personal liability of a director of the Registrant to the Registrant or its stockholders for monetary damages for breach of fiduciary duty as a director, provided that such provision may not limit or eliminate the liability of a director (1) for any breach of the director's duty of loyalty to the Registrant or its stockholders, (2) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (3) under Section 174 of the DGCL, relating to unlawful payment of dividends or unlawful stock purchases or redemption of stock or (4) for any transaction from which the director derived an improper personal benefit. Our certificate of incorporation will provide that our directors will not be liable to us or our stockholders for monetary damages for breach of fiduciary duty as a director to the fullest extent permitted by the current DGCL or as the DGCL may hereafter be amended.

The Administration Agreement provides that we shall indemnify and hold the Administrator harmless from all claims, demands, losses, expenses and liabilities of any and every nature (including reasonable and documented attorney's fees), incurred by the Administrator arising out of or relating to any action taken or omitted to be taken by it in performing services under the Administration Agreement (i) in accordance with the standards of care set forth in the Administration Agreement or (ii) in reliance upon any written or oral instruction provided to the Administrator by a duly authorized officer of the Fund, provided that this indemnification shall not apply to actions or omissions of the Administrator, its officers or employees in cases of its or their own bad faith, negligence or willful misconduct in the performance of the Administrator's duties.

Insofar as indemnification for liability arising under the Securities Act may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

**Item 31. Business and Other Connections of Our Investment Adviser**

Not applicable.

**Item 32. Locations of Accounts and Records**

All accounts, books and other documents required to be maintained by Section 31(a) of the 1940 Act, and the rules thereunder are maintained at the offices of:

(1) the Registrant, PhenixFIN Corporation, 445 Park Avenue, 10th Floor, New York, NY 10022;

(2) the Transfer Agent, American Stock and Transfer & Trust Company, LLC;

(3) the Custodian, U.S. Bank National Association.

**Item 33. Management Services**

Not applicable.

**Item 34. Undertakings**

1. Not applicable.

2. Not applicable.

3. The Registrant undertakes:

   (a) to file, during any period in which offers or sales are being made, a post-effective amendment to this Registration Statement:

      (1) to include any prospectus required by Section 10(a)(3) of the Securities Act;

(2) to reflect in the prospectus any facts or events after the effective date of the Registration Statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the Registration Statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the SEC pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than 20% change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement; and

(3) to include any material information with respect to the plan of distribution not previously disclosed in the Registration Statement or any material change to such information in the Registration Statement; *provided*, *however*, that paragraphs 3(a)(1), 3(a)(2), and 3(a)(3) of this section do not apply if the registration statement is filed pursuant to General Instruction A.2 of this Form and the information required to be included in a post-effective amendment by those paragraphs is contained in reports filed with or furnished to the Commission by the Registrant pursuant to Section 13 or Section 15(d) of the Exchange Act that are incorporated by reference into the registration statement, or is contained in a form of prospectus filed pursuant to Rule 424(b) that is part of the registration statement.

(b) that for the purpose of determining any liability under the Securities Act, each post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of those securities at that time shall be deemed to be the initial bona fide offering thereof;

(c) to remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering; and

(d) that, for the purpose of determining liability under the Securities Act to any purchaser:

(1) if the Registrant is relying on Rule 430B:

(A) Each prospectus filed by the Registrant pursuant to Rule 424(b)(3) shall be deemed to be part of the registration statement as of the date the filed prospectus was deemed part of and included in the registration statement; and

(B) Each prospectus required to be filed pursuant to Rule 424(b)(2), (b)(5), or (b)(7) as part of a registration statement in reliance on Rule 430B relating to an offering made pursuant to Rule 415(a)(1)(i), (x), or (xi) under the Securities Act for the purpose of providing the information required by Section 10 (a) of the Securities Act shall be deemed to be part of and included in the registration statement as of the earlier of the date such form of prospectus is first used after effectiveness or the date of the first contract of sale of securities in the offering described in the prospectus. As provided in Rule 430B, for liability purposes of the issuer and any person that is at that date an underwriter, such date shall be deemed to be a new effective date of the registration statement relating to the securities in the registration statement to which that prospectus relates, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof. Provided, however, that no statement made in a registration statement or prospectus that is part of the registration statement or made in a document incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such effective date, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such effective date; or

(2) if the Registrant is subject to Rule 430C: each prospectus filed pursuant to Rule 424(b) under the Securities Act as part of a registration statement relating to an offering, other than registration statements relying on Rule 430B or other than prospectuses filed in reliance on Rule 430A, shall be deemed to be part of and included in the registration statement as of the date it is first used after effectiveness. Provided, however, that no statement made in a registration statement or prospectus that is part of the registration statement or made in a document incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such first use, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such date of first use.

(e) that for the purpose of determining liability of the Registrant under the Securities Act to any purchaser in the initial distribution of securities: The undersigned Registrant undertakes that in a primary offering of securities of the undersigned Registrant pursuant to this registration statement, regardless of the underwriting method used to sell the securities to the purchaser, if the securities are offered or sold to such purchaser by means of any of the following communications, the undersigned Registrant will be a seller to the purchaser and will be considered to offer or sell such securities to the purchaser:

(1) any preliminary prospectus or prospectus of the undersigned Registrant relating to the offering required to be filed pursuant to Rule 424 under the Securities Act;

(2) free writing prospectus relating to the offering prepared by or on behalf of the undersigned Registrant or used or referred to by the undersigned Registrant;

(3) the portion of any other free writing prospectus or advertisement pursuant to Rule 482 under the Securities Act relating to the offering containing material information about the undersigned Registrant or its securities provided by or on behalf of the undersigned Registrant; and

(4) any other communication that is an offer in the offering made by the undersigned Registrant to the purchaser.

4. Not applicable.

5. The Registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of the Registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 that is incorporated by reference into the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

6. Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

7. Not applicable.

**SIGNATURES**

Pursuant to the requirements of the Securities Act of 1933, as amended, the Registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of New York, and State of New York on the 18th day of August, 2021.

**PHENIXFIN CORPORATION**

By: /s/ David A. Lorber
Name: David A. Lorber
Title: Chief Executive Officer

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities and on the dates indicated. This document may be executed by the signatories hereto on any number of counterparts, all of which constitute one and the same instrument.

| Signature | Title | Date |
|---|---|---|
| /s/ David A. Lorber<br>David A. Lorber | Director & Chief Executive Officer | August 18, 2021 |
| /s/ Ellida McMillan<br>Ellida McMillan | Chief Financial Officer<br>(Principal Financial and Accounting Officer) | August 18, 2021 |
| /s/ Arthur Ainsberg<br>Arthur Ainsberg | Director | August 18, 2021 |
| /s/ Karin Hirtler-Garvey<br>Karin Hirtler-Garvey | Director | August 18, 2021 |
| /s/ Lowell Robinson<br>Lowell Robinson | Director | August 18, 2021 |
| /s/ Howard Amster<br>Howard Amster | Director | August 18, 2021 |

**Exhibit l**

**KRAMER LEVIN NAFTALIS & FRANKEL LLP**

August 18, 2021

PhenixFIN Corporation
445 Park Avenue, 9th Floor
New York, NY 10022

Ladies and Gentlemen:

We have acted as counsel to PhenixFIN Corporation, a Delaware corporation (the "Registrant"), in connection with the preparation and filing of a Registration Statement on Form N-2 (as it may be amended, the "Registration Statement") with the Securities and Exchange Commission (the "Commission") with respect to the registration under the Securities Act of 1933, as amended, of up to $200,000,000 aggregate public offering price of (i) shares of common stock of the Registrant, par value $0.01 per share (the "Common Stock"), (ii) shares of preferred stock of the Registrant, par value $0.01 per share (the "Preferred Stock"), (iii) debt securities, which may be issued pursuant to an indenture (the "Indenture"), as amended or supplemented from time to time, between the Registrant and the trustee named in the Indenture (the "Debt Securities"), (iv) warrants to purchase securities of the Registrant (the "Warrants"), which may be issued pursuant to one or more warrant agreements (each, a "Warrant Agreement"), and (v) rights to purchase securities of the Registrant ("Rights"), which may be issued pursuant to one or more rights agreements (each, a "Rights Agreement"). The Common Stock, the Debt Securities, the Warrants, and the Rights, are herein collectively called the "Securities."

