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

FORM 10-K

(Mark One)

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

FOR THE FISCAL YEAR ENDED December 31, 2018

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

COMMISSION FILE NUMBER: 814-01180

Runway Growth Credit Fund Inc.

(Exact name of registrant as specified in its charter)

Maryland (State of incorporation)	**47-5049745** (I.R.S. Employer Identification No.)
205 N. Michigan Ave., Suite 4200 **Chicago, IL** (Address of principal executive offices)	**60601** (Zip Code)

(312) 281-6270
(Registrant’s telephone number, including area code)

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

None

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

Common Stock, par value $0.01 per share

(Title of Class)

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

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

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

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

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant’s knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☒

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company,” and “emerging growth company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐	Accelerated filer ☐
Non-accelerated filer ☒	Smaller reporting company☐
Emerging growth company ☒	

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

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

As of December 31, 2018, there was no established public market for the registrant’s common stock.

Indicate the number of shares outstanding of each of the issuer’s classes of common stock, as of the latest practicable date.

The issuer had 15,727,990 shares of common stock, $0.01 par value per share, outstanding as of March 28, 2019.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant’s definitive proxy statement relating to the registrant’s 2019 annual meeting of stockholders (the “2019 Proxy Statement”), to be filed with the Securities and Exchange Commission within 120 days after the end of the fiscal year covered by this Annual Report on Form 10-K are incorporated by reference into Part III of this Form 10-K as indicated herein.

RUNWAY GROWTH CREDIT FUND INC.
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PART I

Item 1. Business

Runway Growth Credit Fund Inc.

Runway Growth Credit Fund Inc., formerly known as GSV Growth Credit Fund Inc., a Maryland corporation formed on August 31, 2015 ("we," "us," "our," or the "Company"), is structured as an externally managed, non-diversified closed-end management investment company. We are a specialty finance company focused on providing senior secured loans to rapidly growing companies in a variety of industries. Our goal is to create significant value for our stockholders, and the entrepreneurs we support, by providing high growth-potential companies with hybrid debt and equity financing that is more flexible than traditional credit and less dilutive than equity. Our investment objective is to maximize our total return to our stockholders primarily through current income on our loan portfolio, and secondarily through capital appreciation on our warrants and other equity positions. Our offices are in Chicago, Illinois; Woodside, California; and New York, New York.

We have elected to be regulated as a business development company ("BDC") under the Investment Company Act of 1940, as amended (together with the rules and regulations promulgated thereunder, the "1940 Act"). We have also elected to be treated as regulated investment company ("RIC") under Subchapter M of the Internal Revenue Code of 1986, as amended (the "Code"), and intend to qualify for treatment as a RIC annually. While we intend to qualify to be treated as a RIC annually, no assurance can be provided that we will be able to maintain our tax treatment as a RIC. For example, we anticipate that we may have difficulty satisfying the asset diversification requirements as we deploy initial capital and build our portfolio. If we fail to qualify for tax treatment as a RIC for any taxable year, we will be subject to corporate-level U.S. federal income tax on any net taxable income for such year. See "— Material U.S. Federal Income Tax Considerations" and "Note 2 — Summary of Significant Accounting Policies" to our financial statements in Part II, Item 8 of this Form 10-K for more information.

From the commencement of investment operations on December 16, 2016, through December 31, 2018, we funded twenty portfolio companies and invested $237.5 million in debt and equity investments, excluding U.S. Treasury Bills. As of December 31, 2018, our debt investment portfolio consisted of 23 debt investments in 17 portfolio companies with an aggregate fair value of $208.5 million while our equity portfolio consisted of 20 warrant positions and one preferred stock position in 19 portfolio companies with an aggregate fair value of $15.7 million. As of December 31, 2018, 100%, or $208.5 million, of our debt investment portfolio at fair value consisted of senior term loans. As of December 31, 2018, our net assets were $167.4 million, and all of our debt investments were secured by all or a portion of the tangible and intangible assets of the applicable portfolio company. The debt investments in our portfolio are generally not rated by any rating agency. If the individual debt investments in our portfolio were rated, they would be rated below "investment grade." Debt investments that are unrated or rated below investment grade are sometimes referred to as "junk bonds" and have predominantly speculative characteristics with respect to the issuer's capacity to pay interest and repay principal.

For the year ended December 31, 2018, our debt investment portfolio had a dollar-weighted yield of 16.9% (excluding any yield from warrants). The warrants we receive from time to time when making loans to portfolio companies are excluded from the calculation of our dollar-weighted annualized yield because such warrants do not generate any yield since we do not receive dividends or other payments in respect of our outstanding warrants. We calculate the yield on dollar-weighted average debt investments for any period measured as (1) total investment income during the period divided by (2) the average of the fair value of debt investments outstanding on (a) the last day of the calendar month immediately preceding the first day of the period and (b) the last day of each calendar month during the period. The dollar-weighted annualized yield represents the portfolio yield and will be higher than what investors will realize because it does not reflect our expenses or any sales load paid by investors. As of December 31, 2018, our debt investments had a dollar-weighted average outstanding term of four months and a dollar-weighted average remaining term of 36 months. As of December 31, 2018, substantially all of our debt investments had an original committed principal amount of between $6 million and $25 million, repayment terms of between 28 months and 48 months and pay cash interest at annual interest rates of between 11% and 13%.

In December 2016, we completed the initial closing of capital commitments (the "Initial Closing") in our first private offering of shares of common stock to investors (the "Initial Private Offering") in reliance on exemptions from the registration requirements of the Securities Act of 1933, as amended (together with the rules and regulations promulgated thereunder, the "Securities Act"), and other applicable securities laws. The final closing of the Initial Private Offering occurred on December 1, 2017. As of December 31, 2018, in connection with the Initial Private Offering, the Company had total capital commitments of $275,000,000 and had issued 10,664,004 shares of our common stock to stockholders for a total purchase price of $160,000,000. We expect to operate as a "private" BDC while we invest the proceeds of the Initial Private Offering and any future private offerings of our securities, after which, if market conditions are favorable, we plan to give our stockholders the opportunity to elect to participate in a Spin-Off transaction or seek other liquidity options for our stockholders, as further discussed in "— Investor Optionality; Potential Spin-Offs".

We are an "emerging growth company," as defined in the Jumpstart Our Business Startups Act of 2012, as amended (the "JOBS Act"). We could remain an emerging growth company until the last day of our fiscal year following the fifth anniversary of an initial public offering ("IPO"), if any, or until the earliest of (i) the last day of the first fiscal year in which we have total annual gross revenue of $1,070,000,000 or more, (ii) December 31 of the fiscal year in which we become a "large accelerated filer" as defined in Rule 12b-2 under the Securities Exchange Act of 1934, as amended (together with the rules and regulations promulgated thereunder, the "Exchange Act"), (which would occur if the market value of our common stock held by non-affiliates exceeds $700.0 million, measured as of the last business day of our most recently completed second fiscal quarter, and we have been publicly reporting for at least 12 months), or (iii) the date on which we have issued more than $1.0 billion in non-convertible debt during the preceding three-year period. For so long as we remain an emerging growth company under the JOBS Act, we will be subject to reduced public company reporting requirements.

Our investment activities are managed by our external investment adviser, Runway Growth Capital LLC ("RGC"). Runway Administrator Services LLC (the "Administrator"), a wholly-owned subsidiary of RGC, provides all administrative services necessary for us to operate.

About RGC

RGC serves as our investment adviser and, subject to the overall supervision of our Board of Directors, manages our day-to-day operations and provides us with investment advisory services pursuant to an investment advisory agreement, as amended and restated (the "Amended Advisory Agreement"). RGC is an investment adviser that has registered under the Investment Advisers Act of 1940, as amended (together with the rules and regulations promulgated thereunder, the "Advisers Act"). Under the terms of the Amended Advisory Agreement, RGC:

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

Pursuant to the Amended Advisory Agreement, we pay RGC a fee for its investment advisory and management services consisting of two components: a base management fee and an incentive fee. The cost of both the base management fee and incentive fee are ultimately borne by our stockholders. See "Note 7 — Related Party Agreements and Transactions" to our financial statements in Part II, Item 8 of this Form 10-K for more information on the Amended Advisory Agreement and the fee structure thereunder.

Payment of Our Expenses

All professionals of RGC, when and to the extent engaged in providing investment advisory and management services to us, and the compensation and routine overhead expenses of personnel allocable to these services to us, are provided and paid for by RGC and not by us. We bear all other out-of-pocket costs and expenses of our operations and transactions, including, without limitation, those relating to:

- organization and offering (the amount of organizational and offering expenses in connection with the Initial Private Offering in excess of $1,000,000 were previously paid by RGC);
- our pro-rata portion of fees and expenses related to any future spin-off transaction;
- calculating our net asset value (including the cost and expenses of any independent valuation firm);
- fees and expenses payable to third parties, including agents, consultants or other advisers, in connection with monitoring financial and legal affairs for us and in providing administrative services, monitoring our investments and performing due diligence on our prospective portfolio companies or otherwise relating to, or associated with, evaluating and making investments;
- interest payable on debt incurred to finance our investments;
- sales and purchases of our common stock and other securities;
- investment advisory and management fees;
- administration fees payable under the administration agreement with the Administrator (the “Administration Agreement”);
- transfer agent and custodial fees;
- federal and state registration fees;
- all costs of registration and listing our securities on any securities exchange;
- U.S. federal, state and local taxes;
- independent directors’ fees and expenses;
- costs of preparing and filing reports or other documents required by the SEC, the Financial Industry Regulatory Authority or other regulators;
- costs of any reports, proxy statements or other notices to stockholders, including printing costs;
- our allocable portion of any fidelity bond, directors’ and officers’ errors and omissions liability insurance, and any other insurance premiums;
- direct costs and expenses of administration, including printing, mailing, long distance telephone, copying, secretarial and other staff, independent auditors and outside legal costs; or
- and all other expenses incurred by us, our Administrator or RGC in connection with administering our business, including payments under the Administration Agreement based on our allocable portion of our Administrator’s overhead in performing its obligations under the Administration Agreement, including rent and the allocable portion of the cost of our Chief Compliance Officer and Chief Financial Officer and their respective staffs.

Investment Committee

RGC’s investment committee (the “Investment Committee”) consists of R. David Spreng, who is its chairman and our President, Chief Executive Officer and Chairman of our Board of Directors, Thomas B. Raterman, our Chief Financial Officer, Treasurer and Secretary, Greg Greifeld, Managing Director and Head of Credit at RGC, and Brian Laibow, OCM Growth Holdings, LLC’s appointee. The Investment Committee meets regularly to consider our investments, review our strategic initiatives and supervise the actions taken by RGC on our behalf. In addition, the Investment Committee reviews and monitors the performance of our investment portfolio. Each investment must be approved by a majority of the

Investment Committee. In addition, Mr. Spreng, as chairman of the Investment Committee, has the right to veto the approval of any investment, and any investment by us that is outside of certain agreed upon investment criteria requires the affirmative vote of OCM Growth Holdings, LLC's appointee to the Investment Committee. See "— Oaktree Strategic Relationship" below for more information.

Board Approval of the Amended Advisory Agreement

Our Board of Directors, including a majority of the directors who were not "interested persons," as defined in Section 2(a)(19) of the 1940 Act, of us or RGC, approved the Amended Advisory Agreement at an in-person meeting on August 3, 2017 and recommended that our stockholders approve the Amended Advisory Agreement. In its consideration of the approval of the Amended Advisory Agreement, our Board of Directors focused on information it had received relating to, among other things:

- the nature, quality and extent of the advisory and other services provided to us by RGC under the terms of the previous investment advisory agreement between us and RGC, which was effective from December 15, 2016 until September 12, 2017 (the "Prior Advisory Agreement"), and to be provided under the terms of the Amended Advisory Agreement;
- our investment performance and the investment performance of RGC;
- comparative data with respect to advisory fees or similar expenses paid by other BDCs with similar investment objectives;
- information about the services being performed and the personnel performing such services under the Prior Advisory Agreement and to be performed under the Amended Advisory Agreement;
- our projected operating expenses and expense ratio compared to BDCs with similar investment objectives, including expenses related to investment due diligence, travel and investigating and monitoring investments;
- any existing and potential sources of indirect income to RGC from its relationship with us and RGC's profitability; and
- the extent to which economies of scale would be realized as we grow and whether fee levels reflect these economies of scale for the benefit of our stockholders.

Our Board of Directors did not quantify, rank or otherwise assign relative weights to the specific factors it considered in reaching its decision. Our Board of Directors did not undertake to make any specific determination as to whether any particular factor, or any aspect of any particular factor, was favorable or unfavorable to its ultimate determination. Rather, our Board of Directors based its approval on the totality of information presented to, and the investigation conducted by, it. In considering the factors discussed above, individual directors may have given different weights to different factors. Based on its review of the above-mentioned factors and discussion of the Amended Advisory Agreement, our Board of Directors approved the Amended Advisory Agreement as being in our and our stockholders' best interests. The Amended Advisory Agreement became effective on September 12, 2017, after approval by our stockholders at a special meeting of stockholders.

Duration and Termination

Unless terminated earlier as described below, the Amended Advisory Agreement will continue in effect for a period of two years from its effective date of September 12, 2017. Thereafter, the Amended Advisory Agreement will continue automatically for successive annual periods provided that such continuance is specifically approved at least annually by (i) (A) the affirmative vote of a majority of our Board of Directors or (B) the affirmative vote of a majority of our outstanding voting securities, and (ii) the affirmative vote of a majority of our directors who are not "interested persons," as defined in Section 2(a)(19) of the 1940 Act, of us, RGC or our respective affiliates. The Amended Advisory Agreement automatically terminates in the event of its assignment, as defined in the 1940 Act, and may be terminated, without penalty, upon not more than 60 days' written notice, by (i) the affirmative vote of a majority of our outstanding voting securities, (ii) the affirmative vote of a majority of our Board of Directors, including a majority of our directors who are not "interested persons," as defined in

Section 2(a)(19) of the 1940 Act, of us, RGC or our respective affiliates, or (iii) RGC. See “Risk Factors — Risks Related to our Business and Structure — RGC and our Administrator have the right to resign upon not more than 60 days’ notice, and we may not be able to find a suitable replacement for either within that time, or at all, resulting in a disruption in our operations that could adversely affect our financial condition, business and results of operations” in Part I, Item 1A of this Form 10-K.

About Our Administrator

We have entered into the Administration Agreement with our Administrator, a wholly-owned subsidiary of RGC, pursuant to which our Administrator is responsible for furnishing us with office facilities and equipment and provides us with clerical, bookkeeping, recordkeeping and other administrative services at such facilities. Pursuant to the Administration Agreement, we pay our Administrator an amount equal to our allocable portion (subject to the review of our Board of Directors) of our Administrator’s overhead resulting from its obligations under the Administration Agreement, including rent and the allocable portion of the cost of our Chief Compliance Officer and Chief Financial Officer and their respective staffs associated with performing compliance functions. Pursuant to the terms of the Administration Agreement, the amounts payable to the Administrator from us in any fiscal year will not exceed the greater of (i) 0.75% of the aggregate capital commitments as of the end of the most recently completed fiscal year and (ii) $1.0 million.

Oaktree Strategic Relationship

In December 2016, we and RGC entered into a strategic relationship with Oaktree Capital Management, L.P. (“Oaktree”). Oaktree is a leading global alternative investment management firm with expertise in credit strategies. The firm was formed in 1995 by a group of individuals who had been investing together since the mid-1980s in high yield bonds, convertible securities, distressed debt, real estate, control investments and listed equities. Oaktree is a leader among global investment managers specializing in alternative investments, with $120 billion in assets under management as of December 31, 2018. The firm emphasizes an opportunistic, value-oriented and risk-controlled approach to investments in credit, private equity, real assets and listed equities. The firm has over 950 employees and offices in 18 cities worldwide.

In connection with the strategic relationship, OCM Growth Holdings, LLC, a Delaware limited liability company (“OCM”) managed by Oaktree, made an initial $125 million capital commitment to us, which was subsequently increased to $139 million (the “OCM Commitment”). OCM has granted a proxy to us pursuant to which the shares held by OCM will be voted in the same proportion as our other stockholders vote their shares.

In connection with the OCM Commitment, we entered into a stockholder agreement, dated December 15, 2016, with OCM pursuant to which OCM has a right to nominate a member of our Board of Directors for election. Brian Laibow was appointed to our Board of Directors, effective January 25, 2017, as OCM’s representative. OCM also holds an interest in RGC and has the right to appoint a member of RGC’s board of managers and a member of the Investment Committee. OCM’s initial appointee to RGC’s board of managers and Investment Committee is Brian Laibow.

We believe that our strategic relationship with Oaktree will provide us with access to additional resources and investment opportunities by expanding our network of relationships with venture backed companies. RGC expects to continue to draw upon Oaktree’s over 20-year history in the investment management business and to continue to benefit from Oaktree’s investment professionals’ significant credit expertise developed through investments in different industries and over numerous companies in the United States. In addition, we expect to utilize Oaktree’s relationships to gain better access to leverage facilities with better terms and provisions than we would otherwise be able to obtain.

Investor Liquidity Options

At any time after the third anniversary of the Initial Closing, we will offer our stockholders the option to elect to either (i) retain their ownership of shares of our common stock; or (ii) exchange their shares of our common stock for shares of common stock in a newly formed entity (the “Public Fund”) that will elect to be regulated as a BDC under the 1940 Act and treated as a RIC under Subchapter M of the Code, and

will use its commercially reasonable best efforts to complete an IPO of shares of its common stock not later than three years after the final closing of the Initial Private Offering, which occurred on December 1, 2017 provided, however, in no event will a stockholder be obligated to exchange his, her or its shares of our common stock for shares of common stock in the Public Fund. In order to effectuate these options, we expect that we would need to, among other things, transfer to the Public Fund, in exchange for newly issued shares of the Public Fund, a pro rata portion of our assets and liabilities attributable to the investors that have elected to invest in the Public Fund (such transfer of assets and liabilities and the mechanics relating thereto are referred to herein as the “Spin-Off transaction”).

We may exclude any stockholder from participating in the Spin-Off transaction if, in our reasonable discretion, there is a substantial likelihood that such stockholder’s exchange of shares of our common stock at such time would cause us or the Public Fund to (i) be in violation of, or noncompliance with, any law or regulation to which such entity is or would be subject or (ii) be deemed to hold “plan assets” under the Employee Retirement Income Security Act of 1974, as amended (“ERISA”) or Section 4975 of the Code because the investments of “benefit plan investors” (within the meaning of Section 3(42) of ERISA and certain Department of Labor (“DOL”) regulations (such investors referred to herein as “Benefit Plan Investors”)) are deemed to be significant.

Because RGC would be managing both us and the Public Fund in connection with any Spin-Off transaction, and the 1940 Act prohibits entities under common control from engaging in certain transactions, we will likely be required to obtain exemptive and/or no-action relief from the SEC to permit us to transfer assets to a Public Fund, as well as with respect to other aspects relating to the Spin-Off transaction, including the calculation of incentive fee to be paid by us in connection with a Spin-Off transaction. We and RGC have applied for exemptive relief from the SEC to permit us to transfer assets to a Public Fund, as well as with respect to other aspects relating to the Spin-Off transaction, including the calculation of incentive fee to be paid by us in connection with a Spin-Off transaction, and we have received preliminary comments from the SEC. There can be no assurance that we will be able to obtain such exemptive and/or no-action relief from the SEC. If we are unable to do so, then we will continue our operations in the manner otherwise set forth in this annual report on Form 10-K and our public filings with the SEC.

From time to time, we may also offer to repurchase a portion of our shares of common stock outstanding from stockholders. If we elect to offer to repurchase a portion of our shares of common stock outstanding, we expect that only a limited number of shares will be eligible for repurchase from stockholders. In addition, any such repurchases will be subject to applicable restrictions and requirements under the federal securities laws and the 1940 Act, will be at a price equal to our most recently determined net asset value per share, which may be at a discount to the price at which a stockholder purchased shares of common stock, and may be subject to any applicable lock-up period.

We may also make an alternative trading system (the “Trading Platform”) operated by The Nasdaq Private Market, LLC or its affiliates available to stockholders. It is anticipated that stockholders would be able to access such a Trading Platform to identify available secondary trading opportunities. Secondary trading on the Trading Platform, if available, will be subject to applicable law and would be restricted solely to accredited investors and subject to any applicable lock-up period. Stockholders who access the Trading Platform would be subject to certain transaction fees that will not be reimbursed by us or by RGC.

Investment Strategy and Approach

Our investment objective is to maximize our total return to our stockholders primarily through current income on our loan portfolio, and secondarily through capital appreciation on our warrants and other equity positions. Through our Sponsored Growth Lending and Non-Sponsored Growth Lending strategies, we invest in senior secured loans and second lien loans. We also expect to acquire equity securities in connection with our investments in secured loans. We expect to build a balanced portfolio with diversification among sponsored and non-sponsored transactions, diversification among sponsors within the sponsored segment, diversification among industry, geography, and stage of development, all contributing to a favorable risk adjusted return for the portfolio viewed as a whole. As we build our portfolio to scale, the effects of our diversification strategy on yield and other metrics may not be fully evident, and the impact of various weightings may be more pronounced from period to period until we achieve greater scale in our portfolio.

We typically invest in what we believe to be high growth-potential, private companies. We primarily originate our own investments in the debt and, to a lesser extent, equity of our portfolio companies and utilize a disciplined approach to providing growth capital to these companies. The types of loans in which we typically invest are senior secured and second lien secured loans, which generally fall into two strategies: Sponsored Growth Lending and Non-Sponsored Growth Lending.

Sponsored Growth Lending. Our Sponsored Growth Lending generally includes loans to companies that are already backed by established venture capital and private equity firms. Our Sponsored Growth Lending typically includes the receipt of warrants and/or other equity from the venture-backed companies. We refer to these target borrowers as “venture-backed companies.” We target venture-backed companies at all stages of development, with a bias towards later-stage, including those that are pre-revenue. To a limited extent, we also selectively lend to publicly traded companies with venture capital ownership. We focus on lending to companies focused in technology, life sciences, healthcare information and services, business services and other high-growth industries. The technology sectors we focus on include communications, networking, data storage, software, cloud computing, semiconductor, power management, internet and media and consumer-related technologies. The life science sectors we focus on include biotechnology, drug discovery, drug delivery, bioinformatics and medical devices. The healthcare information and services sectors we focus on include diagnostics, medical-record services and software and other healthcare-related services and technologies that improve efficiency and quality of administered healthcare.

We believe that the Sponsored Growth Lending strategy we follow is particularly attractive because the loans have high yields and additional equity upside. Investors may receive significant current income while gaining access to equity upside in companies that are often backed by the nation’s top-tier and other respected venture capital investors. We believe our Sponsored Growth Lending strategy typically:

- provides us access to many high-quality companies backed by top-tier investors;
- delivers consistent returns through double-digit loan yields; and
- participates in equity upside via warrants.

Non-Sponsored Growth Lending. Our Non-Sponsored Growth Lending generally includes loans to fast-growing private companies that are not backed by a professional equity investor sponsor, a venture capital firm or a private equity firm or are funded by entrepreneurs themselves or no longer require institutional equity investment, including publicly traded small-cap companies. We refer to these target borrowers as “non-sponsored growth companies.” As opposed to Sponsored Growth Lending, in the case of Non-Sponsored Growth Lending, we generally intend to target companies with annual revenue of at least $20 million per year. To a limited extent, we also selectively provide non-sponsored growth loans to publicly traded companies.

We believe that our lending approach significantly reduces the volatility inherent in financing emerging-growth companies.

We believe the following attributes, which we expect to be included in most of the loans of our investment strategies, present an attractive risk profile:

- meaningful amortization over the life of each loan and short to medium loan term;
- a low ratio of leverage to enterprise value; and
- a secured collateral position.

We believe there are significant barriers to entry in providing sponsored growth lending and non-sponsored growth lending, which results in an environment with a limited number of competitors. In particular, we believe we will be able to capitalize on the following crucial elements for success in the private growth company lending market:

- relationships with top-tier and other respected venture capital investors, growth company entrepreneurs, and other deal referral sources;
- reputation as a reliable, supportive, and value-added partner;

- ability to accurately determine credit risk and gauge warrant potential; and
- experience in the unique aspects of growth company debt pricing, structure, portfolio construction and management.

The above attributes are not easily acquired and take years to establish. We believe RGC's experienced, disciplined, and cohesive investment team possesses these necessary capabilities.

In addition to our core strategy of providing sponsored growth lending and non-sponsored growth lending, we may also opportunistically participate in the secondary markets for sponsored growth lending and non-sponsored growth lending.

Typical attributes of our Sponsored Growth Lending and Non-Sponsored Growth Lending are as follows:

- loan-size ranges from $5 million to $30 million;
- short total repayment periods: typically, 36 to 60 months or less;
- may provide for interest-only or moderate loan amortization in the initial period of the loan;
- unlevered yield-to-maturity (*i.e.*, the total return anticipated on a debt investment if it is held until maturity) generally ranging from 10% to 14%, which may include current interest payments, revenue participation, upfront and facility fees, an end-of-term payment and/or a payment-in-kind ("PIK") interest payment;
- warrants to acquire preferred or common stock in the prospective borrower that allow us to participate in any equity appreciation and enhance our overall returns;
- senior secured lien on the borrower's assets, including a pledge on or a promise by the borrower to not pledge the borrower's intellectual property to another individual or lender; and
- limited and/or flexible covenant structures and, with certain affirmative and negative covenants, default penalties, lien protection, investor abandonment provisions, material adverse change provisions, change-of-control provisions, restrictions on additional use of leverage, and reimbursement for upfront and regular internal and third-party expenses and prepayment penalties.

Market Opportunity

Our target market consists of companies that combine experienced management and an emphasis on rapid growth in large markets.

Diversified high growth-potential industries: We target companies active in industries that support extremely rapid growth. Our Sponsored Growth Lending strategy is focused on industry sectors where venture capital investors are active, primarily technology, life sciences, healthcare information and services, business services and other high-growth industries. High-potential companies in sectors such as technology, life sciences, healthcare information and services and business services represent a large and fast-growing sector of the U.S. economy. This sector's continued growth is supported by ongoing innovation and performance improvements in specific products as well as the adoption of innovative technologies and services across virtually all industries in response to competitive pressures. Term debt has been used by many of the largest, most successful venture-backed companies. For example, both Google and Facebook utilized term debt in their capital structures. Our Non-Sponsored Growth Lending strategy is not targeted at any specific industry sector, although we do intend to avoid restaurants, retail and real estate.

Sponsored Growth Lending: An attractive market opportunity exists for a lender that invests in secured loans to high-potential companies that have not yet achieved profitability as there are strong incentives for borrowers and lenders in this market to transact with one another.

Sponsored growth lending provides an attractive source of funds for venture-backed companies, their management teams, and their equity capital investors, as it:

- is typically less dilutive and complements equity financing from venture capital and private equity funds;
- extends the time period during which a company can operate before seeking additional equity capital or pursuing a sale transaction or other liquidity event; and
- allows companies to better match cash sources with uses.

Potential benefits to sponsored growth lenders include:

- loan support in the form of cash proceeds from equity capital invested by venture capital and private equity firms with the goal of building enterprise value;
- interest rates that are usually higher than rates portfolio companies could secure if they could borrow from commercial financing institutions, which normally require asset coverage and operating cash flow covenants;
- relatively rapid amortization of loans;
- senior ranking to equity and collateralization of loans to minimize potential loss of capital; and
- potential equity appreciation through warrants.

Non-Sponsored Growth Lending: An attractive market opportunity exists for a lender that invests in secured loans to high-potential companies that are growing rapidly, have reached profitability and need long-term growth capital but do not want the complications that come with selling equity to venture capital or private equity firms.

Non-sponsored growth lending provides an attractive alternative to equity capital as a source of funds for non-sponsored, high-potential, fast-growing companies, as it provides all or some of the following benefits:

- access to growth capital without the requirement to take on institutional-size investments that may exceed the company's capital requirements;
- tax deductible interest payments;
- no significant operational involvement;
- no personal guarantees;
- very modest dilution, if any; and
- no loss of managerial control or forced redemption.

Capital Market Dynamics Creating More Opportunities for Sponsored Growth Lending

Healthy, stable venture environment: The number of companies receiving venture capital financing in 2018 was 8,948, according to the National Venture Capital Association ("NVCA"), and roughly 24.0% of these transactions were first-round financings. The number of financings has averaged over 8,200 for the past ten years, and during this period slightly over one-third of these transactions were first time financings. The annual level of venture investment since 2002 has generally been in the $20- to $40- billion range with a significant increase to $71.0 billion in 2014. Increased venture investment has continued to trend upward since 2014. Venture investment totaled $83.0 billion in 2015, $77.2 billion in 2016 and $83.0 billion in 2017. 2018 marked a record year, with $130.9 billion in venture investment. We believe this activity is evidence of a healthy, stable venture environment where venture capital investment is consistently flowing into high technology-related companies. The significant increase in investment amount in 2014 – 2018 is largely the result of growth investments in later-stage companies that are staying private longer. The sponsored growth lending market is estimated to be one-seventh of venture investment activity in any given year, translating to a market for loan origination of over $18 billion based on an average year of venture funding of

approximately $130 billion.[1] We believe that these statistics validate a substantial market opportunity and simultaneously support availability of capital for repayment. Based on our experience, many sponsored-growth loans are repaid from proceeds of new venture-equity financing.

Growing pool of target companies: The average time from initial venture capital investment to exit, either by IPO or M&A transaction, has lengthened considerably. According to the NVCA 2015 Yearbook, in 1998 the average number of years from initial venture investment to IPO of a U.S. venture capital-backed company was approximately three years; that number has steadily increased and has been approximately eight years since 2012.[2] According to the 2018 Pitchbook NVCA Q4-2018 Venture Monitor, the median time to exit is now 5.3 years. Exits are a small (10 – 20%) proportion of companies financed by venture capital each year, and are on average less than 50% of the number of companies receiving initial funding. As a result, the pool of target companies has grown larger.

Venture investment consistently outstripping venture commitments: According to the NVCA, in 2018, $55 billion was raised by 256 funds, compared to $131 billion invested in the same year. 2018 was the thirteenth year in which more money was invested by the industry than raised in new commitments; in fact, this ratio has been in place for seventeen out of the past nineteen years. This dynamic has created a strong interest in raising new venture funds; however, the fact that companies receiving venture equity investment have taken longer to achieve liquidity than similar companies a decade earlier has led to cautious investing, as traditional investors in limited partnership funds are hesitant to commit to new funds until older commitments are returned. As a result, venture capital firms continue to supplement their investment in equity capital with sponsored growth lending in many of their best portfolio companies. Sponsored growth lending is now a valued component in the capital structure of most venture-backed companies.

Limited competition: Many viable venture-backed companies have been unable to obtain sufficient growth financing from traditional lenders, such as commercial banks or asset-based finance companies, because traditional lenders normally underwrite to tangible asset values and/or operating cash flows. If such firms do provide financing, their loans normally contain financial performance covenants stipulating tangible asset coverages or setting standards of operating performance that do not apply to our target companies. Because sponsored growth lending and non-sponsored growth lending require specialized underwriting and investment structures that fit the distinct characteristics of venture-backed companies and non-sponsored growth companies, more traditional lending approaches largely do not apply to these companies.

Competition

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

We do not compete primarily on the financing terms we offer and believe that some competitors make loans with rates that are comparable to or lower than our rates. We also believe that our relationship-based approach to investing, which leverages the expertise of the Investment Committee in developing strong relationships with venture capital investors and venture capital-backed companies, helps us to assess investment risks and determine appropriate pricing for our investments in portfolio companies. In addition, we expect that the relationships of RGC's senior investment professionals will enable us to learn about, and

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[1] Timo Fischer & Gaétan de Rassenfosse, *Venture Debt Financing: Determinants of the Lending Decision*, at 8 (Oct. 12, 2012), available at http://ssrn.com/abstract=1909602.

[2] Nat'l Venture Capital Association, 2015 National Venture Capital Association Yearbook.

compete effectively for, financing opportunities with attractive companies in the industries in which we seek to invest. For additional information concerning the competitive risks we face, see “Risk Factors — Risks Related to Our Business and Structure — We operate in a highly competitive market for investment opportunities and we may not be able to compete effectively.” in Part I, Item 1A of this Form 10-K.

Dividend Reinvestment Plan

We have adopted a dividend reinvestment plan that provides for reinvestment of our dividends and other distributions on behalf of our stockholders, unless a stockholder elects to receive cash as provided below. As a result of adopting such a plan, if our Board of Directors authorizes, and we declare, a cash dividend or distribution, our stockholders who have not opted out of our dividend reinvestment plan will have their cash dividends or distributions automatically reinvested in additional shares of our common stock, rather than receiving cash.

No action will be required on the part of a registered stockholder to have his or her cash dividends and distributions reinvested in shares of our common stock. A registered stockholder could instead elect to receive a dividend or distribution in cash by notifying RGC in writing, so that such notice is received by RGC no later than ten days prior to the record date for distributions to the stockholders. RGC will set up an account for shares of our common stock acquired through the plan for each stockholder who does not elect to receive dividends and distributions in cash and hold such shares in non-certificated form. Those stockholders whose shares are held by a broker or other financial intermediary could receive dividends and distributions in cash by notifying their broker or other financial intermediary of their election.

Stockholders who receive dividends and distributions in the form of stock are generally subject to the same U.S. federal, state and local tax consequences as are stockholders who elect to receive their dividends and distributions in cash. However, since a participating stockholder’s cash dividends and distributions will be reinvested in our common stock, such stockholder will not receive cash with which to pay applicable taxes on reinvested dividends and distributions. A stockholder’s basis for determining gain or loss upon the sale of stock received in a dividend or distribution from us will generally be equal to the cash that would have been received if the stockholder had received the dividend or distribution in cash, unless we were to issue new shares that are trading at or above net asset value, in which case, the stockholder’s basis in the new shares will generally be equal to their fair market value. 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 U.S. stockholder’s account.

Staffing

We do not currently have any employees. R. David Spreng, our President, Chief Executive Officer and Chairman of our Board of Directors, is also the founder, President, Chief Executive Officer and Chief Investment Officer of RGC. Thomas B. Raterman is our Chief Financial Officer, Treasurer, and Secretary, and serves as the Chief Financial Officer of RGC. Our Chief Financial Officer performs his functions for us under the terms of our Administration Agreement. We have also retained Carl Rizzo of Alaric Compliance Services LLC to serve as our Chief Compliance Officer pursuant to an agreement with Alaric Compliance Services LLC. Mr. Rizzo also serves as the Chief Compliance Officer for RGC.

Our day-to-day investment and administrative operations are managed by RGC and our Administrator. The Investment Committee is supported by a team of additional experienced investment professionals. RGC and our Administrator may hire additional investment and administrative professionals in the future to provide services to us, based upon our needs.

In addition, we reimburse the Administrator for its costs and expenses and our allocable portion of overhead incurred by it in performing its obligations under the Administration Agreement, including compensation paid to or compensatory distributions received by our officers (including our Chief Compliance Officer and Chief Financial Officer) and any of their respective staff who provide services to us, operations staff who provide services to us, and any internal audit staff, to the extent internal audit performs a role in our internal control assessment under Sarbanes-Oxley Act of 2002, as amended (the “Sarbanes-Oxley Act”).

Implications of Being an Emerging Growth Company

We currently are, and expect to remain, an "emerging growth company," as that term is used in the JOBS Act until the earliest of:

- the last day of our fiscal year following the fifth anniversary of IPO, if any;
- the last day of the first fiscal year in which our annual gross revenues of $1,070,000,000 or more;
- the date on which we have, during the preceding three-year period, issued more than $1.0 billion in non-convertible debt; and
- the date that we become a "large accelerated filer" as defined in Rule 12b-2 under the Exchange Act, which would occur if the market value of the common stock that is held by non-affiliates exceeds $700 million as of any June 30.

Under the JOBS Act, we are exempt from the provisions of Section 404(b) of the Sarbanes-Oxley Act, which would require that our independent registered public accounting firm provide an attestation report on the effectiveness of our internal control over financial reporting. This may increase the risk that material weaknesses or other deficiencies in our internal control over financial reporting go undetected. See Part I, Item 1A of this Form 10-K "Risk Factors — Risks Related to Our Business and Structure — We are obligated to maintain proper and effective internal control over financial reporting. Failure to achieve and maintain effective internal controls over financial reporting in accordance with Section 404 of the Sarbanes-Oxley Act could have a material adverse effect on our business and the value of our common stock."

Material U.S. Federal Income Tax Considerations

The following discussion is a general summary of the material U.S. federal income tax considerations applicable to us and to an investment in shares of our common stock. This discussion is based on the provisions of the Code and the regulations of the U.S. Department of Treasury promulgated thereunder, or "Treasury regulations," each as in effect as of the date of this Form 10-K.

These provisions are subject to differing interpretations and change by legislative or administrative action, and any change may be retroactive. This discussion does not constitute a detailed explanation of all U.S. federal income tax aspects affecting us and our stockholders and does not purport to deal with the U.S. federal income tax consequences that may be important to particular stockholders in light of their individual investment circumstances or to some types of stockholders subject to special tax rules, such as financial institutions, broker dealers, insurance companies, tax-exempt organizations, partnerships or other pass-through entities, persons holding our common stock in connection with a hedging, straddle, conversion or other integrated transaction, non-U.S. stockholders (as defined below) engaged in a trade or business in the United States, persons who have ceased to be U.S. citizens or to be taxed as resident aliens or individual non-U.S. stockholders present in the United States for 183 days or more during a taxable year. This discussion also does not address any aspects of U.S. estate or gift tax or foreign, state or local tax. This discussion assumes that our stockholders hold their shares of our common stock as capital assets for U.S. federal income tax purposes (generally, assets held for investment). No ruling has been or will be sought from the Internal Revenue Service (the "IRS") regarding any matter discussed herein.

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

- an individual who is a citizen or resident of the United States;
- a corporation created or organized in or under the laws of the United States, any state therein 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 a court within the United States can exercise primary jurisdiction over the administration of the trust and one or more U.S. persons have authority to control all substantial decisions of the trust.

A “non-U.S. stockholder” means a beneficial owner of shares of our common stock that is for U.S. federal income tax purposes:

- a nonresident alien individual;
- a foreign corporation; or
- a foreign estate or trust.

If a partnership or other entity classified as a partnership, for U.S. federal income tax purposes, holds our shares, the U.S. tax treatment of the partnership and each partner generally will depend on the status of the partner, the activities of the partnership and certain determinations made at the partner level. A partnership considering an investment in our common stock should consult its own tax advisers regarding the U.S. federal income tax consequences of the acquisition, ownership and disposition of shares by the partnership.

Taxation of the Company

We have elected to be treated as a RIC under Subchapter M of the Code for 2017 and intend to qualify for treatment as a RIC annually. As a RIC, we generally will not pay corporate-level federal income taxes on any 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 the annual distribution requirements;
- 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 or other disposition of stock, securities or foreign currencies, other income derived with respect to our business of investing in stock, securities or currencies, or net income derived from an interest in a “qualified publicly traded partnership,” or “QPTP,” hereinafter the “90% Gross Income Test;” and
- diversify our holdings so that, at the end of each quarter of each taxable year:
  - at least 50% of the value of our total assets is represented by cash and cash items, U.S. Government securities, the securities of other RICs and other securities, with other securities limited, in respect of any one issuer, to an amount not greater than 5% of the value of our total assets and not more than 10% of the outstanding voting securities of such issuer, and
  - not more than 25% of the value of our total assets is invested in the securities of any issuer (other than U.S. Government securities and the securities of other RICs), the securities of any two or more issuers that we control and that are determined to be engaged in the same business or similar or related trades or businesses, or the securities of one or more QPTPs, or the “Diversification Tests.”

In the case of a RIC that furnishes capital to development corporations, there is an exception relating to the Diversification Tests described above. This exception is available only to RICs which the SEC determines to be principally engaged in the furnishing of capital to other corporations which are principally engaged in the development or exploitation of inventions, technological improvements, new processes, or products not previously generally available (“SEC Certification”). We have not sought SEC Certification, but it is possible that we may seek SEC Certification in future years. If we receive SEC Certification, we generally will be entitled to include, in the computation of the 50% value of our assets (described above), the value of any securities of an issuer, whether or not we own more than 10% of the outstanding voting securities of the issuer, if the basis of the securities, when added to our basis of any other securities of the issuer that we own, does not exceed 5% of the value of our total assets.

As a RIC, we (but not our stockholders) are generally not subject to U.S. federal income tax on investment company taxable income and net capital gains that we distribute to our stockholders in any taxable year with respect to which we distribute an amount equal to at least 90% of the sum of our (i) investment company taxable income (which includes, among other items, dividends, interest and the excess of any net realized short-term capital gains over net realized long-term capital losses and other

taxable income (other than any net capital gain), reduced by deductible expenses) determined without regard to the deduction for dividends and distributions paid and (ii) net tax-exempt interest income (which is the excess of our gross tax-exempt interest income over certain disallowed deductions), or the "Annual Distribution Requirement." We intend to distribute annually all or substantially all of such income. Generally, if we fail to meet this Annual Distribution Requirement for any taxable year, we will fail to qualify for tax treatment as a RIC for such taxable year. To the extent we meet the Annual Distribution Requirement for a taxable year, but retain our net capital gains for investment or any investment company taxable income, we will be subject to U.S. federal income tax on such retained capital gains and investment company taxable income. We may choose to retain our net capital gains for investment or any investment company taxable income, and pay the associated federal corporate income tax, including the 4% U.S. federal excise tax described below.

We are subject to a nondeductible 4% U.S. federal excise tax on certain of our undistributed income, unless we timely distribute (or are deemed to have timely distributed) an amount equal to the sum of:

- at least 98% of our ordinary income (not taking into account any capital gains or losses) for the 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 generally ending on October 31 of the calendar year (unless an election is made by us to use our taxable year); and
- certain undistributed amounts from previous years on which we paid no U.S. federal income tax.

While we intend to distribute any income and capital gains in order to avoid imposition of this 4% U.S. federal excise tax, we may not be successful in avoiding entirely the imposition of this tax. In that case, we will be liable for the tax only on the amount by which we do not meet the foregoing distribution requirement.

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 any senior securities are outstanding unless we meet the applicable asset coverage ratios. See "— Regulation as a Business Development Company — Senior Securities." Moreover, our ability to dispose of assets to meet our distribution requirements may be limited by (1) the illiquid nature of our portfolio and/or (2) other requirements relating to our status as a RIC, including the Diversification Tests. If we dispose of assets in order to meet the Annual Distribution Requirement or to avoid the 4% U.S. federal excise tax, we may make such dispositions at times that, from an investment standpoint, are not advantageous.

A RIC is limited in its ability to deduct expenses in excess of its "investment company taxable income" (which is, generally, ordinary income plus the excess of net short-term capital gains over net long-term capital losses). If our expenses in a given year exceed investment company taxable income, we would experience a net operating loss for that year. However, a RIC is not permitted to carry forward net operating losses to subsequent years. In addition, expenses can be used only to offset investment company taxable income, not net capital gain. Due to these limits on the deductibility of expenses, we may, for tax purposes, have aggregate taxable income for several years that we are required to distribute and that is taxable to our stockholders even if such income is greater than the aggregate net income we actually earned during those years. Such required distributions may be made from our cash assets or by liquidation of investments, if necessary. We may realize gains or losses from such liquidations. In the event we realize net capital gains from such transactions, stockholders may receive a larger capital gain distribution than they would have received in the absence of such transactions.

Failure to Qualify as a RIC

While we have elected, and expect to qualify, to be treated as a RIC for 2018 and intend to qualify to be treated as a RIC annually, no assurance can be provided that we will qualify for tax treatment as a RIC for any taxable year. For example, we anticipate that we may have difficulty satisfying the Diversification Tests as we deploy initial capital and build our portfolio. In addition, we may have difficulty satisfying the diversification requirements after the consummation of the initial Spin-Off transaction if we decide to liquidate our portfolio since we will not be making additional investments. While we generally will not lose

our status as a RIC as long as we do not acquire any non-qualifying securities or other property, under certain circumstances we may be deemed to have made an acquisition of non-qualifying securities or other property. If we have previously qualified as a RIC, but were subsequently unable to qualify for treatment as a RIC, and certain amelioration provisions are not applicable, we would be subject to tax on all of our taxable income (including our net capital gains) at regular corporate rates. We would not be able to deduct distributions to stockholders, nor would we be required to make distributions. 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, corporate stockholders would be eligible to claim a dividend received deduction with respect to such dividend; 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. In order to requalify as a RIC, in addition to the other requirements discussed above, we would be required to distribute all of our previously undistributed earnings attributable to the period we failed to qualify as a RIC by the end of the first year that we intend to requalify as a RIC. If we fail to requalify as a RIC for a period greater than two taxable years, 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 years.

The remainder of this discussion assumes that we qualify as a RIC for each taxable year.

Company Investments

Certain of our investment practices are subject to special and complex U.S. federal income tax provisions that may, among other things, (i) disallow, suspend or otherwise limit the allowance of certain losses or deductions, including the dividends received deduction, (ii) convert lower taxed long-term capital gains and qualified dividend income into higher taxed short-term capital gains or ordinary income, (iii) convert ordinary loss or a deduction into capital loss (the deductibility of which is more limited), (iv) cause us to recognize income or gain without a corresponding receipt of cash, (v) adversely affect the time as to when a purchase or sale of stock or securities is deemed to occur, (vi) adversely alter the characterization of certain complex financial transactions and (vii) produce income that will not qualify as good income for purposes of the 90% Gross Income Test. We monitor our transactions and may make certain tax elections and may be required to borrow money or dispose of securities to mitigate the effect of these rules and to prevent disqualification of us as a RIC but there can be no assurance that we will be successful in this regard.

Debt Instruments. In certain circumstances, we may be required to recognize taxable income prior to the time at which we receive cash. For example, if we hold debt instruments that are treated under applicable tax rules as having original issue discount (such as debt instruments with an end-of-term payment and/or PIK interest payment or, in certain cases, increasing interest rates or issued with warrants), we must include in taxable income each year a portion of the original issue discount that accrues over the life of the obligation, regardless of whether cash representing such income is received by us in the same taxable year. Because any original issue discount accrued will be included in our investment company taxable income for the year of accrual, we may be required to make a distribution to our stockholders in order to satisfy the Annual Distribution Requirement and to avoid the 4% U.S. federal excise tax, even though we will not have received any corresponding cash amount.

Warrants. Gain or loss realized by us from the sale or exchange of warrants acquired by us as well as any loss attributable to the lapse of such warrants generally are treated as capital gain or loss. The treatment of such gain or loss as long-term or short-term generally depends on how long we held a particular warrant and on the nature of the disposition transaction.

Foreign Investments. In the event we invest in foreign securities, we may be subject to withholding and other foreign taxes with respect to those securities. We do not expect to satisfy the requirement to pass through to our stockholders their share of the foreign taxes paid by us.

Passive Foreign Investment Companies. We may invest in the stock of a foreign corporation which is classified as a "passive foreign investment company" (within the meaning of Section 1297 of the Code), or "PFIC." In general, unless a special tax election has been made, we are required to pay tax at ordinary income rates on any gains and "excess distributions" with respect to PFIC stock as if such items had been realized ratably over the period during which we held the PFIC stock, plus an interest charge. Certain adverse tax consequences of a PFIC investment may be limited if we are eligible to elect alternative tax treatment with respect to such investment. No assurances can be given that any such election will be available or that, if available, we will make such an election.

Foreign Currency Transactions. Under the Code, gains or losses attributable to fluctuations in exchange rates which occur between the time we accrue income or other receivables or accrue expenses or other liabilities denominated in a foreign currency and the time we actually collect such receivables or pay such liabilities generally are treated as ordinary income or loss. Similarly, on disposition of debt instruments and certain other instruments denominated in a foreign currency, gains or losses attributable to fluctuations if the value of the foreign currency between the date of acquisition of the instrument and the date of disposition also are treated as ordinary gain or loss. These currency fluctuations related gains and losses may increase or decrease the amount of our investment company taxable income to be distributed to our stockholders as ordinary income.

Regulation as a Business Development Company

General

We have elected to be regulated as a BDC under the 1940 Act. A BDC must be organized in the United States for the purpose of investing in or lending to primarily private companies and making significant managerial assistance available to them. A BDC may use capital provided by stockholders and from other sources to make long-term, private investments in businesses. A BDC provides stockholders the ability to retain the liquidity of a publicly traded stock while sharing in the possible benefits, if any, of investing in primarily privately-owned companies. Until an IPO, if any, we do not intend to list our common stock on a stock exchange, and it will not be publicly traded.

We may not change the nature of our business so as to cease to be, or withdraw our election as, a BDC unless authorized by vote of a majority of the outstanding voting securities, as required by the 1940 Act. A majority of the outstanding voting securities of a company is defined under the 1940 Act as the lesser of: (a) 67% or more of such company's voting securities present at a meeting if more than 50% of the outstanding voting securities of such company are present or represented by proxy, or (b) more than 50% of the outstanding voting securities of such company. We do not anticipate any substantial change in the nature of our business.

As with other companies regulated by the 1940 Act, a BDC must adhere to certain substantive regulatory requirements. A majority of our directors must be persons who are not "interested persons," as that term is defined in the 1940 Act. Additionally, we are required to provide and maintain a bond issued by a reputable fidelity insurance company to protect the BDC. Furthermore, as a BDC, we are prohibited from protecting any director or officer against any liability to us or our stockholders arising from willful misfeasance, bad faith, gross negligence or reckless disregard of the duties involved in the conduct of such person's office.

As a BDC, we are generally required to meet an asset coverage ratio, defined under the 1940 Act as the ratio of our gross assets (less all liabilities and indebtedness not represented by senior securities) to our outstanding senior securities, of at least 200% after each issuance of senior securities. However, recent legislation has modified the 1940 Act by allowing a BDC to increase the maximum amount of leverage it may incur from an asset coverage ratio of 200% to an asset coverage ratio of 150%, if certain requirements are met. We are permitted to increase our leverage capacity if stockholders representing at least a majority of the votes cast, at an annual or special meeting at which quorum is met, approve a proposal to do so. If we receive such stockholder approval, we would be permitted to increase our leverage capacity on the first day after such approval. Alternatively, we may increase the maximum amount of leverage we may incur to an asset coverage ratio of 150% if the "required majority" of our independent directors as defined in Section 57(o) of the 1940 Act approve such increase, with such approval becoming effective after one year.

Because our common stock is not listed on a national securities exchange, if we receive approval to increase the maximum amount of leverage we may incur to an asset coverage ratio of 150% from an asset coverage ratio of 200%, then we must offer to repurchase all of our common stock held by stockholders as of the date of such approval. In addition, we would be required to make certain disclosures on our website and in SEC filings regarding, among other things, the receipt of approval to increase our leverage, our leverage capacity and usage and risks related to leverage.

We may also be prohibited under the 1940 Act from knowingly participating in certain transactions with our affiliates without the prior approval of our directors who are not "interested persons," as defined in Section 2(a)(19) of the 1940 Act, of us, RGC or our respective affiliates and, in some cases, prior approval by the SEC.

We do not intend to acquire securities issued by any investment company that exceed the limits imposed by the 1940 Act. Under these limits, except for registered money market funds, we generally cannot acquire more than 3% of the voting stock of any investment company, invest more than 5% of the value of our total assets in the securities of one investment company or invest more than 10% of the value of our total assets in the securities of investment companies in the aggregate. The portion of our portfolio invested in securities issued by investment companies ordinarily will subject our stockholders to additional indirect expenses. Our investment portfolio is also subject to diversification requirements by virtue of our election to be treated as a RIC for U.S. tax purposes and our intention to continue to operate in a manner so as to qualify for the tax treatment applicable to RICs. See "Risk Factors — Risks Related to Our Business and Structure" in Part I, Item 1A of this Form 10-K for more information.

In addition, investment companies registered under the 1940 Act and private funds that are excluded from the definition of "investment company" pursuant to either Section 3(c)(1) or 3(c)(7) of the 1940 Act may not acquire directly or through a controlled entity more than 3% of our total outstanding voting stock (measured at the time of the acquisition), unless the funds comply with an exemption under the 1940 Act. As a result, certain of our investors may hold a smaller position in our shares than if they were not subject to these restrictions.