In rendering this opinion, we have reviewed copies of the following documents:

1. the Registration Statement;
2. the certificate of incorporation and the by-laws of the Registrant;
3. the form of Indenture incorporated by reference into the Registration Statement; and
4. resolutions of the Board of Directors of the Registrant.

We have also reviewed such other documents and made such other investigations as we have deemed appropriate. As to various questions of fact material to this opinion, we have relied upon statements, representations and certificates of officers or representatives of the Registrant, public officials and others. We have not independently verified the facts so relied on.

Based on and subject to the foregoing and assuming that (i) the Registration Statement, including any amendments thereto (including any post-effective amendments), will have become effective and comply with all applicable laws and no stop order suspending the Registration Statement's effectiveness will have been issued and remain in effect, in each case, at the time the Securities are offered or issued as contemplated by the Registration Statement, (ii) a prospectus supplement will have been prepared and filed with the Commission describing the Securities offered thereby and will at all relevant times comply with all applicable laws, (iii) the Registrant has timely filed all necessary reports pursuant to the Securities Exchange Act of 1934, as amended, which are incorporated into the Registration Statement by reference, (iv) all Securities will be issued and sold in compliance with applicable federal and state securities laws and in the manner stated in the Registration Statement and the appropriate prospectus supplement, (v) a definitive purchase, underwriting or similar agreement and any other necessary agreement with respect to any Securities will have been duly authorized and validly executed and delivered by the Registrant and the other party or parties thereto, (vi) any securities issuable upon conversion, exercise or exchange of any Securities being offered or issued will be duly authorized, created and, if appropriate, reserved for issuance upon such conversion, exercise or exchange, , and (vii) the Indenture and each supplemental indenture, Warrant Agreement and Rights Agreement, will be governed by the laws of the State of New York and will be the valid and binding obligation of each party thereto other than the Registrant, enforceable against such party in accordance with its terms, we advise you that, in our opinion:

1. *Common Stock*. Assuming the issuance of the Common Stock and the terms of the offering thereof have been duly authorized, when certificates representing such Common Stock, if any, have been duly executed, issued and delivered and the Common Stock has been duly paid for in an amount not less than the par value thereof as contemplated in the Registration Statement and any prospectus supplement relating thereto, such Common Stock will be legally issued, fully paid and non-assessable.

2. *Preferred Stock*. Assuming the issuance and terms of the Preferred Stock and the terms of the offering thereof have been duly authorized, when (i) the certificate of designation relating to the Preferred Stock, if any, has been duly executed and filed with the office of the Secretary of State of the State of Delaware and (ii) certificates representing such Preferred Stock have been duly executed, issued and delivered and the Preferred Stock has been duly paid for in an amount no less than the par value thereof as contemplated in the Registration Statement and any prospectus supplement relating thereto, the Preferred Stock will be legally issued, fully paid and non-assessable.

3. *Debt Securities.* Assuming that the issuance and terms of any Debt Securities (including any Debt Securities that may be issued pursuant to the terms of any other Securities) and the terms of the offering thereof have been duly authorized, when (i) the Indenture or supplemental indenture relating to such Debt Securities have been duly authorized, executed and delivered by all parties thereto and duly qualified under the Trust Indenture Act of 1939, as amended, (ii) the terms of such Debt Securities have been duly established in accordance with the terms of the Indenture and the applicable supplemental indenture, so as not to violate or cause the exercise thereof to violate any applicable law or result in a default under or breach of any agreement or instrument binding upon the Registrant, and so as to comply with any requirement or restriction imposed by any court or governmental or regulatory body having jurisdiction over the Registrant, and (iii) such Debt Securities, or certificates representing such Debt Securities, have been duly executed, authenticated, issued, paid for and delivered in accordance with the Indenture and the applicable supplemental indenture and as contemplated in the Registration Statement and any prospectus supplement relating thereto, and in accordance with any underwriting agreement, such Debt Securities (including any Debt Securities that may be issued pursuant to the terms of any other Securities) will constitute valid and binding obligations of the Registrant.

4. *Warrants*. Assuming that the issuance and terms of any Warrants (including any Warrants that may be issued pursuant to the terms of any other Securities) and the terms of the offering thereof have been duly authorized, when (i) the Warrant Agreement or Warrant Agreements relating to such Warrants have been duly authorized, executed and delivered by all parties thereto, (ii) the terms of such Warrants have been duly established in accordance with the terms of the applicable Warrant Agreement, so as not to violate or cause the exercise thereof to violate any applicable law or result in a default under or breach of any agreement or instrument binding upon the Registrant, and so as to comply with any requirement or restriction imposed by any court or governmental or regulatory body having jurisdiction over the Registrant, and (iii) such Warrants or certificates representing such Warrants have been duly executed, authenticated, issued, paid for and delivered in accordance with the Warrant Agreement and as contemplated in the Registration Statement and any prospectus supplement relating thereto, and in accordance with any underwriting agreement, such Warrants (including any Warrants that may be issued pursuant to the terms of any other Securities) will constitute valid and binding obligations of the Registrant.

5. *Rights.* Assuming that the issuance and terms of any Rights and the terms of the offering thereof have been duly authorized, when (i) the Rights Agreement or Rights Agreements relating to such Rights have been duly authorized, executed and delivered by all parties thereto, (ii) the terms of such Rights have been duly established in accordance with the terms of the applicable Rights Agreement, so as not to violate or cause the exercise thereof to violate any applicable law or result in a default under or breach of any agreement or instrument binding upon the Registrant, and so as to comply with any requirement or restriction imposed by any court or governmental or regulatory body having jurisdiction over the Registrant, and (iii) such Rights or certificates representing such Rights have been duly executed, authenticated, issued, paid for and delivered in accordance with the applicable Rights Agreement and as contemplated in the Registration Statement and any prospectus supplement relating thereto, and in accordance with any underwriting agreement, such Rights will constitute valid and binding obligations of the Registrant.

The opinions set forth above are qualified (i) by the effects of applicable laws relating to bankruptcy, insolvency, and other similar laws relating to or affecting the rights and remedies of creditors generally, (ii) with respect to the remedies of specific performance and injunctive and other forms of equitable relief, by the availability of equitable defenses and the discretion of the court before which any enforcement thereof may be brought and (iii) by general principles of equity, including, without limitation, concepts of materiality, reasonableness, good faith and fair dealing (regardless of whether considered in a proceeding in equity or at law).

We do not express any opinion with respect to any law other than the law of the State of New York and General Corporation Law of the State of Delaware. This opinion is rendered only with respect to the laws and legal interpretations and the facts and circumstances in effect on the date hereof, and we assume no obligation to revise or supplement this opinion letter should any such law or interpretation be changed by legislative action, judicial decision or otherwise or should there be any change in such facts or circumstances.

We hereby consent to the use of this opinion as an exhibit to the Registration Statement and to the use of our name under the caption "Legal Matters" in the prospectus included in the Registration Statement. In giving this consent, we do not thereby admit that we are within the category of persons whose consent is required under Section 7 of the Act or the rules and regulations promulgated thereunder.

Very truly yours,

/s/ Kramer Levin Naftalis & Frankel LLP

Kramer Levin Naftalis & Frankel LLP

**Exhibit (n)(1)**

**Consent of Independent Registered Public Accounting Firm**

We consent to the references to our firm under the captions “Selected Financial and Other Data” and “Experts” in the Prospectus dated August 18, 2021. We also consent to the incorporation by reference of our report dated December 11, 2020 with respect to the consolidated financial statements included in its Annual Report (Form 10-K) for the year ended September 30, 2020, and to the inclusion of our report dated August 18, 2021 with respect to the senior securities table of PhenixFIN Corporation f/k/a Medley Capital Corporation into this Registration Statement (Form N-2) filed with the Securities and Exchange Commission.

/s/ Ernst & Young LLP

New York, New York
August 18, 2021

**Exhibit (n)(2)**

## Report of Independent Registered Public Accounting Firm

Board of Directors and Shareholders of PhenixFIN Corporation, f/k/a Medley Capital Corporation.

We have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated statements of assets and liabilities of PhenixFIN Corporation. (the "Company"), including the consolidated schedules of investments, as of September 30, 2020 and 2019, and the related consolidated statements of operations, changes in net assets and cash flows for each of the year in the three years ended September 30, 2020 incorporated by reference in the Registration Statement (Form N-2) and have expressed an unqualified opinion thereon dated December 11, 2020. We have also audited in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated statements of assets and liabilities of the Company, including the consolidated schedules of investments, as of September 30, 2018, 2017 and 2016, and the related consolidated statements of operations, changes in net assets and cash flows for the years then ended and have issued unqualified opinions thereon (which are not included in the Registration Statement). The senior securities table as of September 30, 2020, 2019, 2018, 2017 and 2016 has been subjected to audit procedures performed in conjunction with the audits of the Company's consolidated financial statement. Such information is the responsibility of the Company's management.

Our audit procedures included determining whether the information reconciles to the consolidated financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of this information. In forming our opinion on the information, we evaluated whether such information, including its form and content, is presented in conformity with Section 18 of the Investment Company Act of 1940, as amended. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

/s/ Ernst & Young LLP

New York, NY
August 18, 2021

**Exhibit r**

**CODE OF ETHICS & INSIDER TRADING POLICY**
**FOR**
**PHENIXFIN CORPORATION**

**Section I Statement of General Fiduciary Principles**

This Code of Ethics and Insider Trading Policy (the ***"Code"***) has been adopted by PhenixFIN Corporation (the "**Company" or "PhenixFIN"**) in compliance with Rule 17j-1 under the Investment Company Act of 1940 (the ***"Act"***). The purpose of the Code is to establish standards and procedures for the detection and prevention of activities by which persons having knowledge of the investments and investment intentions of the Company may abuse their fiduciary duty to the Company, and otherwise to deal with the types of conflicts of interest situations which Rule 17j-1 is meant to addressed.

The Code is based on the principle that the directors, officers and employees of the Company owe a fiduciary duty to the Company to conduct their personal securities transactions in a manner that does not interfere with the Company's transactions or otherwise take unfair advantage of their relationship with the Company. All directors, officers and employees of the Company (***"Covered Persons"***) are expected to adhere to this general principle as well as to comply with all of the specific provisions of this Code that are applicable to them.

Technical compliance with the Code will not automatically insulate any Covered Person from scrutiny of transactions that show a pattern of compromise or abuse of the individual's fiduciary duty to the Company. Accordingly, all Covered Person must seek to avoid any actual or potential conflicts between their personal interests and the interests of the Company and its shareholders. In sum, all Covered Persons shall place the interests of the Company before their own personal interests.

All Covered Persons must read and retain this Code of Ethics.

**Section II Definitions**

(A) ***"Access Person"*** means (i) any director, officer or employee of the Company or (ii) any natural person serving as a consultant for the Company who in connection with his or her regular functions, makes, participates in, or obtains information regarding, the Company's purchase or sale of Covered Securities or has access to nonpublic information regarding the portfolio holdings of the Company.

(B) ***"Beneficial Ownership"*** is interpreted in the same manner as it would be under Rule 16a-1(a)(2) under the Securities Exchange Act of 1934 (the "1934 Act") in determining whether a person is a beneficial owner of a security for purposes of Section 16 of the 1934 Act and the rules and regulations thereunder.

(C) ***"Chief Compliance Officer"*** means the Chief Compliance Officer of the Company.

(D) ***"Control"*** shall have the same meaning as that set forth in Section 2(a)(9) of the Act.

(E) ***"Covered Security"*** means a security as defined in Section 2(a)(36) of the Act, to wit: any note, stock, treasury stock, security future, bond, debenture, evidence of indebtedness, certificate of interest or participation in any profit-sharing agreement, collateral-trust certificate, preorganization certificate or subscription, transferable share, investment contract, voting-trust certificate, certificate of deposit for a security, fractional undivided interest in oil, gas, or other mineral rights, any put, call, straddle, option, or privilege on any security (including a certificate of deposit) or on any group or index of securities (including any interest therein or based on the value thereof), or any put, call, straddle, option, or privilege entered into on a national securities exchange relating to foreign currency, or, in general, any interest or instrument commonly known as a "security," or any certificate of interest or participation in, temporary or interim certificate for, receipt for, guarantee of, or warrant or right to subscribe to or purchase, any of the foregoing.

(F)***"Covered Security"*** does not include: (i) direct obligations of the Government of the United States; (ii) bankers' acceptances, bank certificates of deposit, commercial paper and high quality short-term debt instruments, including repurchase agreements; and (iii) shares issued by open-end investment companies registered under the Act. References to a Covered Security in this Code (e.g., a prohibition or requirement applicable to the purchase or sale of a Covered Security) shall be deemed to refer to and to include any warrant for, option in, or security immediately convertible into that Covered Security, and shall also include any instrument that has an investment return or value that is based, in whole or in part, on that Covered Security (collectively, ***"Derivatives"***). Therefore, except as otherwise specifically provided by this Code: (i) any prohibition or requirement of this Code applicable to the purchase or sale of a Covered Security shall also be applicable to the purchase or sale of a Derivative relating to that Covered Security; and (ii) any prohibition or requirement of this Code applicable to the purchase or sale of a Derivative shall also be applicable to the purchase or sale of a Covered Security relating to that Derivative.

(G) ***"Federal Securities Laws"*** means the Securities Act, the Exchange Act, the Sarbanes-Oxley Act of 2002, the Investment Company Act, the Advisers Act, Title V of the Gramm-Leach-Bliley Act, any rules adopted by the Commission under any of these statutes, the Bank Secrecy Act as it applies to funds and investment advisers, and any rules adopted under the Bank Secrecy Act by the Commission or the Department of the Treasury.

(H) ***"Disinterested Director"*** means a director of the Company who is not an "interested person" of the Company within the meaning of Section 2(a)(19) of the Act.

(I) ***"Initial Public Offering"*** means an offering of securities registered under the Securities Act of 1933 (the "1933 Act"), the issuer of which, immediately before the registration, was not subject to the reporting requirements of Sections 13 or 15(d) of the 1934 Act.

(J) ***"Investment Personnel"*** of the Company means: (i) any employee of the Company who, in connection with his or her regular functions or duties, makes or participates in making recommendations regarding the purchase or sale of securities by the Company; and (ii) any natural person who controls the Company and who obtains information concerning recommendations made to the Company regarding the purchase or sale of securities by the Company.