We are generally not able to issue and sell our common stock at a price below net asset value per share. See "Risk Factors — Risks Related to Our Business and Structure — Regulations governing our operation as a BDC affect our ability to raise additional capital and the way in which we do so. As a BDC, the necessity of raising additional capital may expose us to risks, including the typical risks associated with leverage." in Part I, Item 1A of this Form 10-K. We may, however, sell our common stock, or warrants, options or rights to acquire our common stock, at a price below the then-current net asset value of our common stock if our Board of Directors determines that such sale is in our best interests and the best interests of our stockholders, and our stockholders approve such sale. In addition, we may generally issue new shares of our common stock at a price below net asset value in rights offerings to existing stockholders, in payment of dividends and in certain other limited circumstances.

As a BDC, we are generally limited in our ability to invest in any portfolio company in which RGC or any of its affiliates currently has an investment or to make any co-investments with our investment adviser or its affiliates without an exemptive order from the SEC, subject to certain exceptions.

We are subject to periodic examination by the SEC for compliance with the 1940 Act.

As a BDC, we are subject to certain risks and uncertainties. See "Risk Factors — Risks Related to Our Business and Structure" in Part I, Item 1A of this Form 10-K.

Qualifying Assets

Under the 1940 Act, a BDC may not acquire any asset other than assets of the type listed in Section 55(a) of the 1940 Act, which are referred to as qualifying assets, unless, at the time the acquisition is made, qualifying assets represent at least 70% of the BDC's gross assets. The principal categories of qualifying assets relevant to our business are the following:

(1) Securities purchased in transactions not involving any public offering from the issuer of such securities, which issuer (subject to certain limited exceptions) is an eligible portfolio company, or

from any person who is, or has been during the preceding 13 months, an affiliated person of an eligible portfolio company, or from any other person, subject to such rules as may be prescribed by the SEC. An eligible portfolio company is defined in the 1940 Act as any issuer which:

(a) is organized under the laws of, and has its principal place of business in, the United States;

(b) is not an investment company (other than a small business investment company wholly owned by the BDC) or a company that would be an investment company but for certain exclusions under the 1940 Act; and

(c) satisfies any of the following:

(i) does not have any class of securities that is traded on a national securities exchange;

(ii) has a class of securities listed on a national securities exchange, but has an aggregate market value of outstanding voting and non-voting common equity of less than $250 million;

(iii) is controlled by a BDC or a group of companies including a BDC and the BDC has an affiliated person who is a director of the eligible portfolio company; or

(iv) is a small and solvent company having gross assets of not more than $4.0 million and capital and surplus of not less than $2.0 million.

(2) Securities of any eligible portfolio company which we control.

(3) Securities purchased in a private transaction from a U.S. issuer that is not an investment company or from an affiliated person of the issuer, or in transactions incident thereto, if the issuer is in bankruptcy and subject to reorganization or if the issuer, immediately prior to the purchase of its securities, was unable to meet its obligations as they came due without material assistance other than conventional lending or financing arrangements.

(4) Securities of an eligible portfolio company purchased from any person in a private transaction if there is no ready market for such securities and we already own 60% of the outstanding equity of the eligible portfolio company.

(5) Securities received in exchange for or distributed on or with respect to securities described in (1) through (4) above, or pursuant to the exercise of warrants or rights relating to such securities.

(6) Cash, cash equivalents, U.S. government securities or high-quality debt securities maturing in one year or less from the time of investment.

If at any time less than 70% of our gross assets are comprised of qualifying assets, including as a result of an increase in the value of any non-qualifying assets or decrease in the value of any qualifying assets, we would generally not be permitted to acquire any additional non-qualifying assets, other than office furniture and equipment, interests in real estate and leasehold improvements and facilities maintained to conduct the business operations of the BDC, deferred organization and operating expenses, and other non-investment assets necessary and appropriate to its operations as a BDC, until such time as 70% of our then current gross assets were comprised of qualifying assets. We would not be required, however, to dispose of any non-qualifying assets in such circumstances.

Managerial Assistance to Portfolio Companies

In addition, a BDC must have been organized and have its principal place of business in the United States and must be operated for the purpose of making investments in the types of securities described above in Qualifying Assets categories (1), (2) or (3). However, in order to count portfolio securities as qualifying assets for the purpose of the 70% test, the BDC must either control the issuer of the securities or must offer to make available to the issuer of the securities (other than small and solvent companies described above in Qualifying Assets category (1)(c)(iv)) significant managerial assistance; except that, where the BDC purchases such securities in conjunction with one or more other persons acting together, one of the other persons in the group may make available such managerial assistance. Making available managerial assistance means, among other things, any arrangement whereby the BDC, through its

directors, officers or employees, offers to provide, and, if accepted, does so provide, significant guidance and counsel concerning the management, operations or business objectives and policies of a portfolio company. We may also receive fees for these services. RGC may provide, or arrange for the provision of, such managerial assistance on our behalf to portfolio companies that request this assistance, subject to reimbursement of any fees or expenses incurred on our behalf by RGC in accordance with our Amended Advisory Agreement.

Temporary Investments

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

Senior Securities

We are generally permitted, under specified conditions, to issue multiple classes of indebtedness and one class of stock senior to our common stock if our asset coverage, as defined in the 1940 Act, is at least equal to 200% immediately after each such issuance. However, recent legislation has modified the 1940 Act by allowing a BDC to increase the maximum amount of leverage it may incur from an asset coverage ratio of 200% to an asset coverage ratio of 150%, if certain requirements are met. We are permitted to increase our leverage capacity if stockholders representing at least a majority of the votes cast, at an annual or special meeting at which quorum is met, approve a proposal to do so. If we receive such stockholder approval, we would be permitted to increase our leverage capacity on the first day after such approval. Alternatively, we may increase the maximum amount of leverage we may incur to an asset coverage ratio of 150% if the "required majority" of our independent directors as defined in Section 57(o) of the 1940 Act approve such increase, with such approval becoming effective after one year. Because our common stock is not listed on a national securities exchange, if we receive approval to increase the maximum amount of leverage we may incur to an asset coverage ratio of 150% from an asset coverage ratio of 200%, then we must offer to repurchase all of our common stock held by stockholders as of the date of such approval. In addition, we would be required to make certain disclosures on our website and in SEC filings regarding, among other things, the receipt of approval to increase our leverage, our leverage capacity and usage and risks related to leverage.

In addition, while any senior securities remain outstanding, we must make provisions to prohibit any distribution to our stockholders or the repurchase of such securities or shares unless we meet the applicable asset coverage ratios at the time of the distribution or repurchase. We may also borrow amounts up to 5% of the value of our gross assets for temporary or emergency purposes without regard to asset coverage. For a discussion of the risks associated with leverage, see "Risk Factors — Risks Related to Our Business and Structure — We may borrow money, which would magnify the potential for gain or loss on amounts invested and may increase the risk of investing in us." in Part I, Item 1A of this Form 10-K.

Compliance Policies and Procedures

We and RGC have adopted and implemented written policies and procedures reasonably designed to detect and prevent violation of the federal securities laws and are required to review these compliance policies and procedures annually for their adequacy and the effectiveness of their implementation and designate a chief compliance officer to be responsible for administering the policies and procedures. Carl Rizzo currently serves as our Chief Compliance Officer.

Sarbanes-Oxley Act of 2002

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

- pursuant to Rule 13a-14 of the Exchange Act, our Chief Executive Officer and Chief Financial Officer must certify the accuracy of the financial statements contained in our periodic reports;
- pursuant to Item 307 of Regulation S-K, our periodic reports must disclose our conclusions about the effectiveness of our disclosure controls and procedures;
- pursuant to Rule 13a-15 of the Exchange Act, our management must prepare a report regarding its assessment of our internal control over financial reporting and, starting from the date on which we cease to be an emerging growth company under the JOBS Act, must obtain an audit of the effectiveness of internal control over financial reporting performed by our independent registered public accounting firm should we become an accelerated filer; and
- pursuant to Item 308 of Regulation S-K and Rule 13a-15 of the Exchange Act, our periodic reports must disclose whether there were significant changes in our internal control over financial reporting or in other factors that could significantly affect these controls subsequent to the date of their evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

The Sarbanes-Oxley Act requires us to review our current policies and procedures to determine whether we comply with the Sarbanes-Oxley Act and the regulations promulgated thereunder. We will continue to monitor our compliance with all regulations that are adopted under the Sarbanes-Oxley Act and will take actions necessary to ensure that we are in compliance therewith.

Proxy Voting Policies and Procedures

We have delegated our proxy voting responsibility to RGC. The Proxy Voting Policies and Procedures of RGC are set forth below. The guidelines will be reviewed periodically by RGC and our non-interested directors, and, accordingly, are subject to change. For purposes of the Proxy Voting Policies and Procedures described below, “we,” “our” and “us” refers to RGC.

An investment adviser registered under the Advisers Act has a fiduciary duty to act solely in the best interests of its clients. As part of this duty, we recognize that we must vote client securities in a timely manner, free of conflicts of interest and in the best interests of our clients.

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

Proxy Policies

We will vote proxies relating to our portfolio securities in what we perceive to be the best interest of our clients’ stockholders. We will review on a case-by-case basis each proposal submitted to a stockholder vote to determine its impact on the portfolio securities held by our clients. Although we will generally vote against proposals that may have a negative impact on our clients’ portfolio securities, we may vote for such a proposal if there exist compelling long-term reasons to do so.

Our proxy-voting decisions will be made by the senior officers who are responsible for monitoring each of our clients’ investments. To ensure that our vote is not the product of a conflict of interest, we will require that: (1) anyone involved in the decision-making process disclose to our management any potential conflict that he or she is aware of and any contact that he or she has had with any interested party regarding a proxy vote; and (2) employees involved in the decision-making process or vote administration are prohibited from revealing how we intend to vote on a proposal in order to reduce any attempted influence from interested parties.

Proxy Voting Records

You may obtain information about how we voted proxies by making a written request for proxy voting information to: Runway Growth Capital LLC, 205 N. Michigan Ave., Suite 4200, Chicago, IL 60601.

Privacy Principles

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

Pursuant to our privacy policy, we do not disclose any non-public personal information about our stockholders or former stockholders to anyone, except as permitted by law, or as is necessary in order to service stockholder accounts (for example, to a transfer agent or third-party administrator).

We may collect non-public information about investors from our subscription agreements or other forms, such as name, address, account number and the types and amounts of investments, and information about transactions with us or our affiliates, such as participation in other investment programs, ownership of certain types of accounts or other account data and activity. We may disclose the information that we collect from our stockholders or former stockholders, as described above, only to our affiliates and service providers and only as allowed by applicable law or regulation. Any party that receives this information uses it only for the services required by us and as allowed by applicable law or regulation and is not permitted to share or use this information for any other purpose. To protect the non-public personal information of individuals, we restrict access to non-public personal information about our stockholders to employees of RGC and its affiliates with a legitimate business need for the information. In order to guard our stockholders' non-public personal information, we maintain physical, electronic and procedural safeguards that are designed to comply with applicable law. Non-public personal information that we collect about our stockholders is generally stored on secured servers located in the United States. An individual stockholder's right to privacy extends to all forms of contact with us, including telephone, written correspondence and electronic media, such as the Internet.

Reporting Obligations

We furnish our stockholders with annual reports containing audited financial statements, quarterly reports, and such other periodic reports as we determine to be appropriate or as may be required by law. We are required to comply with all periodic reporting, proxy solicitation and other applicable requirements under the Exchange Act.

Our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, as well as reports on Forms 3, 4 and 5 regarding directors, officers or 10% beneficial owners of us, filed or furnished pursuant to section 13(a), 15(d) or 16(a) of the Exchange Act, are available on our website (https://runwaygrowth.com/document-center/).

Stockholders and the public may also view any materials we file with the SEC on the SEC's website (http://www.sec.gov).

Item 1A. Risk Factors.

An investment in our securities involves certain risks relating to our structure and investment objective. The risks set forth below are not the only risks we face, and we may face other risks that we have not yet identified, which we do not currently deem material or which are not yet predictable. If any of the following risks occur, our business, financial condition and results of operations could be materially adversely affected. In such case, our net asset value and the price of our common stock could decline, and you may lose all or part of your investment.

Risks Related to Our Business and Structure

We have a limited operating history as a BDC.

We were formed on August 31, 2015 and elected to be regulated as a BDC on December 15, 2016. As a result of our limited operating history, we are subject to many of the business risks and uncertainties associated with recently formed businesses, including the risk that we will not achieve our investment objective and that the value of our common stock could decline substantially. As a BDC, we are subject to the regulatory requirements of the SEC, in addition to the specific regulatory requirements applicable to BDCs under the 1940 Act and RICs under the Code. From time to time, RGC may pursue investment opportunities in which it has more limited experience. We may also be unable to replicate the historical performance of the members of the Investment Committee in prior investment funds. In addition, we may be unable to generate sufficient revenue from our operations to make or sustain distributions to our stockholders.

RGC has limited prior experience managing a BDC and a RIC.

RGC has limited experience managing a BDC and a RIC. Therefore, RGC may not be able to successfully operate our business or achieve our investment objective. As a result, an investment in our common stock may entail more risk than shares of common stock of a comparable company with a substantial operating history.

The 1940 Act and the Code impose numerous constraints on the operations of BDCs and RICs that do not apply to the other types of investment vehicles. For example, under the 1940 Act, BDCs are required to invest at least 70% of their total assets primarily in securities of qualifying U.S. private or thinly traded companies. Moreover, qualification for RIC tax treatment under Subchapter M of the Code requires, among other things, satisfaction of source-of-income, diversification and other requirements. The failure to comply with these provisions in a timely manner could prevent us from qualifying as a BDC or RIC or could force us to pay unexpected taxes and penalties, which could be material. RGC’s limited experience in managing a portfolio of assets under such constraints may hinder its ability to take advantage of attractive investment opportunities and, as a result, achieve our investment objective.

Our investment portfolio is recorded at fair value, with our Board of Directors having final responsibility for overseeing, reviewing and determining, in good faith, the fair value of our investment portfolio and, as a result, there is uncertainty as to the value of our portfolio investments.

Under the 1940 Act, we are required to carry our portfolio investments at market value or, if there is no readily available market value, at fair value as determined by us with our Board of Directors having final responsibility for overseeing, reviewing and approving, in good faith, our estimate of fair value. Typically, there will not be a public market for the securities of the privately held companies in which we invest. As a result, we value these securities quarterly at fair value based on input from management, a third-party independent valuation firm and the audit committee of our Board of Directors (the “Audit Committee”) and with the oversight, review and approval of our Board of Directors.

The determination of fair value and consequently, the amount of unrealized gains and losses in our portfolio, are to a certain degree, subjective and dependent on a valuation process approved by our Board of Directors. Certain factors that may be considered in determining the fair value of our investments include external events, such as private mergers, sales and acquisitions involving comparable companies. Because such valuations, and particularly valuations of private securities and private companies, are inherently uncertain, they may fluctuate over short periods of time and may be based on estimates. Our

determinations of fair value may differ materially from the values that would have been used if a ready market for these securities existed. Due to this uncertainty, our fair value determinations may cause our net asset value on a given date to materially understate or overstate the value that we may ultimately realize on one or more of our investments. As a result, investors purchasing our common stock based on an overstated net asset value would pay a higher price than the value of our investments might warrant. Conversely, investors selling shares of our common stock during a period in which the net asset value understates the value of our investments will receive a lower price for their shares of our common stock than the value of our investments might warrant.

Our financial condition and results of operations depend on our ability to effectively manage and deploy capital.

Our ability to achieve our investment objective depends on our ability to effectively manage and deploy capital, which depends, in turn, on RGC’s ability to identify, originate, evaluate and monitor, and our ability to finance and invest in, companies that meet our investment criteria.

Accomplishing our investment objective on a cost-effective basis is largely be a function of RGC’s handling of the investment process, its ability to provide competent, attentive and efficient services and our access to investments offering acceptable terms. In addition to monitoring the performance of our existing investments and other responsibilities under the Amended Advisory Agreement, RGC’s investment team may also be called upon, from time to time, to provide managerial assistance to some of our portfolio companies. These demands on their time may distract them or slow the rate of investment.

Even if we are able to grow and build upon our investment portfolio, any failure to manage our growth effectively could have a material adverse effect on our business, financial condition, results of operations and prospects. Our results of operations depend on many factors, including the availability of opportunities for investment, readily accessible short and long-term funding alternatives in the financial markets and economic conditions. Furthermore, if we cannot successfully operate our business or implement our investment policies and strategies as described herein, it could negatively impact our ability to pay dividends.

We operate in a highly competitive market for investment opportunities and we may not be able to compete effectively.

Our competitors include both existing and newly formed equity and debt focused public and private funds, other BDCs, investment banks, venture-oriented commercial banks, commercial financing companies and, to the extent they provide an alternative form of financing, private equity and hedge funds. Many of our competitors are substantially larger and have considerably greater financial, technical and marketing resources than us. For example, some competitors may have a lower cost of capital and access to funding sources that are not available to us. In addition, some of our competitors may have higher risk tolerances or different risk assessments than we have. Furthermore, many of our competitors are not subject to the regulatory restrictions that the 1940 Act imposes on us as a BDC or to the distribution and other requirements we must satisfy to maintain our ability to be subject to tax as a RIC. These characteristics could allow our competitors to consider a wider variety of investments, establish more relationships and offer better pricing and more flexible structuring than we are able to offer.

The competitive pressures we face may have a material adverse effect on our financial condition, results of operations and cash flows. We do not compete primarily on the financing terms we offer and believe that some competitors make loans with rates that are comparable or lower than our rates. We may lose some investment opportunities if we do not match our competitors’ pricing, terms and structure. However, if we match our competitors’ pricing, terms and structure, we may experience decreased net interest income, lower yields and increased risk of credit loss. As a result of this competition, we may not be able to take advantage of attractive investment opportunities from time to time, and we may not be able to identify and make investments that are consistent with our investment objective.

In addition, a significant part of our competitive advantage stems from the fact that the market for investments in small, fast-growing, private companies is underserved by traditional commercial banks and other financing sources. A significant increase in the number and/or the size of our competitors in this target market could force us to accept less attractive investment terms.

Our business model depends to a significant extent upon strong referral relationships. Any inability of RGC to maintain or develop these relationships, or the failure of these relationships to generate investment opportunities, could adversely affect our business.

We depend upon RGC to maintain its relationships with venture capital and private equity firms, placement agents, investment banks, management groups and other financial institutions, and we expect to rely to a significant extent upon these relationships to provide us with potential investment opportunities. If RGC fails to maintain such relationships, or to develop new relationships with other sources of investment opportunities, we may not be able to grow our investment portfolio. In addition, individuals with whom RGC has relationships are not obligated to provide us with investment opportunities, and we can offer no assurance that these relationships will generate investment opportunities for us in the future.

We are dependent upon RGC's key personnel for our future success.

We depend on the diligence, skill and investment acumen of R. David Spreng, our President, Chief Executive Officer and the Chairman of our Board of Directors, along with the other investment professionals at RGC, including our Chief Financial Officer, Thomas Raterman. Mr. Spreng also serves as the President, Chief Executive Officer and Chief Investment Officer of RGC, and the Chairman of its Investment Committee. Mr. Spreng, Mr. Raterman and the other members of RGC's senior management evaluate, negotiate, structure, close and monitor our investments. Our future success depends on the continued service of these members of RGC's senior management. We cannot assure you that unforeseen business, medical, personal or other circumstances would not lead any such individual to terminate his or her relationship with us. The loss of Mr. Spreng, in particular, Mr. Raterman and/or any of the other members of RGC's senior management could have a material adverse effect on our ability to achieve our investment objective as well as on our financial condition and results of operations. In addition, we can offer no assurance that RGC will continue indefinitely as RGC.

The members of RGC's senior management are and may in the future become affiliated with entities engaged in business activities similar to those intended to be conducted by us, and may have conflicts of interest in allocating their time. RGC may also manage and sub-advise private investment funds and accounts, and may manage other such funds and accounts in the future, which have investment mandates that are similar, in whole and in part, with ours. Accordingly, RGC's senior management may have obligations to investors in those entities, the fulfillment of which might not be in the best interests of us or our stockholders. For example, RGC's senior management may face conflicts of interest in the allocation of investment opportunities to us and such other future funds and accounts.

Our success depends on the ability of RGC to attract and retain qualified personnel in a competitive environment.

Our growth requires that RGC retains and attracts new investment and administrative personnel in a competitive market. Its ability to attract and retain personnel with the requisite credentials, experience and skills depends on several factors including, but not limited to, its ability to offer competitive wages, benefits and professional growth opportunities. Many of the entities, including investment funds (such as private equity funds and mezzanine funds) and traditional financial services companies, with which RGC competes for experienced personnel have greater resources than it has.

There are significant potential conflicts of interest which could impact our investment returns.

Mr. Spreng currently serves as Managing Partner of Crescendo Ventures IV, LLC, which he co-founded in 1998 as a venture capital firm focused on early-stage investments in the technology, digital media and technology-enabled service markets. In addition, our executive officers and directors, as well as the current and future members of RGC, may serve as officers, directors or principals of other entities that operate in the same or a related line of business as we do. Accordingly, they may have obligations to investors in those entities, the fulfillment of which obligations may not be in the best interests of us or our stockholders. However, RGC's core investment team does not have a present intent to advise or manage another BDC with an investment strategy that is substantially similar to our investment strategy.

In the course of our investing activities, we pay management and incentive fees to RGC and reimburse our Administrator for certain expenses it incurs. As a result, investors in our common stock invest on a

"gross" basis and receive distributions on a "net" basis after expenses, resulting in a lower rate of return than an investor might achieve through direct investments. Accordingly, there may be times when the management team of RGC will have interests that differ from those of our stockholders, giving rise to a conflict.

We entered into a license agreement with RGC (the "License Agreement") pursuant to which RGC has granted us a personal, non-exclusive, royalty-free right and license to use the name "Runway Growth Credit Fund". Under the License Agreement, we have the right to use the "Runway Growth Credit Fund" name for so long as RGC or one of its affiliates remains our investment adviser. Other than with respect to this limited license, we have no legal right to the "Runway Growth Credit Fund" name.

In addition, we pay our Administrator, a wholly-owned subsidiary of RGC, our allocable portion of overhead and other expenses incurred by our Administrator in performing its obligations under the Administration Agreement, including rent, the fees and expenses associated with performing compliance functions. These arrangements may create conflicts of interest that our Board of Directors must monitor.

Our strategic relationship with Oaktree may create conflicts of interest.

OCM made an initial $125.0 million capital commitment to us, which was subsequently increased to $139.0 million. The final closing of the Initial Private Offering occurred on December 1, 2017, as of which date we had received capital commitments of $275,000,000 in connection with the Initial Private Offering, and OCM owned approximately 50% of our outstanding common stock. In addition, OCM holds an interest in RGC. In connection with our strategic relationship with Oaktree, OCM has a right to nominate an individual for election to our board of directors. If at any time, OCM has not nominated for election a member of our Board of Directors and/or a nominated director has not yet been elected, OCM will maintain board observation rights. OCM's initial appointee to our Board of Directors is Brian Laibow. Mr. Laibow has also been appointed to the board of managers and Investment Committee of RGC. Mr. Laibow is an employee of Oaktree and we expect that he will continue to engage in investment advisory activities for Oaktree, which could result in a conflict of interest and may distract him from his responsibilities to us and RGC.

As a result of the relationship with Oaktree and OCM, we are presumed to be an affiliate of OCM under the 1940 Act. As a result, we are not able to invest in the same portfolio companies in which any funds managed by OCM invest without seeking exemptive relief from the SEC.

The compensation we pay to RGC and our Administrator was not determined on an arm's-length basis. Thus, the terms of such compensation may be less advantageous to us than if such terms had been the subject of arm's-length negotiations.

The compensation we pay to RGC and our Administrator was not determined on an arm's-length basis with an unaffiliated third party. As a result, the form and amount of such compensation may be less favorable to us than they might have been had the respective agreements been entered into through arm's-length transactions with an unaffiliated third party. In addition, we may choose not to enforce, or to enforce less vigorously, our respective rights and remedies under the Amended Advisory Agreement and the Administration Agreement because of our desire to maintain our ongoing relationship with RGC, our Administrator and their respective affiliates. Any such decision, however, could cause us to breach our fiduciary obligations to our stockholders.

Our management fee and incentive fee may induce RGC to purchase assets with borrowed funds and to use leverage when it may be unwise to do so.

The management fee and the incentive fee payable by us to RGC may create an incentive for RGC to purchase assets with borrowed funds when it is unwise to do so or to pursue investments on our behalf that are riskier or more speculative than would be the case in the absence of such compensation arrangement. The management fee payable to RGC is calculated based on the amount of our gross assets which includes assets purchased with borrowed funds or other forms of leverage. The incentive fee payable to RGC is calculated based on a percentage of our return on invested capital. The incentive fee arrangement may encourage RGC to use leverage to increase the return on our investments. Under certain circumstances, the use of leverage may increase the likelihood of default, which would impair the value of our common stock.

The capital gains portion of our incentive fee may induce RGC to make speculative investments.

RGC receives the incentive fee based, in part, upon net capital gains realized on our investments. Under the incentive fee structure, RGC may benefit when we recognize capital gains and, because RGC, in certain circumstances, will determine when to sell a holding, RGC will control the timing of the recognition of such capital gains. As a result, in certain situations RGC may have a tendency to invest more capital in investments that are likely to result in capital gains as compared to income producing securities. Such a practice could result in our investing in more speculative securities than would otherwise be the case, which could result in higher investment losses, particularly during economic downturns.

A general increase in interest rates will likely have the effect of making it easier for RGC to receive incentive fees, without necessarily resulting in an increase in our net earnings.

Given the structure of the Amended Advisory Agreement, any general increase in interest rates can be expected to lead to higher interest rates applicable to our debt investments and will likely have the effect of making it easier for RGC to meet the quarterly hurdle rate for payment of income incentive fees under the Amended Advisory Agreement without any additional increase in relative performance on the part of RGC. This may occur without a corresponding increase in distributions to our stockholders. In addition, in view of the catch-up provision applicable to income incentive fees under the Amended Advisory Agreement, RGC could potentially receive a significant portion of the increase in our investment income attributable to such a general increase in interest rates. If that were to occur, our increase in net earnings, if any, would likely be significantly smaller than the relative increase in RGC’s income incentive fee resulting from such a general increase in interest rates.

RGC and our Administrator have the right to resign upon not more than 60 days’ notice, and we may not be able to find a suitable replacement for either within that time, or at all, resulting in a disruption in our operations that could adversely affect our financial condition, business and results of operations.

RGC has the right, under the Amended Advisory Agreement, to resign at any time upon not more than 60 days’ written notice, regardless of whether we have found a replacement. Similarly, our Administrator has the right under the Administration Agreement to resign at any time upon not more than 60 days’ written notice, regardless of whether we have found a replacement. If RGC or our Administrator were to resign, we may not be able to find a new investment adviser or administrator or hire internal management with similar expertise and ability to provide the same or equivalent services on acceptable terms prior to the resignation of RGC or our Administrator, or at all. If we are unable to do so quickly, our operations are likely to experience a disruption, our financial condition, business and results of operations, as well as our ability to pay distributions, are likely to be materially and adversely affected. In addition, the coordination of our internal management and investment or administrative activities, as applicable, are likely to suffer if we are unable to identify and reach an agreement with a single institution or group of executives having the expertise possessed by RGC, our Administrator and their respective affiliates. Even if we are able to retain comparable management, whether internal or external, the integration of such management and their lack of familiarity with our investment objective may result in additional costs and time delays that may adversely affect our financial condition, business, results of operations and cash flows.

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

Under the Amended Advisory Agreement, RGC has not assumed any responsibility to us other than to render the services called for under that agreement. It is not responsible for any action of our Board of Directors in following or declining to follow RGC’s advice or recommendations. Under the Amended Advisory Agreement, RGC and its professionals and any person controlling or controlled by RGC are not liable to us, any subsidiary of ours, our directors, our stockholders or any subsidiary’s stockholders or partners for acts or omissions performed in accordance with and pursuant to the Amended Advisory Agreement, except those resulting from acts constituting gross negligence, willful misfeasance, bad faith or reckless disregard of the duties that RGC owes to us under the Amended Advisory Agreement. In addition, as part of the Amended Advisory Agreement, we will indemnify RGC and its professionals from and against any claims or liabilities, including reasonable legal fees and other expenses reasonably incurred,

arising out of or in connection with our business and operations or any action taken or omitted on our behalf pursuant to authority granted by the Amended Advisory Agreement, except where attributable to gross negligence, willful misfeasance, bad faith or reckless disregard of such person's duties under the Amended Advisory Agreement.

RGC may not be able to achieve the same or similar returns as those achieved by Mr. Spreng and the other members of RGC's core investment team while they were employed at prior positions.

Although in the past Mr. Spreng and the other members of RGC's core investment team have held senior positions at a number of investment firms, their achievements are not necessarily indicative of future results that will be achieved by RGC. We cannot assure you that we will be able to achieve the results realized by prior vehicles managed by Mr. Spreng and the other members of RGC's core investment team.

Investors may default on capital drawdowns.

In connection with the Initial Private Offering, we will issue drawdowns on capital commitments from time to time at the discretion of RGC based upon RGC's assessment of our needs and opportunities. To satisfy such capital drawdowns, investors may need to maintain a substantial portion of their capital commitments in assets that can be readily converted to cash. If an investor fails to pay when due installments of its capital commitment to us, and the capital commitments made by non-defaulting investors and our borrowings are inadequate to cover the defaulted capital commitment, we may be unable to pay our obligations when due. As a result, we may be subjected to significant penalties that could materially adversely affect the returns of the investors (including non-defaulting investors), and non-defaulting investors may be subject to increased expenses and/or funding requirements. Moreover, the subscription agreements signed by investors in the Initial Private Offering provide for significant adverse consequences in the event an investor defaults on its capital commitment or other payment obligations.

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

We may need additional capital to fund growth in our investments. We have issued and expect to issue additional equity securities in connection with the Initial Private Offering and expect to borrow from financial institutions. A reduction in the availability of new capital could limit our ability to grow. We must distribute at least 90% of our investment company taxable income to our stockholders to maintain our tax treatment as a RIC. As a result, any such cash earnings may not be available to fund investment originations. We may, in the future, borrow under debt facilities from financial institutions and issue additional debt and equity securities. If we fail to obtain funds from such sources or from other sources to fund our investments, it could limit our ability to grow, which may have an adverse effect on the value of our securities. In addition, as a BDC, our ability to borrow or issue preferred stock may be restricted if our total assets are less than 200% of our total borrowings and preferred stock (or 150% if we satisfy certain conditions including board and/or stockholder approval, see "Risk Factors — Risks Relating to our Business and Structure — Recent legislation may allow us to incur additional leverage.")

The 1940 Act generally prohibits us from incurring indebtedness unless immediately after such borrowing we have an asset coverage for total borrowings of at least 200% (i.e., the amount of debt may not exceed 50% of the value of our assets). However, recent legislation has modified the 1940 Act by allowing a BDC to increase the maximum amount of leverage it may incur from an asset coverage ratio of 200% to an asset coverage ratio of 150%, if certain requirements are met, including board and/or stockholder approval. See "Risk Factors — Risks Relating to our Business and Structure — Recent legislation may allow us to incur additional leverage").

Any failure on our part to maintain our status as a BDC or fail to qualify as a RIC would reduce our operating flexibility.

The 1940 Act imposes numerous constraints on the operations of BDCs. For example, BDCs are required to invest at least 70% of their gross assets in specified types of "qualifying assets," primarily in private U.S. companies or thinly-traded U.S. public companies, cash, cash equivalents, U.S. government securities and other high-quality debt investments that mature in one year or less. In addition, subject to certain limited exceptions, an investment in an issuer that has outstanding securities listed on a national

exchange may be treated as a qualifying asset only if such issuer has a market capitalization that is less than $250 million at the time of such investment. In addition, as a RIC, the treatment for which we intend to qualify annually, we are required to satisfy certain source-of-income, diversification and distribution requirements. These constraints, among others, may hinder our ability to take advantage of attractive investment opportunities and to achieve our investment objective.

Any failure to comply with the requirements imposed on BDCs by the 1940 Act could cause the SEC to bring an enforcement action against us and/or expose us to claims of private litigants. In addition, upon approval of a majority of our stockholders, we may elect to withdraw our status as a BDC. If we decide to withdraw our election, or if we otherwise fail to qualify, or maintain our qualification, as a BDC, we will be subject to the substantially greater regulation under the 1940 Act as a closed-end investment company. Compliance with such regulations would significantly decrease our operating flexibility, and could significantly increase our costs of doing business.

Recent legislation may allow us to incur additional leverage.

The 1940 Act generally prohibits us from incurring indebtedness unless immediately after such borrowing we have an asset coverage for total borrowings of at least 200% (i.e., the amount of debt may not exceed 50% of the value of our assets). However, recent legislation has modified the 1940 Act by allowing a BDC to increase the maximum amount of leverage it may incur from an asset coverage ratio of 200% to an asset coverage ratio of 150%, if certain requirements are met. Under the legislation, we are permitted to increase our leverage capacity if stockholders representing at least a majority of the votes cast, at an annual or special meeting at which quorum is met, approve a proposal to do so. If we receive such stockholder approval, we would be permitted to increase our leverage capacity on the first day after such approval. Alternatively, we may increase the maximum amount of leverage we may incur to an asset coverage ratio of 150% if the “required majority” of our independent directors as defined in Section 57(o) of the 1940 Act approve such increase, with such approval becoming effective after one year. Because our common stock is not listed on a national securities exchange, if we receive approval to increase the maximum amount of leverage we may incur to an asset coverage ratio of 150% from an asset coverage ratio of 200%, then we must offer to repurchase all of our common stock held by stockholders as of the date of such approval. In addition, we would be required to make certain disclosures on our website and in SEC filings regarding, among other things, the receipt of approval to increase our leverage, our leverage capacity and usage and risks related to leverage.

As a result of this legislation, we may be able to increase our leverage up to an amount that reduces our asset coverage ratio from 200% to 150%. Leverage magnifies the potential for loss on investments and on invested equity capital. As we use leverage to partially finance our investments, you will experience increased risks of investing in our securities. If the value of our assets increases, then leveraging would cause the net asset value attributable to our common stock to increase more sharply than it would have had we not leveraged. Conversely, if the value of our assets decreases, leveraging would cause net asset value to decline more sharply than it otherwise would have had we not leveraged our business. Similarly, any increase in our income in excess of interest payable on the borrowed funds would cause our net investment income to increase more than it would without the leverage, while any decrease in our income would cause net investment income to decline more sharply than it would have had we not borrowed. Such a decline could negatively affect our ability to pay dividends on our common stock, scheduled debt payments or other payments related to our securities. Leverage is generally considered a speculative investment technique. See “Risk Factors — Risks Related to Our Business and Structure — We may borrow money, which would magnify the potential for gain or loss on amounts invested and may increase the risk of investing in us.”

Regulations governing our operation as a BDC affect our ability to raise additional capital and the way in which we do so. As a BDC, the necessity of raising additional capital may expose us to risks, including the typical risks associated with leverage.

We may issue debt securities or preferred stock and/or borrow money from banks or other financial institutions, which we refer to collectively as “senior securities,” up to the maximum amount permitted by the 1940 Act. Under the provisions of the 1940 Act, we are generally permitted, as a BDC, to issue senior

securities in amounts such that our asset coverage ratio, as defined in the 1940 Act, equals at least 200% of gross assets less all liabilities and indebtedness not represented by senior securities, after each issuance of senior securities. We are permitted, however, to increase our asset coverage ratio to at least 150% if we satisfy certain conditions, including stockholder and/or board approval. See “Risk Factors — Risks Relating to our Business and Structure — Recent legislation may allow us to incur additional leverage.” If the value of our assets declines, we may be unable to satisfy this test. If that happens, we may be required to sell a portion of our investments and, depending on the nature of our leverage, repay a portion of our indebtedness at a time when such sales may be disadvantageous. Also, any amounts that we use to service our indebtedness would not be available for distributions to our common stockholders. Furthermore, as a result of issuing senior securities, we would also be exposed to typical risks associated with leverage, including an increased risk of loss.

If we issue preferred stock, the preferred stock would rank “senior” to common stock in our capital structure, preferred stockholders would have separate voting rights on certain matters and might have other rights, preferences, or privileges more favorable than those of our common stockholders, and the issuance of preferred stock could have the effect of delaying, deferring or preventing a transaction or a change of control that might involve a premium price for holders of our common stock or otherwise be in your best interest.

We are generally not able to issue and sell our common stock at a price below net asset value per share. We may, however, sell our common stock, or warrants, options or rights to acquire our common stock, at a price below the then-current net asset value per share of our common stock if our Board of Directors determines that such sale is in the best interests of our stockholders, and our stockholders approve such sale. In any such case, the price at which our securities are to be issued and sold may not be less than a price that, in the determination of our Board of Directors, closely approximates the market value of such securities (less any distributing commission or discount). If we raise additional funds by issuing more common stock or senior securities convertible into, or exchangeable for, our common stock, then the percentage ownership of our stockholders at that time will decrease, and you may experience dilution.

We may borrow money, which would magnify the potential for gain or loss on amounts invested and may increase the risk of investing in us.

The use of leverage magnifies the potential for gain or loss on amounts invested and, therefore, increases the risks associated with investing in our securities. We may borrow from and issue senior debt securities to banks, insurance companies and other lenders in the future. Holders of these senior securities will have fixed dollar claims on our assets that are superior to the claims of our common stockholders, and we would expect such lenders to seek recovery against our assets in the event of a default. If the value of our assets decreases, leveraging would cause net asset value to decline more sharply than it otherwise would have had we not leveraged. Similarly, any decrease in our income would cause net income to decline more sharply than it would have had we not borrowed. Such a decline could also negatively affect our ability to make dividend payments on our common stock. Leverage is generally considered a speculative investment technique. Our ability to service any debt that we incur will depend largely on our financial performance and will be subject to prevailing economic conditions and competitive pressures. In addition, our common stockholders will bear the burden of any increase in our expenses as a result of leverage.

As a BDC, we are generally required to meet an asset coverage ratio, defined under the 1940 Act as the ratio of our gross assets (less all liabilities and indebtedness not represented by senior securities) to our outstanding senior securities, of at least 200% after each issuance of senior securities. We are permitted, however, to increase our asset coverage ratio to at least 150% if we satisfy certain conditions, including stockholder and/or board approval. See “Risk Factors — Risks Relating to our Business and Structure — Recent legislation may allow us to incur additional leverage.” If this ratio declines below 200% or 150%, whichever is applicable, we may not be able to incur additional debt and could be required by law to sell a portion of our investments to repay some debt when it is disadvantageous to do so, which could have a material adverse effect on our operations, and we may not be able to make distributions. The amount of leverage that we employ will depend on RGC’s and our Board of Directors’ assessment of market and other factors at the time of any proposed borrowing. We cannot assure you that we will be able to obtain credit at all or on terms acceptable to us.

In addition, any debt facility into which we may enter would likely impose financial and operating covenants that restrict our business activities, including limitations that could hinder our ability to finance additional loans and investments or to make the distributions required to qualify as a RIC.

Defaults under our credit facilities could require stockholders to fund their remaining capital commitments without regard to the underlying value of their investment.

We have entered into a demand loan agreement (the "Uncommitted Facility") and a revolving loan agreement (the "Committed Facility," and together with the Uncommitted Facility, the "Credit Facilities") with CIBC Bank USA ("CIBC") each as amended on September 24, 2018. The Credit Facilities are secured by a perfected first priority security interest in our right, title and interest in and to the capital commitments of our private investors, including our right to make capital calls, receive and apply capital contributions, enforce remedies and claims related thereto together with capital call proceeds and related rights, and a pledge of the collateral account into which capital call proceeds are deposited. To the extent an event of default under the Credit Facilities does occur, stockholders could be required to fund any shortfall up to their remaining capital commitments, without regard to the underlying value of their investments.

If we are unable to obtain additional debt financing, or if our borrowing capacity is materially reduced, our business could be materially adversely affected.

We may want to obtain additional debt financing, or need to do so upon maturity of the Credit Facilities, in order to obtain funds which may be made available for investments. The Credit Facilities mature on September 19, 2019. However, CIBC may terminate the Uncommitted Facility, and call any loans thereunder, at any time on demand. We have 20 business days to honor any such demand for payment under the Uncommitted Facility (unless we are in payment default or certain bankruptcy or liquidation events that constitute events of default occur, in which case immediate repayment is required). If we are unable to increase, renew or replace the Credit Facilities and enter into new debt financing facilities or other debt financing on commercially reasonable terms, our liquidity may be reduced significantly. In addition, if we are unable to repay amounts outstanding under any such facilities and are declared in default or are unable to renew or refinance these facilities, we may not be able to make new investments or operate our business in the normal course. These situations may arise due to circumstances that we may be unable to control, such as lack of access to the credit markets, a severe decline in the value of the U.S. dollar, an economic downturn or an operational problem that affects us or third parties, and could materially damage our business operations, results of operations and financial condition.

Changes in interest rates may increase our cost of capital, reduce the ability of our portfolio companies to service their debt obligations and decrease our net investment income.

General interest rate fluctuations and changes in credit spreads on floating rate loans may have a substantial negative impact on our investments and investment opportunities and, accordingly, may have a material adverse effect on our rate of return on invested capital, our net investment income and our net asset value. Substantially all of our debt investments will have variable interest rates that reset periodically based on benchmarks such as LIBOR and the prime rate, so an increase in interest rates from their relatively low present levels may make it more difficult for our portfolio companies to service their obligations under the debt investments that we will hold. In addition, to the extent we borrow money to make investments, our net investment income depends, in part, upon the difference between the rate at which we borrow funds and the rate at which we invest those funds. As a result, we can offer no assurance that a significant change in market interest rates will not have a material adverse effect on our net investment income to the extent we use debt to finance our investments. In periods of rising interest rates, our cost of funds would increase, which could reduce our net investment income.

In addition, a rise in the general level of interest rates can be expected to lead to higher interest rates applicable to our debt investments. Accordingly, an increase in interest rates would make it easier for us to meet or exceed the incentive fee hurdle rate and may result in a substantial increase of the amount of incentive fees payable to RGC with respect to our pre-incentive fee net investment income.

The financial projections of our portfolio companies could prove inaccurate.

We generally evaluate the capital structure of portfolio companies on the basis of financial projections prepared by the management of such portfolio companies. These projected operating results are normally based primarily on judgments of the management of the portfolio companies. In all cases, projections are only estimates of future results that are based upon assumptions made at the time that the projections are developed. General economic conditions, which are not predictable with accuracy, along with other factors may cause actual performance to fall short of the financial projections that were used to establish a given portfolio company's capital structure. Because of the leverage that is typically employed by our portfolio companies, this could cause a substantial decrease in the value of our investment in the portfolio company. The inaccuracy of financial projections could thus cause our performance to fall short of our expectations.

Our portfolio securities may not have a readily available market price and, in such a case, we will value these securities at fair value as determined in good faith under procedures adopted by our Board of Directors, which valuation is inherently subjective and may not reflect what we may actually realize for the sale of the investment.

A large percentage of our portfolio investments are in the form of debt investments that are not publicly traded. The fair value of these securities is not readily determinable. We value these investments on at least a quarterly basis in accordance with our valuation policy, which is at all times consistent with generally accepted accounting principles in the United States ("U.S. GAAP"). Our Board of Directors utilizes the services of a third-party valuation firm to aid it in determining the fair value of these investments. The Board of Directors discusses valuations and determines the fair value in good faith based on the input of RGC and the third-party valuation firm. The participation of RGC in our valuation process could result in a conflict of interest, since the management fees are based in part on our gross assets and also because RGC is receiving performance-based incentive fees. The factors that are considered in the fair value pricing of our investments include the nature and realizable value of any collateral, the portfolio company's ability to make payments and its earnings, the markets in which the portfolio company does business, comparisons to publicly-traded companies, discounted cash flow, relevant credit market indices, and other relevant factors. Because such valuations, and particularly valuations of private investments and private companies, are inherently uncertain, may fluctuate over short periods of time and may be based on estimates, our determinations of fair value may differ materially from the values that would have been used if a ready market for these securities existed. In addition, the valuation of these types of securities may result in substantial write-downs and earnings volatility.

Our net asset value as of a particular date may be materially greater than or less than the value that would be realized if our assets were to be liquidated as of such date. For example, if we were required to sell a certain asset or all or a substantial portion of its assets on a particular date, the actual price that we would realize upon the disposition of such asset or assets could be materially less than the value of such asset or assets as reflected in our net asset value. Volatile market conditions could also cause reduced liquidity in the market for certain assets, which could result in liquidation values that are materially less than the values of such assets as reflected in our net asset value.

We may experience fluctuations in our quarterly and annual results.

We may experience fluctuations in our quarterly and annual operating results due to a number of factors, including, but not limited to, our ability or inability to make investments in companies that meet our investment criteria, the interest rate payable on the debt securities we acquire, the level of portfolio dividend and fee income, the level of our expenses, variations in and the timing of the recognition of realized and unrealized gains or losses, the degree to which we encounter competition in our markets and general economic conditions. As a result of these factors, results for any period should not be relied upon as being indicative of performance in future periods.

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

Under Maryland General Corporation Law (the "MGCL") and our charter, our Board of Directors is authorized to classify and reclassify any authorized but unissued shares of stock into one or more classes of stock, including preferred stock. Prior to the issuance of shares of each class or series, the Board of

Directors is required by Maryland law and our charter to set the terms, preferences, conversion or other rights, voting powers, restrictions, limitations as to dividends or other distributions, qualifications and terms or conditions of redemption for each class or series. Thus, the Board of Directors could authorize the issuance of shares of preferred stock with terms and conditions which could have the effect of delaying, deferring or preventing a transaction or a change in control that might involve a premium price for holders of our common stock or otherwise be in their best interest. The cost of any such reclassification would be borne by our existing common stockholders. Certain matters under the 1940 Act require the separate vote of the holders of any issued and outstanding preferred stock. For example, holders of preferred stock would vote separately from the holders of common stock on a proposal to cease operations as a BDC. In addition, the 1940 Act provides that holders of preferred stock are entitled to vote separately from holders of common stock to elect two preferred stock directors. We currently have no plans to issue preferred stock, but may determine to do so in the future. The issuance of preferred stock convertible into shares of common stock might also reduce the net income per share and net asset value per share of our common stock upon conversion, provided, that we will only be permitted to issue such convertible preferred stock to the extent we comply with the requirements of Section 61 of the 1940 Act, including obtaining common stockholder approval. These effects, among others, could have an adverse effect on an investment in our common stock.

Our Board of Directors may change our investment objective, operating policies and strategies without prior notice or stockholder approval, the effects of which may be adverse.

Our Board of Directors has the authority to modify or waive our investment objective, current operating policies, investment criteria and strategies without prior notice (except as required by the 1940 Act) and without stockholder approval by resolution. However, absent stockholder approval, we may not change the nature of our business so as to cease to be, or withdraw our election as, a BDC. We cannot predict the effect any changes to our current operating policies, investment criteria and strategies would have on our business, net asset value, operating results and value of our stock. However, the effects might be adverse, which could negatively impact our ability to pay you dividends and cause you to lose all or part of your investment.

We will be subject to corporate-level income tax if we are unable to qualify as a RIC.

Although we have elected to be treated as a RIC under Subchapter M of the Code, no assurance can be given that we will be able to qualify as and maintain our qualification as a RIC. To maintain our tax treatment as a RIC, we must meet the following source-of-income, asset diversification, and distribution requirements.

The income source requirement will be satisfied if we obtain at least 90% of our gross income for each year from dividends, interest, foreign currency, payments with respect to loans of certain securities, gains from the sale of stock or other securities, net income from certain “qualified publicly traded partnerships,” or similar sources.

The asset diversification requirement will be satisfied if we meet certain asset diversification requirements at the end of each quarter of our taxable year. Failure to meet those requirements may result in our having to dispose of certain investments quickly in order to prevent the loss of our qualification as a RIC. Because most of our investments will be in private companies, and therefore will be relatively illiquid, any such dispositions could be made at disadvantageous prices and could result in substantial losses. We may have difficulty satisfying the diversification requirement during our ramp-up phase until we have a portfolio of investments. In addition, to the extent that we call capital to meet the asset diversification requirements and are unable to deploy such capital into income-earning investments, we may not achieve our expected operating results.

The Annual Distribution Requirement will be satisfied if we distribute to our stockholders on an annual basis at least 90% of our net ordinary income and realized net short-term capital gains in excess of realized net long-term capital losses, if any. Because we may use debt financing, we are subject to certain asset coverage ratio requirements under the 1940 Act and financial covenants under loan and credit agreements that could, under certain circumstances, restrict us from making distributions necessary to satisfy the distribution requirement. If we are unable to obtain cash from other sources, we could fail to qualify for tax treatment as a RIC.

If we fail to qualify as a RIC for any reason and therefore become subject to corporate-level federal U.S. income tax, the resulting corporate taxes could substantially reduce our net assets, the amount of income available for distribution and the amount of our distributions.

There are risks related to investment by ERISA Plans.

We will use reasonable efforts to conduct our affairs so that our assets are not be deemed to be "plan assets" under the plan asset regulations promulgated by DOL, as amended by ERISA. The fiduciary of each prospective plan investor must independently determine that the Company is an appropriate investment for such plan, taking into account the fiduciary's obligations under ERISA and the facts and circumstances of each investing plan.

We may have difficulty paying our required distributions if we recognize income before or without receiving cash representing such income.

For U.S. federal income tax purposes, we will include in our taxable income certain amounts that we have not yet received in cash, such as original issue discount, which may arise if we receive warrants in connection with the origination of a loan or possibly in other circumstances, or contractual PIK interest, which represents contractual interest added to the loan balance and due at the end of the loan term. Such original issue discount or increases in loan balances as a result of contractual PIK arrangements will be included in our taxable income before we receive any corresponding cash payments. We also may be required to include in our taxable income certain other amounts that we will not receive in cash.

Since, in certain cases, we may recognize taxable income before or without receiving corresponding cash payments, we may have difficulty meeting the Annual Distribution Requirement necessary to maintain our qualification as a RIC. Accordingly, to satisfy our RIC distribution requirements, we may have to sell some of our investments at times and/or at prices we would not consider advantageous, raise additional debt or equity capital or forgo new investment opportunities. If we are not able to obtain cash from other sources, we may fail to qualify for tax treatment as a RIC and thus become subject to corporate-level income tax. For additional discussion regarding the tax implications of our election to be taxed as a RIC, please see "Business — Material U.S. Federal Income Tax Considerations — Taxation of the Company" in Part I, Item 1 of this Form 10-K.

To the extent original issue discount and PIK-interest constitute a portion of our income, we are exposed to typical risks associated with such income being required to be included in taxable and accounting income prior to receipt of cash representing such income.

Our investments may include original-issue-discount instruments and contractual PIK-interest arrangements. To the extent original issue discount or PIK-interest constitutes a portion of our income, we are exposed to typical risks associated with such income being required to be included in taxable and accounting income prior to receipt of cash, including the following:

- The higher interest rates of original issue discount and PIK instruments reflect the payment deferral, which results in a higher principal amount at the maturity of the instrument as compared to the original principal amount of the instrument, and increased credit risk associated with these instruments, and original issue discount and PIK instruments generally represent a significantly higher credit risk than coupon loans.

- Even if the accounting conditions for income accrual are met, the borrower could still default when our actual collection is supposed to occur at the maturity of the obligation.

- Original issue discount and PIK instruments may have unreliable valuations because their continuing accruals require continuing judgments about the collectability of the deferred payments and the value of any associated collateral. Original issue discount and PIK-income may also create uncertainty about the source of our cash distributions.

- To the extent we provide loans with interest-only payments or moderate loan amortization, the majority of the principal payment or amortization of principal may be deferred until loan

maturity. Because this debt generally allows the borrower to make a large lump-sum payment of principal at the end of the loan term, there is a risk of loss if the borrower is unable to pay the lump sum or refinance the amount owed at maturity.

- For accounting purposes, any cash distributions to stockholders representing original issue discount and PIK-income are not treated as coming from paid-in capital, even though the cash to pay them comes from the offering proceeds. As a result, despite the fact that a distribution representing original issue discount and PIK-income could be paid out of amounts invested by our stockholders, the 1940 Act does not require that stockholders be given notice of this fact by reporting it as a return of capital.

- In certain cases, we may recognize taxable income before or without receiving corresponding cash payments and, as a result, we may have difficulty meeting the annual distribution requirement necessary to maintain our tax treatment as a RIC.