(K) ***"Limited Offering"*** means an offering that is exempt from registration under the 1933 Act pursuant to Section 4(2) or Section 4(6) thereof or pursuant to Rule 504, Rule 505, or Rule 506 thereunder.

(L) ***"Security Held or to be Acquired"*** by the Company means: (i) any Covered Security which, within the most recent 15 days: (A) is or has been held by the Company; or (B) is being or has been considered by the Company for purchase by the Company; and (ii) any option to purchase or sell, and any security convertible into or exchangeable for a Covered Security.

**Section III Objective and General Prohibitions**

Covered Persons may not engage in any investment transaction under circumstances in which the Covered Person benefits from or interferes with the purchase or sale of investments by the Company. In addition, Covered Persons may not use information concerning the investments or investment intentions of the Company, or their ability to influence such investment intentions, for personal gain or in a manner detrimental to the interests of the Company.

Covered Persons may not engage in conduct that is deceitful, fraudulent or manipulative, or that involves false or misleading statements, in connection with the purchase or sale of investments by the Company. In this regard, Covered Persons should recognize that Rule 17j-1 makes it unlawful for any affiliated person of the Company in connection with the purchase or sale, directly or indirectly, by the person of a Security Held or to be Acquired by the Company to:

(i) employ any device, scheme or artifice to defraud the Company;

(ii) make any untrue statement of a material fact to the Company or omit to state to the Company a material fact necessary in order to make the statements made, in light of the circumstances under which they are made, not misleading;

(iii) engage in any act, practice or course of business that operates or would operate as a fraud or deceit upon the Company; or

(iv) engage in any manipulative practice with respect to the Company.

Covered Persons should also recognize that a violation of this Code or of Rule 17j-1 may result in the imposition of: (1) sanctions as provided by Section VIII below; or (2) administrative, civil and, in certain cases, criminal fines, sanctions or penalties.

**Section IV Prohibited Transactions**

An Access Person may not purchase or otherwise acquire direct or indirect Beneficial Ownership of any Covered Security, and may not sell or otherwise dispose of any Covered Security in which he or she has direct or indirect Beneficial Ownership, if he or she knows or should know at the time of entering into the transaction that: (1) the Company has purchased or sold the Covered Security within the last 15 calendar days, or is purchasing or selling or intends to purchase or sell the Covered Security in the next 15 calendar days.

**Section V Pre-Clearance Requirement**

The Company will maintain a restricted list that attempts to identify securities that (i) the Company has obtained non-public information and (ii) represent potential or actual conflicts of interest with the securities transactions of the Company.

An Access Person must obtain approval from the Company before directly or indirectly acquiring Beneficial Ownership in any Covered Security on the restricted list, an Initial Public Offering or a Limited Offering, or with a market capitalization under $250 million, and before directly or indirectly disposing of Beneficial Ownership in any Covered Security on the restricted list or with a market capitalization below $250 million. Such approval must be obtained from the Chief Compliance Officer, unless he is the person seeking such approval, in which case it must be obtained from the Chief Executive Officer.

Transactions in securities of the Company are subject to restrictions as more fully described in the Company's Insider Trading Policy (a "Blackout Period"). Transactions in the Company's securities are prohibited during the Blackout Period; however, even outside the Blackout Period transactions in the Company's securities require the additional approval of the Chief Executive Officer or Chief Financial Officer and then the Chief Compliance Officer.

No Access Person shall recommend any transaction in any Covered Securities by the Company without having disclosed to the Chief Compliance Officer his or her interest, if any, in such Covered Securities or the issuer thereof, including: the Access Person's Beneficial Ownership of any Covered Securities of such issuer; any contemplated transaction by the Access Person in such Covered Securities; any position the Access Person has with such issuer; and any present or proposed business relationship between such issuer and the Access Person (or a party in which the Access Person has a significant interest).

**Section VI Exceptions**

Notwithstanding the foregoing, no Access Person shall be required to submit a Pre-Clearance Request in connection with (i) the acquisition or disposition of a Covered Security by an account managed by an unaffiliated broker-dealer or registered investment adviser for the benefit of such Access Person (a "***Managed Account***") provided that the Access Person provides to the Chief Compliance Officer on the letterhead of the unaffiliated broker-dealer or investment adviser a letter substantially in the form attached as Appendix A or, where the investment adviser or unaffiliated broker-dealer has its own form, as the Chief Compliance Officer approves, or as otherwise exempted from this requirement by the Chief Compliance Officer, (ii) the acquisition of a Covered Security directly from the Company in connection with a primary public offering where such acquisition is made on the same basis and in the same manner as all other investors participating in such offering or (iii) transactions under a dividend reinvestment plan. However, your election to participate in the dividend reinvestment plan of the Company, or to increase your level of participation in the plan, would be subject to this policy, including its applicable black-out periods. The policy also applies to your sale of any securities of the Company purchased pursuant to the plan.

**Section VII Reports by Access Persons**

(A) Personal Securities Holdings Reports.

All Access Persons shall within 10 days of the date on which they become Access Persons, and thereafter, within 30 days after the end of each calendar year, disclose the title, number of shares and principal amount of all Covered Securities in which they have a Beneficial Ownership as of a date within 45 days of the day the person became an Access Person, in the case of such person's initial report, and as of the last day of the year, as to annual reports. A form of such report, which is hereinafter called a "Personal Securities Holdings Report," is attached as Schedule A. Each Personal Securities Holdings Report must also disclose the name of any broker, dealer or bank with whom the Access Person maintained an account in which any securities were held for the direct or indirect benefit of the Access Person as of the date the person became an Access Person or as of the last day of the year, as the case may be. Each Personal Securities Holdings Report shall state the date it is being submitted.

(B) Quarterly Transaction Reports.

Within 30 days after the end of each calendar quarter, each Access Person shall make a written report to the Chief Compliance Officer of all transactions occurring in the quarter in a Covered Security in which he or she had any Beneficial Ownership. A form of such report, which is hereinafter called a "Quarterly Securities Transaction Report," is attached as Schedule B.
A Quarterly Securities Transaction Report shall be in the form of Schedule B or such other form approved by the Chief Compliance Officer and must contain the following information with respect to each reportable transaction:

(1) Date and nature of the transaction (purchase, sale or any other type of acquisition or disposition);

(2) Title, interest rate and maturity date (if applicable), number of shares and principal amount of each Covered Security involved and the price of the Covered Security at which the transaction was effected;

(3) Name of the broker, dealer or bank with or through whom the transaction was effected; and

(4) The date the report is submitted by the Access Person.

(C) Disinterested Directors.

Notwithstanding the pre-clearance requirements set forth in Section V or the reporting requirements set forth in this Section VII, a Disinterested Director shall not be required to make a pre-clearance request or provide reports under Section V or this Section VII, respectively, solely by reason of being a director of the Company and is not required to obtain pre-clearance or file a Personal Securities Holding Report upon becoming a director of the Company or an annual Personal Securities Holding Report. Such a Disinterested Director also need not file a Quarterly Securities Transaction Report unless such director knew or, in the ordinary course of fulfilling his or her official duties as a director of the Company, should have known that during the 15-day period immediately preceding or after the date of the transaction in a Covered Security by the director such Covered Security is or was purchased or sold by the Company or the Company considered purchasing or selling such Covered Security.

(D) Managed Accounts.

Managed accounts are subject to the reporting requirements of Section VII, unless an exception to the reporting requirements is granted by the Chief Compliance Officer. The Chief Compliance Officer may generally grant such an exception, if the managed account is included in a letter substantially in the form attached as Appendix A or, where the investment adviser or unaffiliated broker-dealer has its own form, as the Chief Compliance Officer approves. Regardless of an exception, all managed accounts must still be disclosed.