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

In the future, we may distribute dividends that are payable predominantly in shares of our common stock. Based on certain guidance issued by the IRS, distributions from a publicly offered RIC that are payable in stock or cash at the election of stockholders will be treated as taxable dividends that may satisfy our minimum distribution requirements even if the total amount of cash to be distributed is limited, provided that at least 20% of such dividend is payable in cash. If too many stockholders elect to receive their distribution in cash, we must allocate the cash available for distribution among the stockholders electing to receive cash (with the balance of the distribution paid in shares of our common stock). Taxable stockholders receiving such dividends will be required to include the full amount of the dividend as ordinary income (or as long-term capital gain to the extent such distribution is properly reported as a capital gain dividend) to the extent of our current and accumulated earnings and profits for U.S. federal income tax purposes. As a result, a U.S. stockholder may be required to pay U.S. federal income tax with respect to such dividends in excess of any cash received. If a U.S. stockholder sells the stock it receives as a dividend in order to pay this tax, the sales proceeds may be less than the amount included in income with respect to the dividend, depending on the market price of our stock at the time of the sale. Furthermore, with respect to non-U.S. stockholders, we may be required to withhold U.S. federal tax with respect to such dividends, including in respect of all or a portion of such dividend that is payable in stock. In addition, if a significant number of our stockholders sell shares of our common stock in order to pay U.S. federal income taxes owed on dividends, it may put downward pressure on the trading price of our common stock.

There is a risk that our stockholders may not receive any distributions or that our distributions may not grow over time.

We intend to make distributions on a quarterly basis to our stockholders out of assets legally available for distribution. We cannot assure you that we will achieve investment results that will allow us to make a specified level of cash distributions or year-to-year increases in cash distributions. In addition, due to the asset coverage test applicable to us as a BDC, we may be limited in our ability to make distributions. See “Business — Regulation as a Business Development Company” in Part I, Item 1 of this Form 10-K.

Capital markets may experience periods of disruption and instability. These market conditions may materially and adversely affect debt and equity capital markets in the United States and abroad, which may in the future have a negative impact on our business and operations.

From time to time, capital markets may experience periods of disruption and instability. During such periods of market disruption and instability, we and other companies in the financial services sector may have limited access, if available, to alternative markets for debt and equity capital. Equity capital may be difficult to raise because, subject to some limited exceptions which will apply to us as a BDC, we will generally not be able to issue additional shares of our common stock at a price less than net asset value without first obtaining approval for such issuance from our stockholders and our independent directors. In addition, our ability to incur indebtedness (including by issuing preferred stock) is limited by applicable regulations such that our asset coverage, as defined in the 1940 Act, must equal at least 200% immediately

after each time we incur indebtedness. We are permitted, however, to increase that asset coverage ratio to at least 150% if we satisfy certain conditions. See "Risk Factors — Risks Relating to Our Business and Structure — Recent legislation may allow us to incur additional leverage." The debt capital that will be available, if at all, may be at a higher cost and on less favorable terms and conditions in the future. Any inability to raise capital could have a negative effect on our business, financial condition and results of operations.

Given the extreme volatility and dislocation in the capital markets over the past several years, many BDCs have faced, and may in the future face, a challenging environment in which to raise or access capital. In addition, significant changes in the capital markets, including the extreme volatility and disruption over the past several years, has had, and may in the future have, a negative effect on the valuations of our investments and on the potential for liquidity events involving these investments. While most of our investments are not publicly traded, applicable accounting standards require us to assume as part of our valuation process that our investments are sold in a principal market-to-market participants (even if we plan on holding an investment through its maturity). As a result, volatility in the capital markets can adversely affect our investment valuations. Further, the illiquidity of our investments may make it difficult for us to sell such investments if required and to value such investments. As a result, we may realize significantly less than the value at which we will have recorded our investments. An inability to raise capital, and any required sale of our investments for liquidity purposes, could have a material adverse impact on our business, financial condition or results of operations. In addition, a prolonged period of market illiquidity may cause us to reduce the volume of loans and debt securities we originate and/or fund and adversely affect the value of our portfolio investments, which could have a material and adverse effect on our business, financial condition, results of operations and cash flows.

Economic recessions or downturns could impair our portfolio companies and harm our operating results.

Many of the portfolio companies in which we make investments may be susceptible to economic slowdowns or recessions and may be unable to repay the loans we made to them during these periods. Therefore, our non-performing assets may increase and the value of our portfolio may decrease during these periods as we are required to record our investments at their current fair value. Adverse economic conditions also may decrease the value of collateral securing some of our loans and the value of our equity investments. Economic slowdowns or recessions could lead to financial losses in our portfolio and a decrease in revenues, net income and assets. Unfavorable economic conditions also could increase our and our portfolio companies' funding costs, limit our and our portfolio companies' access to the capital markets or result in a decision by lenders not to extend credit to us or our portfolio companies. These events could prevent us from increasing investments and harm our operating results.

A portfolio company's failure to satisfy financial or operating covenants imposed by us or other lenders could lead to defaults and, potentially, acceleration of the time when the loans are due and foreclosure on its secured assets, which could trigger cross-defaults under other agreements and jeopardize the portfolio company's ability to meet its obligations under the debt that we hold. We may incur additional expenses to the extent necessary to seek recovery upon default or to negotiate new terms with a defaulting portfolio company. In addition, if one of our portfolio companies were to go bankrupt, depending on the facts and circumstances, including the extent to which we will actually provide significant managerial assistance to that portfolio company, a bankruptcy court might subordinate all or a portion of our claim to that of other creditors.

There may be no future Spin-Off transactions.

No assurances can be made that any Spin-Off transaction will occur, and investors should not rely on a future Spin-Off transaction as a liquidity option. Because RGC would be managing each of us and the Public Fund, if any, the 1940 Act prohibits entities under common control from engaging in certain transactions, we will likely be required to obtain exemptive and/or no-action relief from the SEC to permit us to transfer assets to the Public Fund, as well as with respect to other aspects relating to a Spin-Off transaction.

We and RGC have applied for exemptive relief from the SEC to engage in certain otherwise prohibited transactions in order to allow our stockholders to exchange their shares into shares of the Public Fund, subject to the Board of Directors' determination that such exchange is in our best interest and the best

interest of our stockholders. There can be no assurance that we will be able to obtain such exemptive and/or no-action relief from the SEC. If we are unable to do so, then we will continue our operations in the manner otherwise set forth in this annual report on Form 10-K and in the offering documents related to the Initial Private Offering. Alternatively, if we do obtain such exemptive and/or no-action relief, our Board of Directors would determine whether (and when) to effectuate any Spin-Off transaction, subject to the receipt of any required stockholder approvals.

The Company may exclude any investor from participating in the Spin-Off transaction if, in the reasonable discretion of the Company, there is a substantial likelihood that such investor's exchange of shares of our common stock at such time would cause us or the Public Fund to (i) be in violation of, or noncompliance with, any law or regulation to which such entity is or would be subject or (ii) be deemed to hold "plan assets" under ERISA or Section 4975 of the Code because the investments of Benefit Plan Investors are deemed to be significant. If a Spin-Off transaction does occur, although it is expected that any incentive fee payable in connection with the Spin-Off transaction will be calculated using the methodology set forth in "Note 7 — Related Party Agreements and Transactions" to our financial statements in Part II, Item 8 of this Form 10-K (taking into account the pro rata portion of our assets and liabilities relating to shares of our common stock being exchanged on an as-liquidated basis), the final terms of a Spin-Off transaction will be determined at the time of any such Spin-Off transaction, and there is no guarantee that such terms will be favorable to investors. See "Business — Investor Optionality; Potential Spin-Offs" in Part I, Item 1 of this Form 10-K for more information. While we expect that a Spin-Off transaction would likely be taxable to a stockholder that chooses to participate in the Spin-Off transaction, we cannot at this time predict the specific tax consequences of any future Spin-Off transaction that may occur.

Terrorist attacks, acts of war or natural disasters may affect any market for our common stock, impact the businesses in which we invest and harm our business, operating results and financial condition.

Terrorist acts, acts of war or natural disasters may disrupt our operations, as well as the operations of the businesses in which we invest. Such acts have created, and continue to create, economic and political uncertainties and have contributed to global economic instability. Future terrorist activities, military or security operations, or natural disasters could further weaken the domestic/global economies and create additional uncertainties, which may negatively impact the businesses in which we invest directly or indirectly and, in turn, could have a material adverse impact on our business, operating results and financial condition. Losses from terrorist attacks and natural disasters are generally uninsurable.

For any period that we do not qualify as a "publicly offered regulated investment company," as defined in the Code, U.S. stockholders that are individuals, trusts or estates will be taxed as though they received a distribution of some of our expenses.

A "publicly offered regulated investment company" is a RIC whose shares are either (i) continuously offered pursuant to a public offering, (ii) regularly traded on an established securities market or (iii) held by at least 500 persons at all times during the taxable year. We currently do not qualify as a publicly offered RIC; we may qualify as a publicly offered RIC for future taxable years. For any period that we are not a publicly offered RIC, a U.S. non-corporate stockholder's allocable portion of our affected expenses, including our management fees, is treated as an additional distribution to the stockholder and is deductible by such stockholder only to the extent permitted under the limitations described below. For U.S. non-corporate stockholders, including individuals, trusts, and estates, significant limitations generally apply to the deductibility of certain expenses of a non-publicly offered RIC, including advisory fees. In particular, these expenses, referred to as miscellaneous itemized deductions, are deductible to an individual only to the extent they exceed 2% of such a stockholder's adjusted gross income, and are not deductible for alternative minimum tax purposes.

We are subject to risks in using custodians, administrators and other agents.

We depend on the services of custodians, administrators and other agents to carry out certain securities transactions and administrative services for us. In the event of the insolvency of a custodian, we may not be able to recover equivalent assets in full as we will rank among the custodian's unsecured

creditors in relation to assets which the custodian borrows, lends or otherwise uses. In addition, our cash held with a custodian may not be segregated from the custodian's own cash, and we therefore may rank as unsecured creditors in relation thereto. The inability to recover assets from the custodian could have a material impact on our performance.

We will expend significant financial and other resources to comply with the requirements of being a public reporting entity.

As a public reporting entity, we are subject to the reporting requirements of the Exchange Act and requirements of the Sarbanes-Oxley Act. These requirements may place a strain on our systems and resources. The Exchange Act requires that we file annual, quarterly and current reports with respect to our business and financial condition. The Sarbanes-Oxley Act requires that we maintain effective disclosure controls and procedures and internal control over financial reporting, which are discussed below. See "Business — Regulation as a Business Development Company" in Part I, Item 1 of this Form 10-K. In order to maintain and improve the effectiveness of our disclosure controls and procedures and internal controls, significant resources and management oversight is required. We will continue to implement procedures, processes, policies and practices for the purpose of addressing the standards and requirements applicable to public companies. These activities may divert management's attention from other business concerns, which could have a material adverse effect on our business, financial condition, results of operations and cash flows. We expect to incur significant additional annual expenses related to these steps and, among other things, directors' and officers' liability insurance, director fees, reporting requirements of the SEC, transfer agent fees, additional administrative expenses payable to our Administrator to compensate them for hiring additional accounting, legal and administrative personnel, increased auditing and legal fees and similar expenses.

The systems and resources necessary to comply with public company reporting requirements will increase further once we cease to be an "emerging growth company" under the JOBS Act. As long as we remain an emerging growth company, we intend to take advantage of certain exemptions from various reporting requirements that are applicable to other public companies, including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act. We will remain an emerging growth company for up to five years following an IPO, if any, although if the market value of our common stock that is held by non-affiliates exceeds $700 million as of any June 30th before that time, we would cease to be an emerging growth company as of the following December 31. See "Business — Implications of Being an Emerging Growth Company" in Part I, Item 1 of this Form 10-K.

We are obligated to maintain proper and effective internal control over financial reporting. Failure to achieve and maintain effective internal controls over financial reporting in accordance with Section 404 of the Sarbanes-Oxley Act could have a material adverse effect on our business and the value of our common stock.

We are obligated to maintain proper and effective internal control over financial reporting, including the internal control evaluation and certification requirements of Section 404 of the Sarbanes-Oxley Act ("Section 404"). We will not be required to comply with all of the requirements under Section 404 until the date we are no longer an emerging growth company under the JOBS Act. Accordingly, our internal controls over financial reporting do not currently meet all of the standards contemplated by Section 404 that we will eventually be required to meet. Specifically, we are required to conduct annual management assessments of the effectiveness of our internal controls over financial reporting. However, our independent registered public accounting firm will not be required to formally attest to the effectiveness of our internal control over financial reporting until the date we are no longer an emerging growth company under the JOBS Act.

Our internal control over financial reporting may not prevent or detect misstatements because of its inherent limitations, including the possibility of human error, the circumvention or overriding of controls, or fraud. Even effective internal controls can provide only reasonable assurance with respect to the preparation and fair presentation of financial statements. If we fail to maintain the adequacy of our internal controls, including any failure to implement required new or improved controls, or if we experience difficulties in their implementation, our business and operating results could be harmed and we could fail to meet our financial reporting obligations.

Certain investors are limited in their ability to make significant investments in us.

Private funds that are excluded from the definition of "investment company" either pursuant to Section 3(c)(1) or 3(c)(7) of the 1940 Act are restricted from acquiring directly or through a controlled entity more than 3% of our total outstanding voting stock (measured at the time of the acquisition). Investment companies registered under the 1940 Act and BDCs are also subject to this restriction as well as other limitations under the 1940 Act that would restrict the amount that they are able to invest in our securities. As a result, certain investors will be limited in their ability to make significant investments in us at a time that they might desire to do so.

Stockholders may be subject to filing requirements under the Exchange Act as a result of an investment in us.

Because our common stock is registered under the Exchange Act, ownership information for any person who beneficially owns 5% or more of our common stock must be disclosed in a Schedule 13D or other filings with the SEC. Beneficial ownership for these purposes is determined in accordance with the rules of the SEC, and includes having voting or investment power over the securities. In some circumstances, investors who choose to reinvest their dividends may see their percentage stake in us increased to more than 5%, thus triggering this filing requirement. Although we provide in our quarterly financial statements the amount of outstanding stock and the amount of the investor's stock, the responsibility for determining the filing obligation and preparing the filing remains with the investor. In addition, owners of 10% or more of our common stock are subject to reporting obligations under Section 16(a) of the Exchange Act.

Stockholders may be subject to the short-swing profits rules under the Exchange Act as a result of an investment in us.

Persons with the right to appoint a director or who hold more than 10% of a class of our shares may be subject to Section 16(b) of the Exchange Act, which recaptures for the benefit of the issuer profits from the purchase and sale of registered stock within a six-month period.

Investors in the Initial Private Offering are subject to transfer restrictions.

Other than in connection with a Spin-Off transaction, investors who participated in the Initial Private Offering may not sell, assign, transfer or otherwise dispose of (in each case, a "Transfer") any common stock unless (i) we give consent and (ii) the Transfer is made in accordance with applicable securities laws. No Transfer will be effectuated except by registration of the Transfer on our books.

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

The MGCL and our charter and bylaws contain provisions that may discourage, delay or make more difficult a change in control of us or the removal of our directors. We are subject to the Maryland Business Combination Act, subject to any applicable requirements of the 1940 Act. Our Board of Directors has adopted a resolution exempting from the Business Combination Act any business combination between us and any other person, subject to prior approval of such business combination by our Board of Directors, including approval by a majority of our disinterested directors. If the resolution exempting business combinations is repealed or our Board of Directors does not approve a business combination, the Business Combination Act may discourage third parties from trying to acquire control of us and increase the difficulty of consummating such an offer. Our bylaws exempt from the Maryland Control Share Acquisition Act (the "Control Share Act") acquisitions of our stock by any person. If we amend our bylaws to repeal the exemption from the Control Share Act, the Control Share Act also may make it more difficult for a third party to obtain control of us and increase the difficulty of consummating such a transaction. However, we will amend our bylaws to be subject to the Control Share Act only if our Board of Directors determines that it would be in our best interests and if the SEC staff does not object to our determination that our being subject to the Control Share Act does not conflict with the 1940 Act. The SEC staff has issued informal guidance setting forth its position that certain provisions of the Control Share Act would, if implemented, violate Section 18(i) of the 1940 Act.

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

Changes in laws or regulations governing our business or the businesses of our portfolio companies, changes in the interpretation thereof or newly enacted laws or regulations, and any failure by us or our portfolio companies to comply with these laws or regulations may adversely affect our business and the businesses of our portfolio companies.

We and our portfolio companies are subject to laws and regulations at the U.S. federal, state and local levels and, in some cases, foreign levels. These laws and regulations, as well as their interpretation, may change from time to time, and new laws, regulations and interpretations may also come into effect, potentially with retroactive effect. Any such new or changed laws or regulations could have a material adverse effect on our business or the business of our portfolio companies. The legal, tax and regulatory environment for BDCs, investment advisers and the instruments that they utilize (including derivative instruments) is continuously evolving. In addition, there is significant uncertainty regarding recently enacted legislation (including the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Dodd-Frank Act”) and the regulations that have recently been adopted and future regulations that may or may not be adopted pursuant to such legislation) and, consequently, the full impact that such legislation will ultimately have on us and the markets in which we trade and invest is not fully known. Such uncertainty and any resulting confusion may itself be detrimental to the efficient functioning of the markets and the success of certain investment strategies.

In addition, as private equity firms become more influential participants in the U.S. and global financial markets and economy generally, there recently has been pressure for greater governmental scrutiny and/or regulation of the private equity industry. It is uncertain as to what form and in what jurisdictions such enhanced scrutiny and/or regulation, if any, on the private equity industry may ultimately take. Therefore, there can be no assurance as to whether any such scrutiny or initiatives will have an adverse impact on the private equity industry, including our ability to effect operating improvements or restructurings of our portfolio companies or otherwise achieve our objectives.

Over the last several years, there also has been an increase in regulatory attention to the extension of credit outside of the traditional banking sector, raising the possibility that some portion of the non-bank financial sector will be subject to new regulation. While it cannot be known at this time whether any regulation will be implemented or what form it will take, increased regulation of non-bank credit extension could negatively impact our operating results or financial condition, impose additional costs on us, intensify the regulatory supervision of us or otherwise adversely affect our business.

Additionally, any changes to the laws and regulations governing our operations relating to permitted investments may cause us to alter our investment strategy in order to avail ourselves of new or different opportunities. Such changes could result in material differences to the strategies and plans set forth herein and may result in our investment focus shifting from the areas of expertise of RGC’s investment team to other types of investments in which the investment team may have less expertise or little or no experience. Thus, any such changes, if they occur, could have a material adverse effect on our results of operations and the value of your investment.

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

Legislative or other actions relating to taxes could have a negative effect on us. The rules dealing with U.S. federal income taxation are constantly under review by persons involved in the legislative process and by the Internal Revenue Service (“IRS”) and the U.S. Treasury Department. The U.S. House of Representatives and U.S. Senate passed tax reform legislation (the “TCJA”) in December of 2017, which the

President signed into law shortly thereafter. Such legislation made many changes to the Internal Revenue Code, including significant changes to the taxation of business entities, the deductibility of interest expense, and the tax treatment of capital investment. We cannot predict with certainty how these or any other changes in the tax laws might affect us, our stockholders, or our portfolio investments. Such legislation could significantly and negatively affect our ability to qualify as a RIC and have adverse federal income tax consequences to us and our stockholders. Additionally, the U.S. Treasury and IRS are in the process of issuing regulations and administrative interpretations of the TCJA, and any such regulations, interpretations, any court decisions interpreting the TCJA or the regulations or administrative interpretations thereunder, or any other changes in the tax laws could similarly, significantly and negatively affect our ability to qualify for tax treatment as a RIC or the U.S. federal income tax consequences to us and our stockholders of such qualification, or could have other adverse consequences. Stockholders are urged to consult with their tax advisor regarding tax legislative, regulatory, or administrative developments and proposals and their potential effect on an investment in our securities.

Risks Related to Our Investments

Our investments are very risky and highly speculative.

We intend to invest primarily in secured loans and select equity investments issued by fast-growing companies. We intend to invest primarily in secured loans made to companies whose debt has generally not been rated by any rating agency, although we would expect such debt, if rated, to fall below investment grade. Securities rated below investment grade are often referred to as “high yield” securities and “junk bonds,” and are considered “high risk” and speculative in nature compared to debt instruments that are rated above investment grade.

Senior Secured Loans. There is a risk that the collateral securing our loans may decrease in value over time, may be difficult to sell in a timely manner, may be difficult to appraise and may fluctuate in value based upon the success of the business and market conditions, including as a result of the inability of the portfolio company to raise additional capital. In some circumstances, our liens on the collateral securing our loans could be subordinated to claims of other creditors. In addition, deterioration in a portfolio company’s financial condition and prospects, including its inability to raise additional capital, may be accompanied by deterioration in the value of the collateral for the loan. Consequently, the fact that a loan is secured does not guarantee that we will receive principal and interest payments according to the loan’s terms, or at all, or that we will be able to collect on the loan should we be compelled to enforce our remedies.

Second Lien Secured Loans. In structuring our loans, we may subordinate our security interest in certain assets of a borrower to another lender, usually a bank. In these situations, all of the risks identified above in Senior Secured Loans would be true and additional risks inherent in holding a junior security position would also be present, including, but not limited to those outlined below in “Second priority liens on collateral securing loans that we make to our portfolio companies may be subject to control by senior creditors with first priority liens. If there is a default, the value of the collateral may not be sufficient to repay in full both the first priority creditors and us.”

Equity Investments. When we invest in secured loans, we may acquire equity securities as well. In addition, we may invest directly in the equity securities of portfolio companies. The equity interests we receive may not appreciate in value and may in fact decline in value. Accordingly, we may not be able to realize gains from our equity interests, and any gains that we do realize on the disposition of any equity interests may not be sufficient to offset any other losses we experience.

In addition, investing in small, fast-growing, private companies involves a number of significant risks, including the following:

- these companies may have limited financial resources and may be unable to meet their obligations under their debt securities that we hold. This failure to meet obligations may be accompanied by a deterioration in the value of any collateral and a reduction in the likelihood of us realizing any guarantees we may have obtained in connection with our investment;

- they typically have shorter operating histories, narrower product lines and smaller market shares than larger businesses, which tend to render them more vulnerable to competitors' actions, market conditions, and general economic downturns;
- they are more likely to depend on the management talents and efforts of a small group of persons; therefore, the death, disability, resignation or termination of one or more of these persons could have a material adverse impact on our portfolio company and, in turn, on us;
- they generally have less predictable operating results, may from time to time be parties to litigation, may be engaged in rapidly changing businesses with products subject to a substantial risk of obsolescence, and may require substantial additional capital to support their operations, finance expansion, or maintain their competitive position. In addition, our executive officers, directors and RGC may, in the ordinary course of business, be named as defendants in litigation arising from our investments in the portfolio companies; and
- they may have difficulty accessing the capital markets to meet future capital needs, which may limit their ability to grow or to repay their outstanding debt upon maturity.

Investing in small, fast-growing companies involves a high degree of risk, and our financial results may be affected adversely if one or more of our significant portfolio investments defaults on its loans or fails to perform as we expect.

We expect that our portfolio will consist primarily of debt and equity investments in small privately-owned companies. Investing in these companies involves a number of significant risks. Typically, the debt in which we intend to invest will not be initially rated by any rating agency; however, we believe that if such investments were rated, they would be below investment grade. Securities rated below investment grade are often referred to as "high yield" securities and "junk bonds," and are considered "high risk" and speculative in nature compared to debt instruments that are rated above investment grade. Compared to larger publicly owned companies, these companies may be in a weaker financial position and may experience wider variations in their operating results, which may make them more vulnerable to economic downturns. Typically, these companies need more capital to compete; however, their access to capital is limited and their cost of capital is often higher than that of their competitors. Our portfolio companies face intense competition from larger companies with greater financial, technical, and marketing resources and their success typically depends on the managerial talents and efforts of an individual or a small group of persons. Therefore, the loss of any of its key employees could affect a portfolio company's ability to compete effectively and harm its financial condition. Further, some of these companies conduct business in regulated industries that are susceptible to regulatory changes. These factors could impair the cash flow of our portfolio companies and result in other events, such as bankruptcy. These events could limit a portfolio company's ability to repay its obligations to us, which may have an adverse effect on the return on, or the recovery of, our investment in these businesses. Deterioration in a borrower's financial condition and prospects may be accompanied by deterioration in the value of the loan's collateral.

Some of these companies cannot obtain financing from public capital markets or from traditional credit sources, such as commercial banks. Accordingly, loans made to these types of companies pose a higher default risk than loans made to companies that have access to traditional credit sources.

An investment strategy focused primarily on privately held companies presents certain challenges, including the lack of available information about these companies and a greater vulnerability to economic downturns.

We intend to invest primarily in privately held companies. Generally, little public information exists about these companies, and we are required to rely on the ability of RGC's investment team to obtain adequate information to evaluate the potential returns from investing in these companies. If we are unable to uncover all material information about these companies, we may not make a fully informed investment decision, and we may lose money on our investments. Also, privately held companies frequently have less diverse product lines and smaller market presence than larger competitors. These factors could adversely affect our investment returns as compared to companies investing primarily in the securities of public companies.

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

We intend to invest primarily in senior secured loans issued by private companies. Our portfolio companies may have, or may be permitted to incur, other debt that ranks equally with, or in some cases senior to, the debt in which we invest. By their terms, such debt instruments may entitle the holders to receive payment of interest or principal on or before the dates on which we are entitled to receive payments with respect to the debt instruments in which we invest. Also, in the event of insolvency, liquidation, dissolution, reorganization, or bankruptcy of a portfolio company, holders of debt instruments ranking senior to our investment in that portfolio company would typically be entitled to receive payment in full before we receive any distribution. After repaying such senior creditors, such portfolio company may not have any remaining assets to use for repaying its obligation to us. In the case of debt ranking equally with debt instruments in which we invest, we would have to share on an equal basis any distributions with other creditors holding such debt in the event of an insolvency, liquidation, dissolution, reorganization, or bankruptcy of the relevant portfolio company.

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

Even though we intend to typically structure most of our investments as secured loans, if one of our portfolio companies were to go bankrupt, depending on the facts and circumstances, and based upon principles of equitable subordination as defined by existing case law, a bankruptcy court could subordinate all or a portion of our claim to that of other creditors and transfer any lien securing such subordinated claim to the bankruptcy estate. The principles of equitable subordination defined by case law have generally indicated that a claim may be subordinated only if its holder is guilty of misconduct or where the senior loan is re-characterized as an equity investment and the senior lender has actually provided significant managerial assistance to the bankrupt debtor. We may also be subject to lender liability claims for actions taken by us with respect to a borrower’s business or instances where we exercise control over the borrower. It is possible that we could become subject to a lender’s liability claim, including as a result of actions taken in rendering significant managerial assistance or actions to compel and collect payments from the borrower outside the ordinary course of business.