(E) Duplicate Reporting of Access Persons

An Access Person need not make a Quarterly Transaction Report to the extent that the report would duplicate information contained in trade confirmations or account statements or similar information obtained in direct transaction feeds from the broker that the Company holds in its records, provided the Company has received those confirmations, statements or direct feeds not later than 30 days after the close of the calendar quarter in which the transaction takes place.

(F) Brokerage Accounts and Statements.

Access Persons, except Disinterested Directors, shall:

(1) within 30 days after the end of each calendar quarter, identify the name of the broker, dealer or bank with whom the Access Person established an account in which any securities were held during the quarter for the direct or indirect benefit of the Access Person and identify any new account(s) and the date the account(s) were established. This information shall be included on the appropriate Quarterly Securities Transaction Report.

(2) instruct the brokers, dealers or banks with whom they maintain such an account to provide duplicate account statements or direct feeds as established by the Company to the Chief Compliance Officer.

(3) on an annual basis, certify that they have complied with the requirements of (1) and (2) above.

(G) Form of Reports.

A Quarterly Securities Transaction Report may consist of broker statements or other statements that provide a list of all personal Covered Securities holdings and transactions in the time period covered by the report and contain the information required in a Quarterly Securities Transaction Report.

(H) Responsibility to Report.

It is the responsibility of each Access Person to take the initiative to comply with the requirements of this Section VII. Any effort by the Company to facilitate the reporting process does not change or alter that responsibility.

(I) Where to File Reports.

All Quarterly Securities Transaction Reports and Personal Securities Holdings Reports must be filed with the Chief Compliance Officer.

(J) Disclaimers.

Any report required by this Section V may contain a statement that the report will not be construed as an admission that the person making the report has any direct or indirect Beneficial Ownership in the Covered Security to which the report relates.

**Section VIII Additional Prohibitions**

(A) Confidentiality of the Company’s Transactions.

Until disclosed in a public report to shareholders or to the Securities and Exchange Commission in the normal course, all information concerning the securities “being considered for purchase or sale” by the Company shall be kept confidential by all Covered Persons and disclosed by them only on a “need to know” basis. It shall be the responsibility of the Chief Compliance Officer to report any inadequacy found in this regard to the directors of the Company.

It is improper and inappropriate for any Covered Person to engage in short-term or speculative transactions in the Company's securities. It is therefore the Company's policy that you may not engage in any of the following transactions:

**Short-Term Trading.** Short-term trading of the Company's securities by a director, officer or employee may be distracting to such person and may unduly focus such person on the Company's short-term performance instead of the Company's long-term business objectives. For these reasons, if you purchase the Company's securities in the open market, you may not sell any of the Company's securities of the same class during the six months following such purchase. In addition, Section 16(b) of the Securities Exchange Act of 1934 imposes short-swing profit restrictions on the purchase or sale of the Company's securities by the Company's officers and directors and certain other persons.

**Short Sales.** Short sales of the Company's securities evidence an expectation on the part of the seller that the securities will decline in value, and therefore signal to the market that the seller has no confidence in the Company or its short-term prospects. In addition, short sales may reduce the seller's incentive to improve the Company's performance. For these reasons, you may not engage in short sales of the Company's securities. In addition, Section 16(c) of the Securities Exchange Act of 1934 prohibits officers and directors, and certain other persons, from engaging in short sales.

**Publicly Traded Options.** A transaction in options, puts, calls or other derivative securities is, in effect, a bet on the short-term movement of the Company's stock and therefore creates the appearance that a Covered Person is trading based on inside information. Transactions of this sort also may unduly focus such person on the Company's short-term performance instead of the Company's long-term business objectives. Accordingly, you may not enter into any transactions involving options, puts, calls or other derivative securities of the Company's securities, on an exchange or in any other organized market other than covered call writing. (Option positions arising from certain types of hedging transactions are governed by the section of the Company's Statement of Policy on Insider Trading captioned "Hedging Transactions.")

(B) Outside Business Activities and Directorships.

Covered Persons may not engage in any outside business activities that may give rise to conflicts of interest or jeopardize the integrity or reputation of the Company. Similarly, no outside business activities may be inconsistent with the interests of the Company. All directorships of public or private companies held by Access Persons shall be reported to the Chief Compliance Officer. Covered Persons are prohibited from being employed full-time by or accepting compensation from any non-affiliated person as a result of any business activity, unless the Covered Person has obtained pre-clearance of such outside employment from the Chief Executive Officer and the Chief Compliance Officer.

(C) Gratuities.

Access Persons shall not, directly or indirectly, take, accept or receive gifts or other consideration in merchandise, services or otherwise of more than nominal value from any person, firm, corporation, association or other entity other than such person's employer that does business, or proposes to do business, with the Company. See Receipt of Gifts Policy attached hereto as Appendix C.

**Section IX Annual Certification**

(A) Access Persons.

Access Persons (including Disinterested Directors) who are directors, officers or employees of the Company are required to certify annually that they have read this Code and that they understand it and recognize that they are subject to it. Further, such Access Persons shall be required to certify annually that they have complied with the requirements of this Code. A form of such certification is attached as Schedule C.

(B) Board Review.

No less frequently than annually, the Chief Compliance Officer will furnish to the Company's board of directors, and the board must consider, a written report that: (A) describes any issues arising under this Code of Ethics or procedures since the last report to the board, including, but not limited to, information about material violations of the Code or procedures and sanctions imposed in response to material violations; and (B) certifies that the Company has adopted procedures reasonably necessary to prevent Access Persons from violating the Code.

**Section X Sanctions**

Any violation of this Code shall be subject to the imposition of such sanctions by the Chief Executive Officer, in consultation with the Chief Compliance Officer, as may be deemed appropriate under the circumstances to achieve the purposes of Rule 17j-1 and this Code. The sanctions to be imposed for material violations of this Code shall be determined by the board of directors, including a majority of the Disinterested Directors. Sanctions may include, but are not limited to, suspension or termination of employment, a letter of censure and/or restitution of an amount equal to the difference between the price paid or received by the Company and the more advantageous price paid or received by the offending person.

**Section XI Administration and Construction**

(A) The administration of this Code shall be the responsibility of the Chief Compliance Officer.

(B) The duties of the Chief Compliance Officer are as follows:

(1) Continuous maintenance of a current list of the names of all Access Persons with an appropriate description of their title or employment, including a notation of any directorships held by Access Persons and informing all Access Persons of their reporting obligations hereunder;

(2) On an annual basis, providing all Covered Persons a copy of this Code and informing such persons of their duties and obligations hereunder including any supplemental training that may be required from time to time;

(3) Maintaining or supervising the maintenance of all records and reports required by this Code;

(4) Issuance either personally or with the assistance of counsel as may be appropriate, of any interpretation of this Code that may appear consistent with the objectives of Rule 17j-1 and this Code;

(5) Conduct such inspections or investigations as shall reasonably be required to detect and report, with recommendations, any apparent material violations of this Code to the board of directors of the Company;

(6) Submission of a report to the board of directors of the Company, no less frequently than annually, a written report that describes any issues arising under the Code since the last such report, including but not limited to the information described in Section VII (B); and

(C) The Chief Compliance Officer shall maintain and cause to be maintained in an easily accessible place at the principal place of business of the Company, the following records:

(1) A copy of all codes of ethics adopted by the Company pursuant to Rule 17j-1 that have been in effect at any time during the past five (5) years;

(2) A record of each violation of such codes of ethics and of any action taken as a result of such violation for at least five (5) years after the end of the fiscal year in which the violation occurs;

(3) A copy of each report made by an Access Person for at least two (2) years after the end of the fiscal year in which the report is made, and for an additional three (3) years in a place that need not be easily accessible;

(4) A copy of each report made by the Chief Compliance Officer to the board of directors for two (2) years from the end of the fiscal year of the Company in which such report is made or issued and for an additional three (3) years in a place that need not be easily accessible;

(5) A list of all persons who are, or within the past five (5) years have been, required to make reports pursuant to the Rule and this Code of Ethics, or who are or were responsible for reviewing such reports;

(6) A copy of each report required by Section VII (B) for at least two (2) years after the end of the fiscal year in which it is made, and for an additional three (3) years in a place that need not be easily accessible; and

(7) A record of any decision, and the reasons supporting the decision, to approve the acquisition by Investment Personnel of securities in an Initial Public Offering or Limited Offering for at least five (5) years after the end of the fiscal year in which the approval is granted.

(D) This Code may not be amended or modified except in a written form that is specifically approved by majority vote of the Disinterested Directors.

This Code of Ethics was adopted and approved by the Board of Directors of the Company, including a majority of the Disinterested Directors, on January 4, 2021.

**STATEMENT OF POLICY**

**ON INSIDER TRADING**

**Introduction**

It is illegal for any person, either personally or on behalf of others, to trade in securities on the basis of material, non-public information. It is also illegal to communicate (or "tip") material, non-public information to others who may trade in securities on the basis of that information. These illegal activities are commonly referred to as "insider trading."

Potential penalties for each insider trading violation include imprisonment for up to 20 years, civil fines of up to three times the profit gained or loss avoided by the trading, and criminal fines of up to $5 million. In addition, a company whose director, officer or employee violates the insider trading prohibitions may be liable for a civil fine of up to the greater of $1 million or three times the profit gained or loss avoided as a result of the director, officer or employee's insider trading violations. Furthermore, engaging in short-term trading or other speculative transactions involving the securities of the Company may subject you to additional penalties.

Moreover, your failure to comply with the insider trading policy of the Company, as set forth herein, may subject you to sanctions imposed by the Company, including dismissal for cause, whether or not your failure to comply with this policy results in a violation of law.

This memorandum sets forth the Company's policy against insider trading. The objective of this policy is to protect both you and the Company from securities law violations, or even the appearance thereof. All directors, officers and employees (including temporary employees and consultants serving in similar roles) of the Company must comply with this policy.

You are encouraged to ask questions and seek any follow-up information that you may require with respect to the matters set forth in this policy. Please direct any questions you may have to Gerald Cummins who serves as the Company's Chief Compliance Officer.

**Statement of Policy**

It is the policy of the Company that *no* director, officer or employee (including a temporary employee or a consultant serving in a similar role) of the Company, or of any of its affiliates or subsidiaries and any other persons designated by the Chief Compliance Officer, or this policy, as being subject to this policy (collectively, the "**Covered Persons**"):

who is aware of material, non-public information relating to the Company, may, directly or indirectly through family members or other persons or entities, (a) buy or sell securities of the Company (other than pursuant to a pre-approved trading plan that complies with Rule 10b5-1 of the Securities Exchange Act of 1934), or engage in any other action to take personal advantage of that information, or (b) pass that information on to others outside of the Company, including family and friends, except as required in the performance of your regular duties.

- who, in the course of working for or on behalf of the Company, learns of material, non-public information about a company with which the Company does, or is proposing to do, business, including a customer or supplier of the Company, may trade in that company's securities until the information becomes public or is no longer material; or

- may engage in any transaction involving the Company's securities (including any stock plan transaction, gift, loan or pledge or hedge, contribution to a trust, or any other transfer) without first obtaining pre-clearance approval of the transaction by emailing the Chief Compliance Officer, Gerald Cummins, at jcummins@alariccompliance.com

As a Covered Person, you are subject to the foregoing restrictions and to the other terms of this policy.

Transactions that may be necessary or justifiable for independent reasons (such as the need to raise money for an emergency expenditure) are *not* exempted from the policy. Even the appearance of an improper transaction must be avoided to preserve the Company's reputation for adhering to the highest standards of conduct.

**What information is material?** There is no statutory definition of what is material information. The Supreme Court has said that information is material if there a substantial likelihood that the disclosure of the information would have been viewed by the reasonable investor as having significantly altered the "total mix" of information made available. Under SEC rules information is considered material if there is a substantial likelihood that a reasonable investor would attach importance to the information in determining whether to buy or sell securities. Information that is likely to affect the price of a company's securities is almost always material. Examples of some types of material information are:

- financial results or expectations for the quarter or the year;

- financial forecasts;

- changes in dividends;

- possible mergers, acquisitions, joint ventures and other purchases and sales of companies and investments in companies;

- changes in customer relationships with significant customers;

- obtaining or losing important contracts;

- important product developments;
- major financing developments;
- major personnel changes; and
- major litigation developments.

**What is non-public information?** Information is considered to be non-public unless it has been *effectively* disclosed to the public. Examples of such public disclosure include public filings with the Securities and Exchange Commission and company press releases. Not only must the information have been publicly disclosed, but in many cases there must also have been adequate time for the market as a whole to digest the information. Timing may vary depending upon the circumstances, and if you are unsure whether information is no longer non-public, you should email the Chief Compliance Officer, Gerald Cummins, at jcummins@alariccompliance.com.

**What transactions are prohibited?** When you know material, non-public information about the Company, you, your spouse and members of your immediate family living in your household are prohibited from the following activities:

- trading in the Company's securities (including trading in puts and calls for the Company's securities);
- having others trade for you in the Company's securities; and
- disclosing the information to anyone else who might then trade.

Neither you nor anyone acting on your behalf nor anyone who learns the information from you (including your spouse and family members) can trade. This prohibition continues whenever and for as long as you know material, non-public information, even following your termination of employment or other relationship with the Company.

Although it is most likely that any material, non-public information you might learn would be about the Company or its affiliates or subsidiaries, these prohibitions also apply to trading in the securities of *any* other company, including any portfolio company or potential merger partner, about which you have material, non-public information.

**Transactions by Family Members.** As noted above, the Company's insider trading policy applies to your family members who reside with you, anyone else who lives in your household, and any family members who do not live in your household but whose transactions in the Company's securities are directed by you or are subject to your influence or control (such as parents or children who consult with you before they trade in the Company's securities). You are responsible for the transactions of these other persons and therefore should make them aware of the need to confer with you before they trade in the Company's securities.

**What is a Rule 10b5-1 trading plan?** Notwithstanding the prohibition against insider trading, Rule 10b5-1 of the Securities Exchange Act of 1934, and this policy permit a Covered Person to trade in the Company's securities regardless of his or her awareness of inside information if the transaction is made pursuant to a *pre-arranged* trading plan that was entered into when the Covered Person was not in possession of material, non-public information. This policy requires trading plans to be written and to specify the amount of, date on, and price at which the securities are to be traded or establish a formula for determining such items. A Covered Person who wishes to enter into a trading plan must email the trading plan to the Chief Compliance Officer, Gerald Cummins, at jcummins@alariccompliance.com, for his approval prior to the adoption of the trading plan, or any amendment of a previously adopted plan. Further, trading plans may not be adopted when the Covered Person is in possession of material, non-public information about the Company. A Covered Person may adopt, amend or replace his or her trading plan only during periods when trading is permitted in accordance with this policy.

## Transactions Under Company Plans

**Dividend Reinvestment Plan.** If you participate in the Company's dividend reinvestment plan, this policy does not apply to purchases of the Company's securities under that dividend reinvestment plan resulting from your automatic reinvestment of dividends paid on the Company's securities. However, your election to participate in the dividend reinvestment plan, or to increase your level of participation in the plan, would be subject to this policy, including its applicable black-out periods. The policy also applies to your sale of any securities of the Company purchased pursuant to the plan.