Second priority liens on collateral securing loans that we make to our portfolio companies may be subject to control by senior creditors with first priority liens. If there is a default, the value of the collateral may not be sufficient to repay in full both the first priority creditors and us.

Certain loans that we make will be secured by a second priority security interest in the same collateral pledged by a portfolio company to secure senior debt owed by the portfolio company to commercial banks or other traditional lenders. Often the senior lender has procured covenants from the portfolio company prohibiting the incurrence of additional secured debt without the senior lender’s consent. Prior to and as a condition of permitting the portfolio company to borrow money from us secured by the same collateral pledged to the senior lender, the senior lender may require assurances that it will control the disposition of any collateral in the event of bankruptcy or other default. In many such cases, the senior lender will require us to enter into an intercreditor agreement prior to permitting the portfolio company to borrow from us. Typically the intercreditor agreements we will be requested to execute will expressly subordinate our debt instruments to those held by the senior lender and further provide that the senior lender will control: (1) the commencement of foreclosure or other proceedings to liquidate and collect on the collateral; (2) the nature, timing, and conduct of foreclosure or other collection proceedings; (3) the amendment of any collateral document; (4) the release of the security interests in respect of any collateral; and (5) the waiver of defaults under any security agreement. Because of the control we may cede to senior lenders under intercreditor agreements we may enter, we may be unable to realize the proceeds of any collateral securing some of our loans.

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

We intend to typically invest in companies whose securities are not publicly traded, and whose securities will be subject to legal and other restrictions on resale or will otherwise be less liquid than publicly traded securities. There is no established trading market for the securities in which we intend to invest. The

illiquidity of these investments may make it difficult for us to sell these investments when desired. In addition, if we are required to liquidate all or a portion of our portfolio quickly, we may realize significantly less than the value at which we had previously recorded these investments. As a result, we do not expect to achieve liquidity in our investments in the near-term. Our investments are typically subject to contractual or legal restrictions on resale or are otherwise illiquid because there is no established trading market for such investments. The illiquidity of our investments may make it difficult for us to dispose of them at a favorable price, and we may suffer losses as a result.

We have not yet identified all of the portfolio companies we will invest in.

We have not yet identified all of the potential investments for our portfolio that we will acquire with the proceeds of the Initial Private Offering. Our stockholders will generally have no input with respect to investment decisions. These factors increase the uncertainty, and thus the risk, of investing in our common stock.

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

Following an initial investment in a portfolio company, we may make additional investments in that portfolio company as “follow-on” investments, in order to: (1) increase or maintain in whole or in part our equity ownership percentage; (2) exercise warrants, options, or convertible securities that were acquired in the original or a subsequent financing; or (3) attempt to preserve or enhance the value of our investment. However, we may elect not to make follow-on investments or lack sufficient funds to make those investments. We will have the discretion to make any follow-on investments, subject to the availability of capital resources. The failure to make follow-on investments may, in some circumstances, jeopardize the continued viability of a portfolio company and our initial investment or may result in a missed opportunity for us to increase our participation in a successful operation. Even if we have sufficient capital to make a desired follow-on investment, we may elect not to make a follow-on investment because we do not want to increase our concentration of risk, we prefer other opportunities, we are subject to BDC requirements that would prevent such follow-on investments, or the follow-on investment would affect our qualification as a RIC.

Our portfolio may lack diversification among portfolio companies, which subjects us to a risk of significant loss if one or more of these companies default on their obligations under any of their debt instruments.

Our portfolio may hold a limited number of portfolio companies. Beyond the asset diversification requirements associated with our qualification as a RIC, we do not have fixed guidelines for diversification, and our investments may be concentrated in relatively few companies. As our portfolio is less diversified than the portfolios of some larger funds, we are more susceptible to failure if a single loan fails. Similarly, the aggregate returns we realize may be significantly adversely affected if a small number of investments perform poorly or if we need to write down the value of any one investment.

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

Our portfolio may be concentrated in a limited number of industries. We invest primarily in companies focused in technology, life sciences, healthcare information and services, business services and other high growth industries. A downturn in any particular industry in which we are invested could significantly impact the aggregate returns we realize.

Our portfolio may lack diversification among our Sponsored Growth Lending and Non-Sponsored Growth Lending strategies and among sponsors within the sponsored segment.

Our objective is to build a balanced portfolio with diversification among sponsored and non-sponsored transactions and among sponsors within the Sponsored Growth Lending strategy, which we believe will contribute to a favorable risk adjusted return for the portfolio viewed as a whole. As we build our portfolio to scale, the effects of our sponsored and non-sponsored diversification strategy on yield and other metrics

may not be fully evident, and the impact of various weightings may be more pronounced from period to period until we achieve greater scale in our portfolio. As a result, we may not achieve favorable risk adjusted returns for the portfolio viewed as a whole when diversification is lacking.

We invest in sectors including technology, life sciences, healthcare information and services and other high-growth industries, which are subject to specific risks related to each.

We intend to invest the largest portions of our portfolio in technology, life sciences, healthcare information and services and other high-growth industries. Our portfolio companies may address needs in technology-related industries and markets. We expect that our technology portfolio will consist of companies that commercialize and integrate products targeted at technology-related markets. There are risks in investing in companies that target technology-related markets, including rapid and sometimes dramatic price erosion of products, the reliance on capital and debt markets to finance large capital outlays, including fabrication facilities, the reliance on partners outside of the United States, particularly in Asia, and inherent cyclicality of the technology market in general. As a result of multiple factors, access to capital may be difficult or impossible for companies in our portfolio that are pursuing these markets.

We also intend to invest in life-sciences-related companies. We anticipate that our life sciences portfolio will consist primarily of companies that commercialize and integrate products in life sciences-related industries, including biotechnology, pharmaceuticals, diagnostics and medical devices. There are risks in investing in companies that target life sciences-related industries, including, but not limited to, the uncertainty of timing and results of clinical trials to demonstrate the safety and efficacy of products; failure to obtain any required regulatory approval of products; failure to develop manufacturing processes that meet regulatory standards; competition, in particular from companies that develop rival products; and the ability to protect proprietary technology. Adverse developments in any of these areas may adversely affect the value of our life sciences portfolio.

This life sciences industry is dominated by large multinational corporations with substantial greater financial and technical resources than generally will be available to our portfolio companies. Such large corporations may be better able to adapt to the challenges presented by continuing rapid and major scientific, regulatory and technological changes as well as related changes in governmental and third-party reimbursement policies.

Within the life sciences industry, the development of products generally is a costly and time-consuming process. Many highly promising products ultimately fail to prove to be safe and effective. There can be no assurance that the research or product development efforts of our portfolio companies or those of their collaborative partners will be successfully completed, that specific products can be manufactured in adequate quantities at an acceptable cost and with appropriate quality, or that such products can be successfully marketed or achieve customer acceptance. There can be no assurance that a product will be relevant and/or be competitive with products from other companies following the costly, time-consuming process of its development.

The research, development, manufacturing, and marketing of products developed by some life sciences companies are subject to extensive regulation by numerous government authorities in the United States and other countries. There can be no assurance that products developed by the portfolio companies will ever be approved by such governmental authorities.

Many life sciences portfolio companies will depend heavily upon intellectual property for their competitive position. There can be no assurance that the portfolio companies will be able to obtain patents for key inventions. Moreover, within the life sciences industry, patent challenges are frequent. Even if patents held by the portfolio companies are upheld, any challenges thereto may be costly and distracting to the portfolio companies' management.

Some of the life sciences portfolio companies will be at least partially dependent for their success upon governmental and third-party reimbursement policies that are under constant review and are subject to change at any time. Any such change could adversely affect the viability of one or more portfolio companies.

Technology-related sectors, including those involving data processing and outsourced services, in which we invest are subject to many risks, including volatility, intense competition, decreasing life cycles, product obsolescence, changing consumer preferences and periodic downturns.

Given the experience of RGC's senior investment professionals within the technology space, a number of the companies in which we intend to invest operate in technology-related sectors. The revenue, income (or losses) and valuations of technology-related companies can and often do fluctuate suddenly and dramatically. In addition, because of rapid technological change, the average selling prices of products and some services provided by technology-related sectors have historically decreased over their productive lives. As a result, the average selling prices of products and services offered by our portfolio companies that operated in technology-related sectors may decrease over time, which could adversely affect their operating results and, correspondingly, the value of any securities that we may hold. This could, in turn, materially adversely affect our business, financial condition and results of operations.

Any of our portfolio companies operating in the healthcare information and services industry are subject to extensive government regulation and certain other risks particular to that industry.

As part of our investment strategy, we plan to invest in companies in the healthcare information and services industry. Such portfolio companies provide technology to companies that are subject to extensive regulation, including Medicare and Medicaid payment rules and regulation, the False Claims Act and federal and state laws regarding the collection, use and disclosure of patient health information and the storage handling and administration of pharmaceuticals. If any of our portfolio companies or the companies to which they provide such technology fail to comply with applicable regulations, they could be subject to significant penalties and claims that could materially and adversely affect their operations. Portfolio companies in the healthcare information or services industry are also subject to the risk that changes in applicable regulations will render their technology obsolete or less desirable in the marketplace.

Portfolio companies in the healthcare information and services industry may also have a limited number of suppliers of necessary components or a limited number of manufacturers for their products, and therefore face a risk of disruption to their manufacturing process if they are unable to find alternative suppliers when needed. Any of these factors could materially and adversely affect the operations of a portfolio company in this industry and, in turn, impair our ability to timely collect principal and interest payments owed to us.

The main industry sectors around which we intend to develop our investments are all capital intensive.

The industry sectors in which we intend to make investments — technology, life sciences, health care information and services and business services — are each capital intensive. Currently, financing for capital-intensive companies remains difficult. In some successful companies, we believe we may need to invest more than we currently have planned to invest in these companies. There can be no assurance that we will have the capital necessary to make such investments. In addition, investing greater than planned amounts in our portfolio companies could limit our ability to pursue new investments and fund follow-on investments. Both of these situations could cause us to miss investment opportunities or limit our ability to protect existing investments from dilution or other actions or events that would decrease the value and potential return from these investments.

Because we generally do not hold controlling equity interests in our portfolio companies, we may not be in a position to exercise control over our portfolio companies or to prevent decisions by management of our portfolio companies that could decrease the value of our investments.

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

Defaults by our portfolio companies will harm our operating results.

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

If our portfolio companies are unable to commercialize their technologies, products, business concepts or services, the returns on our investments could be adversely affected.

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

If our portfolio companies are unable to protect their intellectual property rights, our business and prospects could be harmed, and if portfolio companies are required to devote significant resources to protecting their intellectual property rights, the value of our investment could be reduced.

Our future success and competitive position will depend in part upon the ability of our portfolio companies to obtain, maintain and protect proprietary technology used in their products and services. The intellectual property held by our portfolio companies often represents a substantial portion of the collateral securing our investments and/or constitutes a significant portion of the portfolio companies' value and may be available in a downside scenario to repay our loans. Our portfolio companies rely, in part, on patent, trade secret, and trademark law to protect that technology, but competitors may misappropriate their intellectual property, and disputes as to ownership of intellectual property may arise. Portfolio companies may, from time to time, be required to institute litigation to enforce their patents, copyrights, or other intellectual property rights; protect their trade secrets; determine the validity and scope of the proprietary rights of others; or defend against claims of infringement. Such litigation could result in substantial costs and diversion of resources. Similarly, if a portfolio company is found to infringe or misappropriate a third party's patent or other proprietary rights, it could be required to pay damages to the third party, alter its products or processes, obtain a license from the third party, and/or cease activities utilizing the proprietary rights, including making or selling products utilizing the proprietary rights. Any of the foregoing events could negatively affect both the portfolio company's ability to service our debt investment and the value of any related debt and equity securities that we own, as well as any collateral securing our investment.

Any unrealized losses we experience on our loan portfolio may be an indication of future realized losses, which could reduce our income available for distribution.

As a BDC, we are required to carry our investments at market value or, if no market value is ascertainable, at the fair value as determined in good faith by our Board of Directors. Decreases in the market values or fair values of our investments will be recorded as unrealized depreciation. Any unrealized losses in our loan portfolio could be an indication of a portfolio company's inability to meet its repayment obligations to us with respect to the affected loans. This could result in realized losses in the future and ultimately in reductions of our income available for distribution in future periods.

Prepayments of our debt investments by our portfolio companies could adversely impact our results of operations and reduce our return on equity.

We are subject to the risk that the investments we make in our portfolio companies may be repaid prior to maturity. When this occurs, we will generally reinvest these proceeds in temporary investments, pending future investment in new portfolio companies. These temporary investments will typically have substantially lower yields than the debt being prepaid and we could experience significant delays in reinvesting these amounts. Any future investment in a new portfolio company may also be at lower yields than the debt that was repaid. As a result, our results of operations could be materially adversely affected if one or more of our portfolio companies elect to prepay amounts owed to us. Additionally, prepayments could negatively impact our return on equity.

Our investments in leveraged portfolio companies may be risky, and you could lose all or part of your investment.

Some of our portfolio companies may be highly leveraged, which may have adverse consequences to these companies and to us as an investor. These companies may be subject to restrictive financial and operating covenants and the leverage may impair these companies' ability to finance their future operations and capital needs. As a result, these companies' flexibility to respond to changing business and economic conditions and to take advantage of business opportunities may be limited. Further, a leveraged company's income and net assets will tend to increase or decrease at a greater rate than if borrowed money were not used. Leveraged companies may enter into bankruptcy proceedings at higher rates than companies that are not leveraged.

We may not realize gains from our equity investments.

Investments in equity securities involve a number of significant risks, including the risk of further dilution as a result of additional issuances, inability to access additional capital and failure to pay current distributions. Investments in preferred securities involve special risks, such as the risk of deferred distributions, credit risk, illiquidity and limited voting rights. In addition, we may from time to time make non-control, equity investments in portfolio companies. Our goal is ultimately to realize gains upon our disposition of such equity interests. However, the equity interests we receive may not appreciate in value and, in fact, may decline in value. Accordingly, we may not be able to realize gains from our equity interests, and any gains that we do realize on the disposition of any equity interests may not be sufficient to offset any other losses we experience. We also may be unable to realize any value if a portfolio company does not have a liquidity event, such as a sale of the business, recapitalization or public offering, which would allow us to sell the underlying equity interests. We will sometimes seek puts or similar rights to give us the right to sell our equity securities back to the portfolio company issuer. We may be unable to exercise these put rights for the consideration provided in our investment documents if the issuer is in financial distress.

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

If we engage in hedging transactions, we may expose ourselves to risks associated with such transactions. We may utilize instruments such as forward contracts, credit default swaps, currency options and interest rate swaps, caps, collars and floors to seek to hedge against fluctuations in the relative values of our portfolio positions from changes in currency exchange rates and market interest rates. Hedging against a decline in the values of our portfolio positions does not eliminate the possibility of fluctuations in the values of such positions or prevent losses if the values of such positions decline. However, such hedging can establish other positions designed to gain from those same developments, thereby offsetting the decline in the value of such portfolio positions. Such hedging transactions may also limit the opportunity for gain if the values of the underlying portfolio positions increase. It may not be possible to hedge against an exchange rate or interest rate fluctuation that is so generally anticipated that we are not able to enter into a hedging transaction at an acceptable price. Moreover, for a variety of reasons, we may not seek to establish a perfect correlation between such hedging instruments and the portfolio holdings being hedged. Any such imperfect correlation may prevent us from achieving the intended hedge and expose us to risk of loss. In addition, it may not be possible to hedge fully or perfectly against currency fluctuations affecting the value of securities denominated in non-U.S. currencies because the value of those securities is likely to fluctuate as a result of factors not related to currency fluctuations.

Item 1B. Unresolved Staff Comments

None.

Item 2. Properties

Our corporate headquarters are located at 205 N. Michigan Ave., Suite 4200, Chicago, IL 60601 and are provided by the Administrator in accordance with the terms of the Administration Agreement. We and RGC also have offices located in Woodside, California and New York, New York. We do not own any real estate. We believe that our office facilities are suitable and adequate for our business as it is contemplated to be conducted.

Item 3. Legal Proceedings

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

Item 4. Mine Safety Disclosures

Not applicable.

PART II

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

Market Information

Until an IPO of shares of our common stock, our outstanding common stock will be offered and sold in transactions exempt from registration under the Securities Act under Section 4(a)(2) and Regulation D, as well as under Regulation S under the Securities Act. There is currently no established public trading market for our common stock currently, nor can we give any assurance that one will develop.

Because shares of our common stock are being acquired by investors in one or more transactions "not involving a public offering," they are "restricted securities" and may be required to be held indefinitely. Our common shares may not be sold, transferred, assigned, pledged or otherwise disposed of unless (i) our consent is granted, and (ii) the common shares are registered under applicable securities laws or specifically exempted from registration (in which case the stockholder may, at our option, be required to provide us with a legal opinion, in form and substance satisfactory to us, that registration is not required). Accordingly, an investor must be willing to bear the economic risk of investment in our common shares until we are liquidated. No sale, transfer, assignment, pledge or other disposition, whether voluntary or involuntary, of the common shares may be made except by registration of the transfer on our books. Each transferee will be required to execute an instrument agreeing to be bound by these restrictions and the other restrictions imposed on our common shares and to execute such other instruments or certifications as are reasonably required by us.

Holders

As of March 27, 2019, there were 143 holders of record of our common stock.

Distributions

To the extent that we have funds available, we intend to make quarterly distributions to our stockholders. Our stockholder distributions, if any, will be determined by our Board of Directors. Any distribution to our stockholders will be declared out of assets legally available for distribution. We anticipate that distributions will be paid from income primarily generated by interest and dividend income earned on investments made subsequent to the Initial Closing. We will not be able to determine whether any specific distribution will be treated as made out of our taxable earnings or as a return of capital until after the end of our taxable year. The amount treated as a tax-free return of capital will reduce a stockholder's adjusted basis in his or her common stock, thereby increasing his or her potential gain or reducing his or her potential loss on the subsequent sale or other disposition of his or her common stock. For the year ended December 31, 2018, the Company declared and paid dividends in the amount of $7,283,810 of which $1,428,498 was distributed in cash and the remainder distributed in shares to stockholders pursuant to the Company's dividend reinvestment program. Total distributions for the year ended December 31, 2018 represented distributions from income and not return of capital. There were no distributions for the year ended December 31, 2017. On March 22, 2019, the Board of Directors declared a dividend in the amount of $0.40 per share payable on March 26, 2019 to stockholders of record as of March 22, 2019.

We have elected to be treated, and intend to qualify annually, as RIC under Subchapter M of the Code. While we intend to qualify to be treated as a RIC annually, we anticipate that we may have difficulty satisfying the asset diversification requirements as we deploy initial capital and build our investment portfolio. If we fail to qualify as a RIC for any taxable year, we will be subject to corporate-level U.S. federal income tax on any net taxable income for such year. See "Business — Material U.S. Federal Income Tax Considerations" in Part I, Item 1 of this Form 10-K and "Note 2 — Summary of Significant Accounting Policies" to our financial statements in Part II, Item 8 of this Form 10-K for more information. To maintain RIC tax treatment, we must distribute at least 90% of our net ordinary income and net realized short-term capital gains in excess of our net realized long-term capital losses, if any, to our stockholders. In order to avoid certain excise taxes imposed on RICs, we currently intend to distribute during each calendar year an amount at least equal to the sum of: (a) 98% of our ordinary income (not taking into account any

capital gains or losses) for such calendar year; (b) 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 31 of the calendar year; and (c) certain undistributed amounts from previous years on which we paid no U.S. federal income tax.

We currently intend to distribute net long-term capital gains if any, at least annually out of the assets legally available for such distributions. However, we may in the future decide to retain some or all of our long-term capital gains but designate 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 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 allocable share of the tax paid on the deemed distribution by us. The amount of the deemed distribution net of such tax will be added to such stockholder's tax basis in such stockholder's common stock. Since we expect to pay tax on any retained 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 retained net capital gain. Such excess generally may be claimed as a credit against such individual stockholder's other U.S. federal income tax obligations or may be refunded to the extent it exceeds such individual stockholder's liability for U.S. federal income tax. We cannot assure any stockholder that we will achieve results that will permit us to pay any cash distributions, and if we issue senior securities, we may be prohibited from making distributions if doing so would cause us to fail to maintain the asset coverage ratios stipulated by the 1940 Act or if such distributions are limited by the terms of any of our borrowings.

Unless a stockholder elects to receive distributions in cash, we intend to make such distributions in additional shares of our common stock under our dividend reinvestment plan. Although distributions paid in the form of additional shares of our common stock will generally be subject to U.S. federal, state and local taxes in the same manner as cash distributions, stockholders participating in our dividend reinvestment plan will not receive any corresponding cash distributions with which to pay any such applicable taxes. If a stockholder holds shares of our common stock in the name of a broker or financial intermediary, such stockholder should contact such broker or financial intermediary regarding the election to receive distributions in cash in lieu of shares of our common stock. Any distributions reinvested through the issuance of shares of our common stock through our dividend reinvestment plan will increase our assets on which the incentive fee is determined and paid to RGC. See "— Dividend Reinvestment Plan" below.

Dividend Reinvestment Plan

We have adopted a dividend reinvestment plan that provides for reinvestment of our dividends and other distributions on behalf of our stockholders, unless a stockholder elects to receive cash as provided below. As a result of adopting such a plan, if our Board of Directors authorizes, and we declare, a cash dividend or distribution, our stockholders who have not opted out of our dividend reinvestment plan will have their cash dividends or distributions automatically reinvested in additional shares of our common stock, rather than receiving cash.

No action will be required on the part of a registered stockholder to have his or her cash dividends and distributions reinvested in shares of our common stock. A registered stockholder could instead elect to receive a dividend or distribution in cash by notifying RGC in writing, so that such notice is received by RGC no later than 10 days prior to the record date for distributions to the stockholders. RGC will set up an account for shares of our common stock acquired through the plan for each stockholder who does not elect to receive dividends and distributions in cash and hold such shares in non-certificated form. Those stockholders whose shares are held by a broker or other financial intermediary could receive dividends and distributions in cash by notifying their broker or other financial intermediary of their election.

Stockholders who receive dividends and distributions in the form of stock are generally subject to the same U.S. federal, state and local tax consequences as are stockholders who elect to receive their dividends and distributions in cash. However, since a participating stockholder's cash dividends and distributions will be reinvested in our common stock, such stockholder will not receive cash with which to pay applicable taxes on reinvested dividends and distributions. A stockholder's basis for determining gain or loss upon the

sale of stock received in a dividend or distribution from us will generally be equal to the cash that would have been received if the stockholder had received the dividend or distribution in cash, unless we were to issue new shares that are trading at or above net asset value, in which case, the stockholder's basis in the new shares will generally be equal to their fair market value. 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 U.S. stockholder's account.

The plan will be terminable by us upon notice in writing mailed to each stockholder of record at least 30 days prior to any record date for the payment of any distribution by us. All correspondence concerning the plan should be directed to RGC by mail at Runway Growth Capital LLC, 205 N. Michigan Ave., Suite 4200, Chicago, IL 60601.

Recent Sales of Unregistered Securities and Use of Proceeds

Except as previously reported by us on our current reports on Form 8-K, we did not sell any securities during the period covered by this Form 10-K that were not registered under the Securities Act.

Item 6. Selected Financial Data

The following selected financial and other data for the years ended December 31, 2018, 2017 and 2016, is derived from our audited financial statements. The selected financial information and other data presented below should be read in conjunction with the information contained in "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Part II, Item 7 of this Form 10-K and with the audited financial statements and the notes thereto included in Part II, Item 8 of this Form 10-K.

Our historical results are not necessarily indicative of future results. The selected financial data in this section is not intended to replace the financial statements and is qualified in its entirety by the financial statements and related notes included in this filing.

	Year ended December 31, 2018	Year ended December 31, 2017	Year ended December 31, 2016
Income Statement Data:			
Total Investment Income	$20,756,054	$ 3,189,839	$ —
Total Operating Expenses	9,049,637	5,031,385	902,980
Net Investment Income (Loss)	11,706,417	(1,841,546)	(902,980)
Net realized gain on investments	59,792	—	—
Net change in unrealized appreciation (depreciation) on investments	(8,693)	405,251	(61)
Net Increase (Decrease) in Net Assets Resulting from Operations	11,757,516	(1,436,295)	(903,041)
Per Share Data:			
Net Investment Income (Loss)[1]	1.26	(0.66)	(83.81)
Net Increase (Decrease) in Net Assets Resulting from Operations[1]	1.26	(0.51)	(83.82)

	Year ended December 31, 2018	Year ended December 31, 2017	Year ended December 31, 2016
Balance Sheet Data:			
Non-control/non-affiliate investments at fair value	224,248,389	68,216,859	—
Investment in U.S. Treasury Bills at fair value	79,959,928	72,504,649	2,999,849
Cash	2,527,474	8,141,670	1,039,931
Capital contributions receivable	—	—	60,783
Due from affiliate	—	23,970	—
Deferred offering costs	102,865	—	—
Deferred credit facility fees	129,759	—	—
Accrued interest receivable	1,221,494	330,926	—
Other accounts receivable	41,160	25,154	—
Prepaid expenses	120,064	96,449	85,097
Total Assets	$308,484,133	$149,315,707	$4,185,660
Payable for securities purchased	80,699	18,995,710	—
Deferred revenue	100,000	—	—
Reverse repurchase agreement	79,560,129	—	—
Credit facilities	59,500,000	—	—
Accrued incentive fees	1,071,566	—	—
Due to portfolio company	—	3,000,000	—
Due to affiliate	116,697	11,954	648,805
Interest payable	163,981	—	—
Accrued expenses and other liabilities	388,666	267,666	60,183
Total liabilities	$140,981,738	$ 22,275,330	$ 708,988
Total Net Assets	$167,369,395	$127,040,377	$3,476,672
Other Data:			
Total Return based on Net Asset Value[(2)]	3.27%	41.23%	(30.80)%
Net Asset Value per Share	15.14	14.66	10.38
Weighted average shares outstanding for period, basic	9,300,960	2,795,274	10,774
Dividends declared and paid	$ 7,283,810	—	—

(1) Per share data is based on average weighted shares outstanding, except where such amounts need to be adjusted to be consistent with what is disclosed in the financial highlights of our audited financial statements.