## Additional Prohibited Transactions

The Company considers it improper and inappropriate for any Covered Person to engage in short-term or speculative transactions in the Company's securities. It is therefore the Company's policy that you may not engage in any of the following transactions:

**Short-Term Trading.** Short-term trading of the Company's securities by a director, officer or employee may be distracting to such person and may unduly focus such person on the Company's short-term performance instead of the Company's long-term business objectives. For these reasons, if you purchase the Company's securities in the open market, you should generally not sell any of the Company's securities of the same class during the six months following such purchase, absent approval of the CCO. In addition, Section 16(b) of the Securities Exchange Act of 1934 imposes short-swing profit recapture on the purchase or sale of the Company's securities by the Company's officers and directors and certain other persons.

**Short Sales.** Short sales of the Company's securities evidence an expectation on the part of the seller that the securities will decline in value, and therefore signal to the market that the seller has no confidence in the Company or its short-term prospects. In addition, short sales may reduce the seller's incentive to improve the Company's performance. For these reasons, you may not engage in short sales of the Company's securities. In addition, Section 16(c) of the Securities Exchange Act of 1934 prohibits officers and directors, and certain other persons, from engaging in short sales.

**Publicly Traded Options.** A transaction in options, puts, calls or other derivative securities is, in effect, a bet on the short-term movement of the Company's stock and therefore creates the appearance that a Covered Person is trading based on inside information. Transactions of this sort also may unduly focus such person on the Company's short-term performance instead of the Company's long-term business objectives. Accordingly, you may not enter into any transactions involving options, puts, calls or other derivative securities of the Company's securities, on an exchange or in any other organized market other than covered call writing. (Option positions arising from certain types of hedging transactions are governed by the section below captioned "Hedging Transactions.")

**Hedging Transactions.** Certain forms of hedging or monetization transactions, including as examples zero-cost collars and forward sale contracts, allow a person to lock in much of the value of his or her stock holdings, often in exchange for all or part of the potential for upside appreciation in the stock. These transactions allow the person to own the covered securities, but without the full risks and rewards of ownership. When that occurs, the person may no longer have the same objectives as other shareholders. Therefore, the Company prohibits any Covered Person from engaging in such transactions with respect to the Company's securities.

**Margin Accounts and Pledges.** Securities held in a margin account may be sold by the broker without the customer's consent if the customer fails to meet a margin call. Similarly, securities pledged (or hypothecated) as collateral for a loan may be sold in foreclosure if the borrower defaults on the loan. Therefore, because a margin sale or foreclosure sale may occur at a time when you are aware of material, non-public information or you are otherwise not permitted to trade in the Company's securities, you are prohibited from holding the Company's securities in a margin account or pledging the Company's securities as collateral for a loan. An exception to this prohibition may be granted where you wish to pledge the Company's securities as collateral for a loan and clearly demonstrate the financial capacity to repay the loan without resort to the pledged securities. In this regard, any person who wishes to pledge the Company's securities as collateral for a loan must email a request for approval to the Chief Compliance Officer, Gerald Cummins, at jcummins@alariccompliance.com, at least two weeks prior to the proposed execution of the documents evidencing the proposed pledge.

## Post-Termination Transactions.

The policy continues to apply to your transactions in the Company's securities even after you have terminated employment. If you are in possession of material, non-public information when your employment terminates, you may not trade in the Company's securities until that information has become public or is no longer material.

## Unauthorized Disclosure

As discussed above, the disclosure of material, non-public information to others can lead to significant legal difficulties. Therefore, you should not discuss material, non-public information about the Company with anyone, including other employees, except as required in the performance of your regular duties.

Also, it is important that only specifically designated representatives of the Company discuss the Company with the news media, securities analysts, and investors. Inquiries of this type received by any employee should be referred to the Company's investor relations contact, info@phenixfc.com. Alternatively, such inquiries may be referred to the Chief Compliance Officer.

## Pre-Clearance Procedures

To help prevent inadvertent violations of the federal securities laws and to avoid even the appearance of trading on inside information, Covered Persons, together with their immediate family members living in their households, may not engage in any transaction involving the Company's securities (including any stock plan transaction, gift, loan or pledge or hedge, contribution to a trust, or any other transfer) without first obtaining pre-clearance of the transaction from the Chief Compliance Officer.

A request for pre-clearance should be emailed to the Chief Compliance Officer, Gerald Cummins, at jcummins@alariccompliance.com, in advance of the proposed transaction. The Chief Compliance Officer is under no obligation to approve a transaction submitted for pre-clearance, and may determine not to permit the transaction. The Chief Compliance Officer may establish any other pre-clearance procedures as deemed appropriate, including the requirement that the Covered Person obtain the additional pre-clearance of the Chief Executive Officer or Chief Financial Officer.

As noted above, any person subject to the pre-clearance requirements who wishes to implement a trading plan under Rule 10b5-1 of the Securities Exchange Act of 1934, must first pre-clear the plan with the Chief Compliance Officer by emailing Gerald Cummins at jcummins@alariccompliance.com. As required by Rule 10b5-1, Covered Persons may enter into a trading plan only when they are not in possession of material non-public information. In addition, Covered Persons may not enter into a trading plan during a blackout period. Transactions effected pursuant to a pre-cleared trading plan will not require further pre-clearance at the time of the transaction if the plan specifies the dates, prices and amounts of the contemplated trades, or establishes a formula for determining the dates, prices and amounts.

## Blackout Periods

***Quarterly Blackout Periods.*** The Company's announcement of its quarterly financial results almost always has the potential to have a material effect on the market for the Company's securities. Therefore, you can anticipate that, to avoid even the appearance of trading while aware of material, non-public information, Covered Persons will not be pre-cleared to trade in the Company's securities during the period beginning two weeks prior to the end of the Company's fiscal quarter and ending after the next full business day following the Company's issuance of its quarterly earnings release or analyst conference call. All Covered Persons are subject to these quarterly blackout periods.

***Event-specific Blackout Periods.*** From time to time, an event may occur that is material to the Company and is known by only a few Covered Persons. So long as the event remains material and non-public, *no* Covered Persons may trade in the Company's securities. This restriction applies regardless of whether such persons have actual knowledge of the material event in question. The existence of an event-specific blackout will not be announced, other than to those who are aware of the event giving rise to the blackout. If, however, a person whose trades are subject to pre-clearance requests permission to trade in the Company's securities during an event-specific blackout, the Chief Compliance Officer will inform the requester of the existence of a blackout period, without disclosing the reason for the blackout. Any person made aware of the existence of an event-specific blackout should not disclose the existence of the blackout to any other person. The failure of the Chief Compliance Officer to designate a person as being subject to an event-specific blackout will not relieve that person of the obligation not to trade while aware of material, non-public information.

***Hardship Exceptions.*** A person who is subject to a quarterly earnings blackout period and who has an unexpected and urgent need to sell the Company's stock in order to generate cash may, in appropriate circumstances, be permitted to sell such stock even during the blackout period. Hardship exceptions may be granted only by the Chief Compliance Officer and must be requested at least two business days in advance of the proposed trade by emailing Gerald Cummins at jcummins@alariccompliance.com. A hardship exception may be granted only if the Chief Compliance Officer concludes that the Company's earnings information for the applicable quarter does not constitute material, non-public information. Under no circumstance will a hardship exception be granted during an event-specific blackout period.

## Questions about this Policy

Compliance by all Covered Persons with this policy is of the utmost importance both for you and for the Company. If you have any questions about the application of this policy to any particular case, please immediately contact the Chief Compliance Officer.