(2) Total return based on net asset value is based upon the change in net asset value per share between the opening and ending net asset values per share in the period. The total returns are not annualized.

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

Forward-Looking Statements

This annual report on Form 10-K contains forward-looking statements that involve substantial risks and uncertainties. Such statements involve known and unknown risks, uncertainties and other factors, and undue reliance should not be placed thereon. These forward-looking statements are not historical facts, but rather are based on current expectations, estimates and projections about us, our current and prospective portfolio investments, our industry, our beliefs and opinions, and our assumptions. Words such as "anticipates," "expects," "intends," "plans," "will," "may," "continue," "believes," "seeks," "estimates," "would," "could," "should," "targets," "projects," "outlook," "potential," "predicts" and variations of these words and similar expressions are intended to identify forward-looking statements. These statements are not guarantees of future performance and are subject to risks, uncertainties and other factors, some of which are beyond our control and difficult to predict and could cause actual results to differ materially from those expressed or forecasted in the forward-looking statements, including without limitation:

- an economic downturn could impair our portfolio companies' ability to continue to operate, which could lead to the loss of some or all of our investments in such portfolio companies;
- such an economic downturn could disproportionately impact the companies that we intend to target for investment, potentially causing us to experience a decrease in investment opportunities and diminished demand for capital from these companies;
- a contraction of available credit and/or an inability to access the equity markets could impair our lending and investment activities;
- interest rate volatility could adversely affect our results, particularly to the extent that we use leverage as part of our investment strategy;
- currency fluctuations could adversely affect the results of our investments in foreign companies, particularly to the extent that we receive payments denominated in foreign currency rather than U.S. dollars;
- our future operating results;
- our business prospects and the prospects of our portfolio companies;
- our contractual arrangements and relationships with third parties;
- the ability of our portfolio companies to achieve their objectives;
- competition with other entities and our affiliates for investment opportunities;
- the speculative and illiquid nature of our investments;
- the use of borrowed money to finance a portion of our investments;
- the adequacy of our financing sources and working capital;
- the loss of key personnel;
- the timing of cash flows, if any, from the operations of our portfolio companies;
- the ability of our external investment adviser, RGC, to locate suitable investments for us and to monitor and administer our investments;
- the ability of RGC to attract and retain highly talented professionals;
- our ability to qualify and maintain our qualification as a RIC under Subchapter M of the Code, and as a BDC;
- the occurrence of a disaster, such as a cyber-attack against us or against a third party that has access to our data or networks, a natural catastrophe, an industrial accident, failure of our disaster-recovery systems, or consequential employee error;

- the effect of legal, tax and regulatory changes; and
- the other risks, uncertainties and other factors we identify under “Risk Factors” in Part I, Item 1A of this Form 10-K and in our other filings with the Securities and Exchange Commission (the “SEC”).

Although we believe the assumptions on which these forward-looking statements are based are reasonable, any of those assumptions could prove to be inaccurate, and as a result, the forward-looking statements based on those assumptions also could be inaccurate. In light of these and other uncertainties, the inclusion of a projection or forward-looking statement in this annual report on Form 10-K should not be regarded as a representation by us that our plans and objectives will be achieved. These risks and uncertainties include those described or identified in “Risk Factors” in in Part I, Item 1A of this Form 10-K.

We have based the forward-looking statements included in this Form 10-K on information available to us on the date of this Form 10-K, and we assume no obligation to update any such forward-looking statements. Although we undertake no obligation to revise or update any forward-looking statements, whether as a result of new information, future events or otherwise, 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, quarterly reports on Form 10-Q and current reports on Form 8-K.

The following analysis of our financial condition and results of operations should be read in conjunction with our financial statements and the related notes thereto contained elsewhere in this annual report on Form 10-K.

Overview

We are an externally managed, non-diversified closed-end investment management company that was formed on August 31, 2015 as a corporation under the laws of the State of Maryland. We have elected to be regulated as a BDC under the 1940 Act. In addition, we have elected to be treated, and intend to qualify annually, as a RIC under Subchapter M of the Code. If we fail to qualify as a RIC for any taxable year, we will be subject to corporate-level U.S. federal income tax on any net taxable income for such year. As a BDC and a RIC, we are required to comply with various regulatory requirements, such as the requirement to invest at least 70% of our assets in “qualifying assets,” source-of-income limitations, asset diversification requirements, and the requirement to distribute annually at least 90% of our investment company taxable income and net tax-exempt interest.

We are an “emerging growth company,” as defined in the JOBS Act. We will remain an emerging growth company until the last day of our fiscal year following the fifth anniversary of an IPO, if any, or until the earliest of (i) the last day of the first fiscal year in which we have total annual gross revenue of $1,070,000,000 or more, (ii) December 31 of the fiscal year in which we become a “large accelerated filer” as defined in Rule 12b-2 under the Exchange Act (which would occur if the market value of our common stock held by non-affiliates exceeds $700.0 million, measured as of the last business day of our most recently completed second fiscal quarter, and we have been publicly reporting for at least 12 months), or (iii) the date on which we have issued more than $1.0 billion in non-convertible debt during the preceding three-year period. For so long as we remain an emerging growth company under the JOBS Act, we will be subject to reduced public company reporting requirements.

We are externally managed by RGC, an investment adviser that has registered with the SEC under the Investment Advisers Act of 1940, as amended. The Administrator, a wholly-owned subsidiary of RGC, provides all the administrative services necessary for us to operate.

We commenced investment activities in portfolio securities during the quarter ended June 30, 2017, and we commenced investment activities in U.S. Treasury Bills during the quarter ended December 31, 2016. In October 2015, in connection with our formation, we issued and sold 1,667 shares of our common stock to R. David Spreng, our President, Chief Executive Officer and Chairman of our Board of Directors, for an aggregate purchase price of $25,000. In December 2016, we completed the initial closing of capital commitments in the Initial Private Offering, in connection with which we called capital and issued 333,333

shares of our common stock to investors for an aggregate purchase price of $5,000,000. The final closing of the Initial Private Offering occurred on December 1, 2017. As of December 31, 2018, in connection with the Initial Private Offering, we had closed on capital commitments of $275,000,000 and had issued 10,664,004 shares of our common stock to stockholders for a total purchase price of $160,000,000. The Company issued an additional 390,924 shares as part of the dividend reinvestment program.

Portfolio Composition and Investment Activity

Portfolio Composition

At December 31, 2018, we had investments in twenty portfolio companies, representing seventeen companies where we held loan and warrant investments, two companies where we held warrant interests only, and one company where we held an unfunded commitment to lend, and held one U.S. Treasury Bill. The following table shows the fair value of our investments, by asset class, as of December 31, 2018:

Investments	Cost	Fair Value	Percentage of Total Portfolio
Portfolio Investments			
Senior Secured Term Loans	$208,588,381	$208,539,353	68.5%
Preferred Stock	250,000	461,826	0.2
Warrants	15,013,511	15,247,210	5.0
Total Portfolio Investments	223,851,892	224,248,389	73.7
U.S. Treasury Bill	79,959,928	79,959,928	26.3
Total Investments	$303,811,820	$304,208,317	100.0%

At December 31, 2017, we had investments in eight portfolio companies and held one U.S. Treasury Bill. The following table shows the fair value of our investments, by asset class, as of December 31, 2017:

Investments	Cost	Fair Value	Percentage of Total Portfolio
Portfolio Investments			
Senior Secured Term Loans	$ 63,977,756	$ 63,977,756	45.5%
Warrants	3,833,913	4,239,103	3.0
Total Portfolio Investments	67,811,669	68,216,859	48.5
U.S. Treasury Bill	72,504,649	72,504,649	51.5
Total Investments	$140,316,318	$140,721,508	100.0%

As of December 31, 2016, we had purchased one U.S. Treasury Bill. The following table shows the fair value of our investment, as of December 31, 2016:

Investments	Cost	Fair Value	Percentage of Total Portfolio
U.S. Treasury Bill	$2,999,910	$2,999,849	100.0%

Investment Activity

The value of our investment portfolio will change over time due to changes in the fair value of our underlying investments, as well as changes in the composition of our portfolio resulting from purchases of new and follow-on investments as well as sales of existing investments. Our primary investment activities for the year ended December 31, 2018 were as follows:

- On February 8, 2018, the Company funded a $5,000,000 senior secured term loan (Tranche II) to eSilicon Corporation for a purchase price of $4,950,000.
- On February 13, 2018, the Placecast Inc. senior secured loan was prepaid and we exercised our warrant in Placecast Inc. for total proceeds of $2,474,399.

- On April 24, 2018, the Aspen Group, Inc. senior secured loans were prepaid for total proceeds of $8,070,121.
- On May 25, 2018, the Company funded a $7,000,000 senior secured term loan to Aginity, Inc. and purchased a warrant to purchase 359,159 shares of Series C Preferred Stock for a total cost of $6,860,000.
- On June 1, 2018, the Company funded a $8,000,000 senior secured term loan to Dtex Systems, Inc. and purchased a warrant to purchase 500,000 shares of Series C Preferred Stock for a total cost of $7,895,000.
- On June 7, 2018, the Company funded a $7,000,000 senior secured term loan to Jibe, Inc. and purchased a warrant to purchase 247,242 shares of Series C Preferred Stock for a total cost of $6,930,000.
- On June 19, 2018, the Company funded a $25,000,000 senior secured term loan to CareCloud Corporation and purchased a warrant to purchase 1,557,956 shares of Series C Preferred Stock for a total cost of $24,750,000.
- On June 29, 2018, the Company funded a $25,000,000 senior secured term loan to Aria Systems, Inc. and purchased a warrant to purchase 2,170,641 shares of Series G Preferred Stock for a total cost of $24,725,000.
- On July 6, 2018, the Company funded a $500,000 senior secured term loan (Tranche III) to Mojix, Inc. for a cost of $495,000.
- On July 10, 2018, the Company funded an investment in Aria Systems, Inc. Series G Preferred Stock for a cost of $250,000.
- On August 15, 2018, the Company funded a $6,000,000 senior secured term loan to MingleHealth Care Solutions, Inc. and purchased a warrant to purchase 1,625,000 shares of Series AA Preferred Stock for a total cost of $5,940,000.
- On September 4, 2018, pursuant to the Company’s Amended and Restated Certificate of Incorporation, warrants of 16,442,732 Series E Preferred Stock of Mojix, Inc., with a warrant price of $0.10643 per share were converted to warrants of 164,427 Common Stock with a warrant price of $10.643.
- On September 5, 2018, the Company funded a $500,000 senior secured term loan (Tranche IV) to Mojix, Inc. for a cost of $495,000.
- On October 5, 2018, the Company funded a $5,000,000 senior secured term loan to RealWear, Inc. and purchased a warrant to purchase 112,451 shares of Series A Preferred Stock for a total cost of $4,950,000.
- On October 17, 2018, the Company funded a $5,000,000 senior secured term loan (Tranche II) to AllClear ID, Inc. and purchased a warrant to purchase 346,621 shares of Common Stock for a total cost of $4,950,000.
- On October 22, 2018, the Company funded a $15,000,000 senior secured term loan to Drawbridge, Inc. and purchased a warrant to purchase 663,864 shares of Series C Preferred Stock for a total cost of $14,820,000.
- On November 23, 2018, the Company funded a $15,500,000 senior secured term loan to Mobius Imaging, Inc. and purchased a warrant to purchase 7,123 shares of Series C Preferred Stock for a total cost of $15,300,000.
- On December 3, 2018, the Company funded a $19,250,000 senior secured term loan to ShareThis, Inc. and purchased a warrant to purchase 371,030 shares of Series D-3 Preferred Stock for a total cost of $19,050,000.

- On December 20, 2018, the Company funded a $18,000,000 senior secured term loan to Circadence Corp. and purchased a warrant to purchase 1,666,667 shares of Series A-5 Preferred Stock for a total cost of $17,820,000.
- On December 20, 2018, the Company received 7,182,145 Series 1 Preferred Warrants with a cost of $806,991, which was allocated amongst Mojix tranches I — IV. An amount of $80,699 was held as an other liability as of December 31, 2018, and allocated to the 5th Mojix tranche which was funded on January 28, 2019.
- On December 28, 2018, the Company funded a $7,000,000 senior secured term loan to 3DNA Corp. (dba NationBuilder) and purchased a warrant to purchase 273,164 shares of Series C-1 Preferred Stock for a total cost of $6,930,000.
- On December 28, 2018, the Company funded a $1,000,000 senior secured term loan to RealWear, Inc. and purchased a warrant to purchase 22,491 shares of Series A Preferred Stock for a total cost of $990,000.

Portfolio Reconciliation

The following is a reconciliation of our investment portfolio, including U.S. Treasury Bills, for the years ended December 31, 2018, 2017 and 2016.

	Year Ended December 31, 2018	Year Ended December 31, 2017	Year Ended December 31, 2016
Beginning Investment Portfolio	$ 140,721,508	$ 2,999,849	$ —
Purchase of Investments	168,111,471	67,005,037	—
Purchase of U.S. Treasury Bills	270,444,962	156,977,177	2,999,910
Amortization of Fixed Income Premiums and Discounts	4,621,487	834,194	—
Portfolio Investments Repaid	(14,500,629)	—	—
Sales and Maturities of Investments	(2,251,899)	—	—
Sales and Maturities of U.S. Treasury Bills	(262,989,682)	(87,500,000)	—
Realized gain on Investments	59,792	—	—
Net Change in Unrealized Appreciation (Depreciation) on Investments	(8,693)	405,251	—
Net Change in Unrealized Appreciation (Depreciation) on U.S. Treasury Bills	—	—	(61)
Ending Investment Portfolio	$ 304,208,317	$140,721,508	$ 2,999,849

Asset Quality

In addition to various risk management and monitoring tools, RGC uses an investment rating system to characterize and monitor the quality of our debt investment portfolio. Equity securities and Treasury Bills are not graded. This debt investment rating system uses a five-level numeric scale. The following is a description of the conditions associated with each investment rating:

Investment Rating	Rating Definition
1	Performing above plan and/or strong enterprise profile, value, financial performance/coverage. Maintaining full covenant and payment compliance as agreed.
2	Performing at or reasonably close to plan. Acceptable business prospects, enterprise value, financial coverage. Maintaining key covenant and payment compliance as agreed. All new loans are initially graded Category 2.
3	Performing below plan of record. Potential elements of concern over performance, trends and business outlook. Loan-to-value remains adequate. Potential key covenant non-compliance. Full payment compliance.

Investment Rating	Rating Definition
4	Performing materially below plan. Non-compliant with material financial covenants. Payment default/deferral could result without corrective action. Requires close monitoring. Business prospects, enterprise value and collateral coverage declining. These investments may be in workout, and there is a possibility of loss of return but no loss of principal is expected
5	Going concern nature in question. Substantial decline in enterprise value and all coverages. Covenant and payment default imminent if not currently present. Investments are nearly always in workout. May experience partial and/or full loss.

The following tables show the investment rankings of our debt investments at fair value as of December 31, 2018 and 2017. There were no debt investments held as of December 31, 2016.

	As of December 31, 2018		
Investment Rating	Fair Value	% of Total Portfolio	Number of Portfolio Companies
1	$ 14,762,697	4.9%	1
2	107,685,007	35.4%	9
3	78,292,451	25.7%	6
4	7,799,198	2.6%	1
5	—	—	—
	$208,539,353	68.6%	17

	As of December 31, 2017		
Investment Rating	Fair Value	% of Total Portfolio	Number of Portfolio Companies
1	—	—	—
2	$56,226,218	40.0%	7
3	7,751,538	5.5%	1
4	—	—	—
5	—	—	—
	$63,977,756	45.5%	8

Loans and Debt Securities on Non-Accrual Status

Generally, when interest and/or principal payments on a loan become past due, or if we otherwise do not expect the borrower to be able to service its debt and other obligations, we will place the loan on non-accrual status and will generally cease recognizing interest income on that loan for financial reporting purposes until all principal and interest have been brought current through payment or due to a restructuring such that the interest income is deemed to be collectible. As of December 31, 2018, 2017 and 2016, we did not have any loans on non-accrual status.

Results of Operations

An important measure of our financial performance is net increase/(decrease) in net assets resulting from operations, which includes net investment income/(loss), net realized gain/(loss) and net unrealized appreciation/(depreciation). Net investment income/(loss) is the difference between our income from interest, dividends, fees and other investment income and our operating expenses, including interest on borrowed funds. Net realized gain/(loss) on investments is the difference between the proceeds received from dispositions of portfolio investments and their amortized cost. Net unrealized appreciation/(depreciation) on investments is the net change in the fair value of our investment portfolio.

Comparison of the Years Ended December 31, 2018, 2017 and 2016

	Year Ended December 31, 2018		Year Ended December 31, 2017		Year Ended December 31, 2016	
	Total	**Per Share(1)**	**Total**	**Per Share(1)**	**Total**	**Per Share(1)**
Investment income						
Interest income	$19,565,467	$2.10	$ 3,051,077	$ 1.09	$ —	$ —
Dividend income	—	—	117	0.00	—	—
Other income	1,190,587	0.13	138,645	0.05	—	—
Total investment income	20,756,054	2.23	3,189,839	1.14	—	—
Operating expenses						
Management fees	4,812,500	0.51	3,587,314	1.28	169,684	15.75
Incentive fees	1,411,324	0.15	—	—	—	—
Professional fees	700,019	0.08	544,002	0.19	216,214	20.07
Interest expense	532,732	0.06	—	—	—	—
Overhead allocation expense	454,337	0.05	313,147	0.11	—	—
Other expenses	269,203	0.03	71,366	0.04	23,896	2.22
Administration fees	209,761	0.02	125,000	0.04	5,774	0.54
Directors’ fees	208,000	0.02	206,500	0.08	129,000	11.97
Tax expense	186,782	0.02				
General and administrative expenses	101,984	0.01	41,900	0.01	—	—
Insurance expense	96,062	0.01	89,092	0.03	3,699	0.34
Consulting fees	66,933	0.01	49,650	0.02	—	—
Organizational expenses	—	—	—	—	354,713	32.92
State franchise tax expense	—	—	3,414	0.00	—	—
Total operating expenses	9,049,637	0.97	5,031,385	1.80	902,980	83.81
Net investment income (loss)	**11,706,417**	**1.26**	**(1,841,546)**	**(0.66)**	**(902,980)**	**(83.81)**
Realized gain on investments	59,792	0.00	—	—	—	—
Net change in unrealized appreciation (depreciation) on investments	(8,693)	0.00	405,251	0.14	(61)	(0.01)
Net increase (decrease) in net assets resulting from operations	**11,757,516**	**1.26**	**(1,436,295)**	**(0.51)**	**(903,041)**	**(83.82)**

(1) The basic per share figures noted above are based on weighted averages of 9,300,960, 2,795,274 and 10,774 shares outstanding for the years ended December 31, 2018, 2017, and 2016, respectively.

Investment Income

Our investment objective is to maximize our total return to our stockholders primarily through current income on our loan portfolio, and secondarily through capital appreciation on our warrants and other equity positions. We intend to achieve our investment objective by investing in high growth-potential, private companies. We typically invest in senior secured and second lien secured loans that generally fall into two strategies: Sponsored Growth Lending and Non-Sponsored Growth Lending. Our Sponsored Growth Lending also typically includes the receipt of warrants and/or other equity from venture-backed companies. We expect our investments in loans will generally range from between $5.0 million to $30.0 million, and the upper end of this range may increase as we raise additional capital.

We generate revenue in the form of interest on the debt securities that we hold and distributions and capital gains on other interests that we acquire in our portfolio companies. We expect that the debt we invest in will generally have stated terms of 36 to 60 months. Interest on debt securities is generally payable quarterly or semiannually. In some cases, some of our investments may provide for deferred interest payments or PIK interest. The principal amount of the debt securities and any accrued but unpaid interest generally will become due at the maturity date. In addition, we may generate revenue in the form of commitment and other fees in connection with transactions. Original issue discounts and market discounts or premiums will be capitalized, and we will accrete or amortize such amounts as interest income. We will record prepayment premiums on loans and debt securities as interest income. Dividend income, if any, will be recognized on an accrual basis to the extent that we expect to collect such amounts.

Investment income for the year ended December 31, 2018 was $20,756,054, due primarily to interest income earned on our portfolio investments. Investment income for the year ended December 31, 2017 was $3,189,839, due primarily to interest income earned on our portfolio investments. The increase in interest income for the year ended December 31, 2018 from the year ended December 31, 2017 was driven by our deployment of capital and increasing invested balance. Investment income further increased due to prepayments and end of term payments received during the year. We had no investment income or loss generated for the year ended December 31, 2016 as we had not yet commenced portfolio investment activities.

Operating Expenses

Our primary operating expenses include the payment of fees to RGC under the Amended Advisory Agreement, our allocable portion of overhead expenses under the Administration Agreement, professional fees, and other operating costs described below. We bear all other out-of-pocket costs and expenses of our operations and transactions, including those relating to:

- organization and offering (the amount of organizational and offering expenses in connection with the Initial Private Offering in excess of $1,000,000 were previously paid by RGC);
- our pro-rata portion of fees and expenses related to any future spin-off transaction;
- calculating our net asset value (including the cost and expenses of any independent valuation firm);
- fees and expenses payable to third parties, including agents, consultants or other advisers, in connection with monitoring financial and legal affairs for us and in providing administrative services, monitoring our investments and performing due diligence on our prospective portfolio companies or otherwise relating to, or associated with, evaluating and making investments;
- interest payable on debt incurred to finance our investments;
- sales and purchases of our common stock and other securities;
- investment advisory and management fees;
- administration fees payable under the Administration Agreement;
- transfer agent and custodial fees;
- federal and state registration fees;
- all costs of registration and listing our securities on any securities exchange;
- U.S. federal, state and local taxes;
- Independent directors’ fees and expenses;
- costs of preparing and filing reports or other documents required by the SEC, the Financial Industry Regulatory Authority or other regulators;
- costs of any reports, proxy statements or other notices to stockholders, including printing costs;

- our allocable portion of any fidelity bond, directors' and officers' errors and omissions liability insurance, and any other insurance premiums;
- direct costs and expenses of administration, including printing, mailing, long distance telephone, copying, secretarial and other staff, independent auditors and outside legal costs; and
- all other expenses incurred by us, our Administrator or RGC in connection with administering our business, including payments under the Administration Agreement based on our allocable portion of our Administrator's overhead in performing its obligations under the Administration Agreement, including rent and the allocable portion of the cost of our Chief Compliance Officer and Chief Financial Officer and their respective staffs.

Operating expenses for the years ended December 31, 2018, 2017 and 2016 were $9,049,637, $5,031,385 and $902,980, respectively. Operating expenses increased for the year ended December 31, 2018 from the year ended December 31, 2017 primarily due to increased management fees and incentive fees paid to RGC, overhead allocation expense, interest expense, administration fees, and tax expense. Incentive fees for the year ended December 31, 2018 increased primarily due to the increase in investment income. Refer to the discussion below for further detail. The increases in management fees were driven by our deployment of capital and increasing invested balance. The increase in interest expense was a result of borrowings under our Credit Facilities to fund investments. The increase in overhead allocation expense was driven by allocation of RGC personnel, time, and resources utilized on fund activity. Operating expenses increased for the year ended December 31, 2017 from the year ended December 31, 2016 primarily due to management fees paid to RGC and professional fees incurred, which include legal, audit and tax preparation fees. Operating expenses per share for the years ended December 31, 2018, 2017 and 2016 were $0.97 per share, $1.80 per share and $83.81 per share, respectively.

Incentive Fees

Incentive fees for the year ended December 31, 2018 were $1,411,324, due primarily to the increase in investment income. $711,868 of the incentive fees for the year ended December 31, 2018 were earned, payable in cash, and included in accrued incentive fees in the statement of assets and liabilities as of December 31, 2018. $359,698 of the incentive fees for the year ended December 31, 2018 were deferred and accrued, and included in accrued incentive fees in the statement of assets and liabilities as of December 31, 2018. Incentive fees related to paid-in-kind or deferred interest are accrued and payment is deferred until such interest is collected in cash. Incentive fees per share for the year ended December 31, 2018 were $0.15 per share. We had no incentive fees for the years ended December 31, 2017 and 2016.

Net Investment Income (Loss)

Net investment income (loss) for the years ended December 31, 2018, 2017 and 2016 was $11,706,417, $(1,841,546) and $(902,980), respectively. Net investment income increased for the year ended December 31, 2018 from the year ended December 31, 2017 primarily due to increased interest income earned on our portfolio investments, partially offset by increased management fees and incentive fees and the other operating expenses discussed above. The net investment loss increased for the year ended December 31, 2017 from the year ended December 31, 2016 primarily due to the management fees and professional fees incurred, partially offset by interest and other income earned on our portfolio investments during the year ended December 31, 2017. Net investment income (loss) per share for the years ended December 31, 2018, 2017 and 2016 were $1.26 per share, $(0.66) per share and $(83.81) per share, respectively.

Net Realized Gain on Investment

The net realized gain on investments of $59,792 for the year ended December 31, 2018 was primarily due to the gain on our warrants for preferred stock of Placecast, Inc. For the years ended December 31, 2017 and 2016, we had no realized gains or losses on investments.

Net Change in Unrealized Appreciation (Depreciation) on Investments

Net change in unrealized depreciation on investments of $8,693 for the year ended December 31, 2018 was primarily due to increases in the fair value of our senior secured loans to AllClear ID, Inc. and eSilicon Corporation, our preferred stock in Aria Systems, Inc. and our warrants for preferred stock of Aria Systems, Inc., eSilicon Corporation, Mojix Inc. and ShareThis, Inc. This increase was partially offset by decreases in the fair value of our senior secured loans to Aginity, Inc., Aria Systems, Inc., CareCloud Corporation, and Mojix Inc., and our warrants for common or preferred stock of AllClear ID, Inc., Aspen Group Inc., Mojix Inc. and SendtoNews Video, Inc. The net change in unrealized appreciation on investments of $405,251 for the year ended December 31, 2017 was primarily due to an increase in the fair value of our warrants for common stock of Aspen Group, Inc. The net change in unrealized depreciation on investments of $61 for the year ended December 31, 2016 was solely due to the loss on U.S. Treasury Bills.