**Your failure to observe this policy could lead to significant legal problems, as well as other serious consequences, including termination of your employment.**

## Certifications

All Covered Persons must certify their understanding of, and intent to comply with, this policy. A copy of the certification that all such persons must sign is attached to this policy.

Adopted: January 4, 2021

***Insider Trading Policy Certification***

This certification is to be signed and returned to the Chief Compliance Officer, Gerald Cummins, and will be retained as part of your permanent personnel file.

I hereby certify that I have received a copy of the Company's Insider Trading Policy, read it, and understand that the Insider Trading Policy contains the expectations of the Company regarding my conduct. Furthermore, I agree to comply with the Insider Trading Policy.

_____
Name (Printed)

_____
Signature

_____
Date

*The failure to read and/or sign this acknowledgment in no way relieves you of the responsibility to comply with the Company's Insider Trading Policy.*

**SCHEDULE A**

**PERSONAL SECURITIES HOLDINGS REPORT**

(1) I have read and understand the Code of Ethics and Insider Trading Policy of each of the Company (the ***"Code"***), recognize that the provisions of the Code apply to me and agree to comply in all respects with the procedures described therein. Furthermore, if during the past calendar year I was subject to the Code, I certify that I complied in all respects with the requirement of the Code as in effect during that year. Without limiting the generality of the foregoing, I certify that I have identified all new securities accounts established during each calendar quarter.

(2) I also certify that the following securities brokerage and commodity trading accounts are the only brokerage or commodity accounts in which I trade or hold Covered Securities in which I have a direct or indirect Beneficial Ownership interest, as such terms are defined by the Code, including accounts in which I had no direct or indirect influence or control (such as a fully discretionary third-party managed account through a registered investment advisor) and that, where required by the Code, I have requested that the firms at which such accounts are maintained send duplicate account statements (or the equivalent) to the Chief Compliance Officer.

| Account Name | Account number | Broker | Managed by 3rd party (Y/N) |
|---|---|---|---|
| | | | |
| | | | |
| | | | |

Covered Security positions not held in brokerage accounts such as private placements or common stock positions in self-directed 401K sponsored by an immediate family member's employer are listed below:
Security positions not included in brokerage statements:

| Name of security | Principal/share amount | Approximate date of acquisition | Was the security issued by a publicly traded company (Y/N) |
|---|---|---|---|
| | | | |
| | | | |
| | | | |

Date of Report: _____ Print Name: _____
Date Submitted: _____ Signature: _____

**SCHEDULE B**

**QUARTERLY SECURITIES TRANSACTION REPORT**

The following lists all transactions in Covered Securities, in which I had any direct or indirect Beneficial Ownership interest, that were effected during the last calendar quarter and required to be reported by Section VII (B) of the Code. (If no such transactions took place write "NONE".) Please sign and date this report and return it to the Chief Compliance Officer no later than the 30th day of the month following the end of the quarter. Use reverse side if additional space if needed.

PURCHASES AND ACQUISITIONS

| Trade Date | No. of Shares or Principal Amount | Interest Rate and Maturity Date | Name of Security | Unit Price | Total Price | Broker, Dealer, or Bank |
|---|---|---|---|---|---|---|
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |

SALES AND OTHER DISPOSITIONS

| Trade Date | No. of Shares or Principal Amount | Interest Rate and Maturity Date | Name of Security | Unit Price | Total Price | Broker, Dealer, or Bank |
|---|---|---|---|---|---|---|
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |

NEW ACCOUNTS ESTABLISHED DURING THE QUARTER

| Name of Broker, Dealer or Bank | Name of Account and Account Number | Date Established |
|---|---|---|
| | | |
| | | |
| | | |
| | | |
| | | |

Date of Report: _____ Print Name: _____

Date Submitted: _____ Signature: _____

**SCHEDULE C**

**ACKNOWLEDGMENT AND CERTIFICATION**

I acknowledge receipt of the Code of Ethics and Insider Trading Policy of the Company. I have read and understand the Code of Ethics and Insider Trading Policy and agree to be governed by it at all times. Further, if I have been subject to the Code of Ethics and Insider Trading Policy during the preceding year, I certify that I have complied with the requirements of the Code of Ethics and Insider Trading Policy and have disclosed or reported all personal securities transactions required to be disclosed or reported pursuant to the requirements of the Code of Ethics and Insider Trading Policy.

_____
(signature)

_____
(please print name)

Date:_____

Appendix A
Letterhead of {Name of Broker-Dealer / Adviser}

Mr. Gerald Cummins
Chief Compliance Officer

Dear Mr. Cummins:

This letter is being written with respect to the following accounts held at {Name of Broker-Dealer / Adviser} in which {Name of Employee} has a beneficial interest:

Account names and numbers

- {Name of Broker-Dealer / Adviser} is the adviser on the above listed accounts subject to a written investment advisory agreement or a limited power of attorney (the "Agreement")

- The Agreement authorizes the {Name of Broker-Dealer / Adviser} to act with full discretion with respect to the accounts

- {Name of Broker-Dealer / Adviser} will not accept trade requests from {Name of Employee} and {Name of Employee} will not have any direct or indirect influence or control over the investment decisions made for the accounts other than to provide or change guidelines or investment objectives.

- {Name of Employee} will have no advanced knowledge on order allocations or trades

- Because {Name of Employee} may have access to material non-public information, {Name of Broker-Dealer / Adviser} will neither seek information from {Name of Employee} relating to any company or transaction nor will {Name of Broker-Dealer / Adviser} obtain approval or direction for any trade either prior to or following execution

Please feel free to contact me if you have any questions or require further information, at {phone number of contact at Broker-Dealer / Adviser} xxx-xxx-xxxx.

Salutation

Appendix C

**Receipt of Gifts Policy**

The Company has adopted a Codes of Ethics that prohibits all covered employees from receiving gifts of more than a de-minimis value, unless prior approval is obtained in advance from the Chief Compliance Officer ("CCO") and the President. For purposes of this prohibition, this memo defines "gift", sets the de-minimis value levels and describes our gift reporting policy.

A "gift" includes any item or service of value received from clients, vendors, potential clients or vendors, or portfolio companies. Gifts include, among other things, tickets to an event, payment for a meal or any other entertainment at which the giver, or a representative from his or her department or business unit, is not present.

The following items are not considered to be "gifts" for purposes of this Policy:

- Tickets, meals and other entertainment provided by a firm whose representatives are present at the meal or event or travel related thereto;

- Usual and customary promotional items (e.g., T shirts, caps, calendars or pens marked with the firm's logo);

- Sample products received from a portfolio company (the value of such products should be reasonable under the circumstances and may not be excessive);

- Food items consumed on XXXX's premises.

The de-minimis values have been set at $300 for any single gift and $500 in aggregate value from a single source during any calendar year. Under no circumstances may any Covered Person accept a gift of either travel or lodging regardless of the estimated value.

We also have a gift reporting policy under which all gifts received by a Covered Person, including tickets, meals and any other entertainment where the giver is not present, must be reported to the CCO on the attached form within 5 business days of receipt.

Unsolicited business entertainment, including meals or tickets to cultural and sporting events do not need to be reported if: a) they are not so frequent or of such high value as to raise a question of impropriety and b) the person providing the entertainment is present at the event.

Finally, no Covered Person may provide a gift or entertainment to a representative of any entity that has, or may have, a business relationship with the Company, if the value of such gift or entertainment exceeds what is reasonable and customary under the circumstances of the business relationship. Please contact the CCO with any questions as to whether a proposed gift would be permissible under this standard.

Adopted: January 4, 2021