Net Increase (Decrease) in Net Assets Resulting from Operations

We had a net increase in net assets resulting from operations of $11,757,516 for the year ended December 31, 2018, as compared to a net decrease in net assets resulting from operations of $1,436,295 and $903,041 for the years ended December 31, 2017 and 2016, respectively. The net increase in net assets resulting from operations for the year ended December 31, 2018 from the year ended December 31, 2017 is attributable to increased interest income earned on our portfolio investments and the gain on our warrants for preferred stock of Placecast, Inc. The net decrease in net assets resulting from operations for the year ended December 31, 2017 was primarily due to management fees and professional fees incurred, partially offset by interest and other income earned from our portfolio investments and the net change in unrealized appreciation related to our warrants for common stock of Aspen Group, Inc. The net decrease in net assets resulting from operations for the year ended December 31, 2016 was primarily due to management fees, organizational expenses and professional fees incurred.

Financial Condition, Liquidity and Capital Resources

We generate cash primarily from the net proceeds of the offering of our securities and cash flows from our operations, including investment sales and repayments as well as income earned on investments and cash equivalents. We may also fund a portion of our investments through borrowings under the Credit Facilities (discussed below). We expect that we may also generate cash from any financing arrangements we may enter into in the future and any future offerings of our equity or debt securities. We may fund a portion of our investments through borrowings from banks and issuances of senior securities. Our primary use of funds is to make investments in eligible portfolio companies, pay our operating expenses and make distributions to holders of our common stock.

During the year ended December 31, 2018, cash and cash equivalents decreased to $2,527,474, from $8,141,670 as of December 31, 2018. This decrease was primarily the result of the purchase of investments in portfolio companies for $168,111,471 and U.S. Treasury Bills for $270,444,962 and was partially offset by sales of investments in portfolio companies, the maturity of U.S. Treasury Bills the issuance of common stock, and borrowings under our Credit Facilities.

During the year ended December 31, 2017, cash and cash equivalents increased to $8,141,670, from $1,039,931 as of December 31, 2016. This increase was primarily the result of the maturity of the U.S. Treasury Bills for $87,500,000 and the issuance of common stock for $125,000,000 and was partially offset by the purchase of investments in portfolio companies and U.S. Treasury Bills.

Equity Activity

We have the authority to issue 100,000,000 shares of common stock, $0.01 par value per share.

On October 8, 2015, we issued 1,667 shares of our common stock to R. David Spreng, our President, Chief Executive Officer and Chairman of our Board of Directors, for an aggregate purchase price of $25,000. The remaining shares were issued in connection with the Initial Private Offering or pursuant to the dividend reinvestment program, as follows:

Issuance Date	Shares Issued	Price Per Share	Gross Proceeds
December 22, 2016	333,333	$15.00	$ 5,000,000
April 19, 2017	1,000,000	$15.00	15,000,000
June 26, 2017	1,666,667	$15.00	25,000,000
September 12, 2017	2,666,667	$15.00	40,000,000
December 22, 2017	3,000,000	$15.00	45,000,000
May 31, 2018(1)	70,563	$14.82	1,045,570
August 31, 2018(1)	117,582	$14.92	1,754,244
September 27, 2018	1,997,337	$15.02	30,000,000
November 15, 2018(1)	202,779	$15.07	3,055,498
Total	**11,054,928**		**$165,855,312**

(1) Shares were issued as part of the dividend reinvestment program.

Contractual Obligations

At December 31, 2018, the Company had $41,250,000 in unfunded loan commitments to provide debt financing to one portfolio company.

	Payments Due By Period				
	Total	Less than 1 year	1 – 3 years	3 – 5 years	More than 5 years
Reverse repurchase agreement(1)	$ 79,560,129	$ 79,560,129	$ —	$ —	$ —
Credit facilities(2)	59,500,000	59,500,000	—	—	—
Total	$139,060,129	$139,060,129	$ —	$ —	$ —

(1) Reverse repurchase agreement relates to the purchase of the U.S. Treasury Bill on margin. The reverse repurchase agreement purchased was subsequently repaid in January 2019.

(2) Credit facility represents the lines of credit with CIBC which expire on June 21, 2019. Loans made under the Credit Facilities must also be repaid in full on the earlier of (i) (x) one hundred and eighty (180) days following the funding date of the loan for the first two loans and (y) one hundred and twenty (120) days following the funding date of each subsequent loan, (ii) the maturity date under the Credit Facilities of June 21, 2019, (iii) the occurrence of certain bankruptcy and liquidation events that constitute events of default under the Credit Facilities, and (iv) CIBC's demand for payment after the occurrence of any other events of default. See "Note 10 — Credit Facilities."

Credit Facilities

On June 22, 2018, we entered into the Uncommitted Facility and the Committed Facility with CIBC. An amendment to the Uncommitted Facility and the Committed Facility was entered into on September 24, 2018 between the Company and CIBC. The maximum principal amount of available borrowings under each of the Uncommitted Facility and the Committed Facility is $30 million (for a combined maximum principal amount under the Credit Facilities of $60 million), subject in each case to availability under the borrowing base, which is based on unused capital commitments. Borrowings under the Credit Facilities bear interest, at our election at the time of drawdown, at a rate per annum equal to (i) in the case of LIBOR rate loans, the LIBOR rate for the applicable interest period plus 2.50% or (ii) in the case of prime rate loans, CIBC's prime commercial rate at the time of the borrowing minus 0.50%. The

Credit Facilities mature on September 19, 2019 and are secured by a perfected first priority security interest in our right, title, and interest in and to the capital commitments of our private investors, including our right to make capital calls, receive and apply capital contributions, enforce remedies and claims related thereto together with capital call proceeds and related rights, and a pledge of the collateral account into which capital call proceeds are deposited.

During the year ended December 31, 2018, the Company drew down $74,500,000 and repaid $15,000,000, of which $59,500,000 remains outstanding. Interest is accrued at CIBC's prime commercial rate less 0.5%. At December 31, 2018 interest was accruing at a rate of 5.0% per annum. See "Note 10 — Credit Facilities" to our financial statements in Part I, Item 1 of this Form 10-K for more information on the Credit Facilities.

Off-Balance Sheet Arrangements

We currently have no off-balance sheet arrangements, including any risk management of commodity pricing or other hedging practices.

Distributions

To the extent that we have funds available, we intend to make quarterly distributions to our stockholders. Our stockholder distributions, if any, will be determined by our Board of Directors. Any distribution to our stockholders will be declared out of assets legally available for distribution. We anticipate that distributions will be paid from income primarily generated by interest and dividend income earned on investments made by us. We maintain an "opt out" dividend reinvestment plan for our common stockholders. As a result, if we declare a distribution, then stockholders' cash distributions will be automatically reinvested in additional shares of our common stock, unless they specifically "opt out" of the dividend reinvestment plan so as to receive cash distributions. During the year ended December 31, 2018 we declared and paid dividends in the amount of $7,283,810, of which $1,428,498 was distributed in cash and the remainder distributed in shares to stockholders pursuant to our dividend reinvestment program. During the years ended December 31, 2017 and 2016, we did not declare or pay any dividends or distributions.

The timing and amount of our distributions, if any, will be determined by our Board of Directors and will be declared out of assets legally available for distribution. The following table shows the dividends per share declared since our formation through December 31, 2018.

Date Declared	Record Date	Payment Date	Amount per Share
May 3, 2018	May 15, 2018	May 31, 2018	$0.15
July 26, 2018	August 15, 2018	August 31, 2018	$0.25
November 1, 2018	October 31, 2018	November 15, 2018	$0.35

Critical Accounting Policies

Basis of Presentation

The preparation of the financial statements and related disclosures in conformity with U.S. GAAP requires our management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and revenues and expenses during the period reports. Actual results could materially differ from those estimates. We believe that our most critical accounting policies, which are those that are most important to the portrayal of our financial condition and results of operations and require management's most difficult, subjective and complex judgments, include the valuation of investments and our election to be treated, and intent to qualify annually, as a RIC. See "Note 2 — Summary of Significant Accounting Policies" to our financial statements for the year ended December 31, 2018, which describes our critical accounting policies and recently adopted accounting pronouncements not yet required to be adopted by us.

Valuation of Investments

We measure the value of our investments at fair value in accordance with ASC Topic 820, issued by the FASB. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Audit Committee is responsible for assisting our Board of Directors in valuing investments that are not publicly traded or for which current market values are not readily available. Investments for which market quotations are readily available are valued using market quotations, which are generally obtained from independent pricing services, broker-dealers or market makers. With respect to portfolio investments for which market quotations are not readily available, our Board of Directors, with the assistance of the Audit Committee, RGC and its senior investment team and independent valuation agents, is responsible for determining, in good faith, the fair value in accordance with the valuation policy approved by our Board of Directors. If more than one valuation method is used to measure fair value, the results are evaluated and weighted, as appropriate, considering the reasonableness of the range indicated by those results. We consider a range of fair values based upon the valuation techniques utilized and select the value within that range that was most representative of fair value based on current market conditions as well as other factors RGC's senior investment team considers relevant.

Our Board of Directors makes this fair value determination on a quarterly basis and any other time when a decision regarding the fair value of the portfolio investments is required. A determination of fair value involves subjective judgments and estimates and depends on the facts and circumstances. Due to the inherent uncertainty of determining the fair value of portfolio investments that do not have a readily available market value, the fair value of the investments may differ significantly from the values that would have been used had a readily available market value existed for such investments, and the differences could be material.

ASC Topic 820 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. ASC Topic 820 also provides guidance regarding a fair value hierarchy, which prioritizes information used to measure fair value and the effect of fair value measurements on earnings and provides for enhanced disclosures determined by the level within the hierarchy of information used in the valuation. In accordance with ASC Topic 820, these inputs are summarized in the three levels listed below:

- Level 1 — Valuations are based on quoted prices in active markets for identical assets or liabilities that are accessible at the measurement date.
- Level 2 — Valuations are based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly and model-based valuation techniques for which all significant inputs are observable.
- Level 3 — Valuations based on inputs that are unobservable and significant to the overall fair value measurement. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models incorporating significant unobservable inputs, such as discounted cash flow models and other similar valuations techniques. The valuation of Level 3 assets and liabilities generally requires significant management judgment due to the inability to observe inputs to valuation.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of observable input that is significant to the fair value measurement. The assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the investment.

Under ASC Topic 820, the fair value measurement also assumes that the transaction to sell an asset occurs in the principal market for the asset or, in the absence of a principal market, the most advantageous market for the asset, which may be a hypothetical market, and excludes transaction costs. The principal market for any asset is the market with the greatest volume and level of activity for such asset in which the reporting entity would or could sell or transfer the asset. In determining the principal market for an asset or

liability under ASC Topic 820, it is assumed that the reporting entity has access to such market as of the measurement date. Market participants are defined as buyers and sellers in the principal or most advantageous market that are independent, knowledgeable and willing and able to transact.

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

- Our quarterly valuation process begins with each portfolio company investment being initially valued by RGC's investment professionals that are responsible for the portfolio investment;
- Preliminary valuation conclusions are then documented and discussed with RGC's senior investment team;
- At least once annually, the valuation for each portfolio investment is reviewed by an independent valuation firm. Certain investments, however, may not be evaluated by an independent valuation firm unless the net asset value and other aspects of such investments in the aggregate exceed certain thresholds;
- The Audit Committee then reviews these preliminary valuations from RGC and the independent valuation firm, if any, and makes a recommendation to our Board of Directors regarding such valuations; and
- Our Board of Directors reviews the recommended preliminary valuations and determines the fair value of each investment in our portfolio, in good faith, based on the input of RGC, the independent valuation firm and the Audit Committee.

Our investments are primarily loans made to small, fast-growing companies focused in technology, life sciences, health care information and services, business services and other high-growth industries. These investments are considered Level 3 assets under ASC Topic 820 because there is no known or accessible market or market indices for these types of debt instruments and, thus, RGC's senior investment team must estimate the fair value of these investment securities based on models utilizing unobservable inputs.

Investment Valuation Techniques

Debt Investments. To determine the fair value of our debt investments, we compare the cost basis of the debt investment, which includes original issue discount, to the resulting fair value determined using a discounted cash flow model, unless another model is more appropriate based on the circumstances at the measurement date. The discounted cash flow approach entails analyzing the interest rate spreads for recently completed financing transactions which are similar in nature to our investments, in order to determine a comparable range of effective market interest rates for our investments. The range of interest rate spreads utilized is based on borrowers with similar credit profiles. All remaining expected cash flows of the investment are discounted using this range of interest rates to determine a range of fair values for the debt investment.

This valuation process includes, among other things, evaluating the underlying investment performance, the portfolio company's current financial condition and ability to raise additional capital, as well as macro-economic events that may impact valuations. These events include, but are not limited to, current market yields and interest rate spreads of similar securities as of the measurement date. Significant increases or decreases in these unobservable inputs could result in a significantly higher or lower fair value measurement.

Under certain circumstances, we may use an alternative technique to value the debt investments to be acquired by us that better reflects the fair value of the investment, such as the price paid or realized in a recently completed transaction or a binding offer received in an arms-length transaction, the use of multiple probability-weighted cash flow models when the expected future cash flows contain elements of variability or estimates of proceeds that would be received in a liquidation scenario.

Warrants. Fair value of warrants is primarily determined using a Black Scholes option-pricing model. Privately held warrants and equity-related securities are valued based on an analysis of various factors including, but not limited to, the following:

- Underlying enterprise value of the issuer is estimated based on information available, including any information regarding the most recent rounds of issuer funding. Valuation techniques to determine enterprise value include market multiple approaches, income approaches or approaches that utilize recent rounds of financing and the portfolio company's capital structure to determine enterprise value. Valuation techniques are also utilized to allocate the enterprise fair value of a portfolio company to the specific class of common or preferred stock exercisable in the warrant. Such techniques take into account the rights and preferences of the portfolio company's securities, expected exit scenarios, and volatility associated with such outcomes to allocate the fair value to the specific class of stock held in the portfolio. Such techniques include Option Pricing Models, or "OPM," including back-solve techniques, Probability Weighted Expected Return Models, or "PWERM," and other techniques as determined to be appropriate.
- Volatility, or the amount of uncertainty or risk about the size of the changes in the warrant price, is based on comparable publicly traded companies within indices similar in nature to the underlying company issuing the warrant. Significant increases (decreases) in this unobservable input could result in a significantly lower (higher) fair value.
- The risk-free interest rates are derived from the U.S. Treasury yield curve. The risk-free interest rates are calculated based on a weighted average of the risk-free interest rates that correspond closest to the expected remaining life of the warrant. Significant increases (decreases) in this unobservable input could result in a significantly higher (lower) fair value.
- Other adjustments, including a marketability discount on private company warrants, are estimated based on our judgment about the general industry environment. Significant increases (decreases) in this unobservable input could result in a significantly lower (higher) fair value.
- Historical portfolio experience on cancellations and exercises of warrants are utilized as the basis for determining the estimated life of the warrants in each financial reporting period. Warrants may be exercised in the event of acquisitions, mergers or IPOs, and cancelled due to events such as bankruptcies, restructuring activities or additional financings. These events cause the expected remaining life assumption to be shorter than the contractual term of the warrants. Significant increases or decreases in this unobservable input could result in a significantly higher or lower fair value.

Under certain circumstances we may use an alternative technique to value warrants that better reflects the warrants' fair values, such as an expected settlement of a warrant in the near term, a model that incorporates a put feature associated with the warrant, or the price paid or realized in a recently completed transaction or binding offer received in an arms-length transaction. The fair value may be determined based on the expected proceeds to be received from such settlement or based on the net present value of the expected proceeds from the put option.

These valuation methodologies involve a significant degree of judgment. There is no single standard for determining the fair value of investments that do not have an active public market. Valuations of privately held investments are inherently uncertain, as they are based on estimates, and their values may fluctuate over time. The determination of fair value may differ materially from the values that would have been used if an active market for these investments existed. In some cases, the fair value of such investments is best expressed as a range of values derived utilizing different methodologies from which a fair value may then be determined.

Equity Investments. The fair value of an equity investment in a privately held company is initially the face value of the amount invested. We adjust the fair value of equity investments in private companies upon the completion of a new third-party round of equity financing subsequent to our investment. We may make adjustments to fair value, absent a new equity financing event, based upon positive or negative changes in a portfolio company's financial or operational performance. We may also reference comparable transactions and/or secondary market transactions in connection with our determination of fair value. The fair value of

an equity investment in a publicly traded company is based upon the closing public share price on the date of measurement. These assets are recorded at fair value on a recurring basis. These valuation methodologies involve a significant degree of judgment. There is no single standard for determining the fair value of investments that do not have an active public market. Valuations of privately held investments are inherently uncertain, as they are based on estimates, and their values may fluctuate over time. The determination of fair value may differ materially from the values that would have been used if an active market for these investments existed. In some cases, the fair value of such investments is best expressed as a range of values derived utilizing different methodologies from which a fair value may then be determined.

Fair Value

The Company's assets measured at fair value on a recurring basis subject to the requirements of ASC Topic 820 at December 31, 2018 and 2017 were as follows:

	As of December 31, 2018			
	Level 1	**Level 2**	**Level 3**	**Total**
Portfolio Investments				
Senior Secured Term Loans	$ —	$ —	$208,539,353	$208,539,353
Preferred Stock	—	—	461,826	461,826
Warrants	—	—	15,247,210	15,247,210
Total Portfolio Investments	—	—	224,248,389	224,248,389
U.S. Treasury Bill	79,959,928	—	—	79,959,928
Total Investments	$79,959,928	$ —	$224,248,389	$304,208,317

	As of December 31, 2017			
	Level 1	**Level 2**	**Level 3**	**Total**
Portfolio Investments				
Senior Secured Term Loans	$ —	$ —	$63,977,756	$ 63,977,756
Warrants	—	—	4,239,103	4,239,103
Total Portfolio Investments	—	—	68,216,859	68,216,859
U.S. Treasury Bill	72,504,649	—	—	72,504,649
Total Investments	$72,504,649	$ —	$68,216,859	$ 140,721,508

The Company recognized transfers into and out of the levels indicated above at the end of the reporting period. There were no transfers into or out of the levels during the years ended December 31, 2018 and 2017.

Investment Transactions and Related Investment Income

Investment transactions, if any, are recorded on a trade-date basis. We measure realized gains or losses from the repayment or sale of investments using the specific identification method. The amortized cost basis of investments represents the original cost adjusted for the accretion/amortization of discounts and premiums and upfront loan origination fees. We report changes in fair value of investments that are measured at fair value as a component of net change in unrealized appreciation (depreciation) on investments in the statement of operations.

Dividends are recorded on the ex-dividend date. Interest income, if any, adjusted for amortization of market premium and accretion of market discount, is recorded on an accrual basis to the extent that we expect to collect such amounts. Original issue discount, principally representing the estimated fair value of detachable equity or warrants obtained in conjunction with our debt investments, and market discount or premium are capitalized and accreted or amortized into interest income over the life of the respective security using the effective interest method. Loan origination fees received in connection with the closing of investments are reported as unearned income, which is included as amortized cost of the investment; the

unearned income from such fees is accreted over the contractual life of the loan based on the effective interest method. Upon prepayment of a loan or debt security, any prepayment penalties, unamortized loan origination fees, and unamortized market discounts are recorded as interest income.

Management and Incentive Fees

We accrue for base management fees and incentive fees. The accrual for incentive fees includes the recognition of incentive fees on unrealized capital gains, even though such incentive fees are neither earned nor payable to RGC until the gains are both realized and in excess of unrealized depreciation on investments. See "Note 7 — Related Party Agreements and Transactions" to our financial statements in Part II, Item 8 of this Form 10-K for more information on the Amended Advisory Agreement and the fee structure thereunder.

Income Taxes

We have elected to be treated, and intend to qualify annually, as a RIC under Subchapter M of the Code. Generally, a RIC is not subject to U.S. federal income taxes on distributed income and gains if it distributes at least 90% of its net ordinary income and net short-term capital gains in excess of its net long-term capital losses, if any, to its stockholders. So long as we qualify, and maintain our status, as a RIC, we generally will not pay corporate-level U.S. federal income taxes on any ordinary income or capital gains that we distribute at least annually to our stockholders as dividends. Rather, any tax liability related to income earned by us represents obligations of our investors and will not be reflected in the financial statements of the Company. We intend to make sufficient distributions to maintain our RIC tax treatment each year and we do not anticipate paying any material U.S. federal income taxes in the future.

Recent Developments

Subsequent to December 31, 2018, through March 28, 2019, we funded the following transactions:

Date	Investment Name	Principal	Cost Allocated to Loan	Cost Allocated to Warrant
January 17, 2019	ShareThis, Inc.	$ 750,000	$ 750,000	$ —
January 28, 2019	Mojix, Inc.	$ 1,000,000	$ 919,301	$ 80,699
February 11, 2019	zSpace, Inc.	$ 5,000,000	$ 4,588,472	$ 411,528
March 28, 2019	Ouster, Inc.	$10,000,000	*	*

* The allocation of cost between the loan and the warrant is pending at this time.

On January 2, 2019, we delivered a capital drawdown notice to investors relating to the sale of 4,344,963.791 shares of our common stock, for an aggregate offering price of $66,000,000. The sale closed on January 15, 2019.

On February 11, 2019, we funded an additional $5,000,000 senior secured term loan to zSpace, Inc. at a purchase price of $4,950,000 and the warrant to purchase 1,896,966 shares purchased on December 29, 2017 was amended to provide for the purchase of $1,707,269 of zSpace, Inc. Series E Preferred Stock at $0.90 per share or shares of a subsequent round stock at the lowest price at which shares are issued to investors.

On March 13, 2019 AllClear ID, Inc. prepaid the outstanding balance of our senior secured term loan of $15,000,000, along with the required end of term payment, prepayment fees, and the present value of the revenue share to which the Company was entitled. We continue to hold our warrant investment in AllClear ID, Inc.

On March 22, 2019, the Board of Directors declared a dividend in the amount of $0.40 per share payable on March 26, 2019 to stockholders of record as of March 22, 2019.

On March 26, 2019, we, RGC and Peak Capital Limited ("Peak") entered into a marketing and consulting agreement (the "Peak Agreement"), pursuant to which Peak was appointed to provide placement agent services on our behalf. We will pay Peak a placement fee with respect to each investor identified by

Peak for which the Fund accepts a Subscription Agreement (the “Placement Fee”). The Placement Fee will consist of two parts, as follows: (i) the quarterly placement fee of 1% of the committed capital from such investors identified by Peak (payable in quarterly installments over a period of eight calendar quarters commencing on the fifteenth day of the first calendar quarter immediately following the date of the acceptance of the subscription from the applicable investor, but only for so long as the investor remains an investor in the Fund); and (ii) the as-drawn placement fee of 0.5% of the capital called from such investors identified by Peak at the applicable capital call (payable over eight calendar quarters commencing on the fifteenth day of the first quarter following any capital call of the Fund where capital is called from investors identified by Peak. Either party may terminate the Peak Agreement at any time upon ninety (90) days’ prior written notice.

On March 26, 2019, we, RGC and Pickwick Capital Partners, LLC (“Pickwick”) entered into a marketing and consulting agreement (the “Pickwick Agreement”), pursuant to which Pickwick was appointed to provide placement agent services on our behalf. The Fund will pay Pickwick a placement fee, with respect to each investor identified by Pickwick for which the Fund accepts a Subscription Agreement, of 1.5% of the committed capital from such investor (payable in quarterly installments over a period of eight calendar quarters, but only for so long as the investor remains an investor in the Fund). Either party may terminate the Pickwick Agreement at any time upon thirty (30) days’ prior written notice.

Item 7A. Quantitative and Qualitative Disclosures about Market Risk

We commenced investment activities in portfolio securities during the quarter ended June 30, 2017 and commenced investment activities in U.S. Treasury Bills during the quarter ended December 31, 2016.

We are subject to financial market risk, including changes in the valuations of our investment portfolio. Market risk includes risks that arise from changes in interest rates, commodity prices, equity prices and other market changes that affect market sensitive instruments. The prices of securities held by us may decline in response to certain events, including those directly involving the companies we invest in; conditions affecting the general economy; overall market changes; legislative reform; local, regional, national or global political, social or economic instability; and interest rate fluctuations.

Valuation Risk

Our investments may not have a readily available market price, and we value these investments at fair value as determined in good faith by our Board of Directors in accordance with our valuation policy. There is no single standard for determining fair value in good faith. As a result, determining fair value requires that judgment be applied to the specific facts and circumstances of each portfolio investment while employing a consistently applied valuation process for the types of investments we make. 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 fluctuate from period to period. Because of the inherent uncertainty of valuation, these estimated values may differ significantly from the values that would have been used had a ready market for the investments existed, and it is possible that the difference could be material.

Interest Rate Risk

Interest rate risk is defined as the sensitivity of our current and future earnings to interest rate volatility, variability of spread relationships, the difference in re-pricing intervals between our assets and liabilities and the effect that interest rates may have on our cash flows. Changes in the general level of interest rates can affect our net interest income, which is the difference between the interest income earned on interest earning assets and our interest expense incurred in connection with our interest-bearing debt and liabilities. Changes in interest rates can also affect, among other things, our ability to acquire and originate loans and securities and the value of our investment portfolio. Our net investment income is affected by fluctuations in various interest rates, including LIBOR and prime rates.

We typically expect that interest rates on the investments held in our portfolio will be based on LIBOR, with many of these investments also having a LIBOR floor. As of December 31, 2018, 100.0%, or $208,588,381 (at cost), of our debt portfolio investments bore interest at variable rates, which are

LIBOR-based and subject to certain floors, and none of our debt portfolio investments bore interest at fixed rates. As of December 31, 2018, 4.0% of our debt portfolio investments, or $8,287,911 (at cost), are subject to a 12.0% cap on cash interest and 3.8% of our debt portfolio investments, or $7,938,983 (at cost), are subject to a 11.5% cap on cash interest. Any interest above the cap will accrue to principal and be treated as PIK interest. A hypothetical 200 basis point increase or decrease in the interest rates on our variable-rate debt investments could increase our investment income by a maximum of approximately $4,414,331 and decrease our investment income by a maximum of approximately $1,841,087, on an annual basis.

Borrowings under the Credit Facilities bear interest, at our election at the time of drawdown, at a rate per annum equal to (i) in the case of LIBOR rate loans, the LIBOR rate for the applicable interest period plus 2.50% or (ii) in the case of prime rate loans, CIBC's prime commercial rate at the time of the borrowing minus 0.50%.

Because we currently borrow, and plan to borrow in the future, funds to make investments, our net investment income is dependent upon the difference between the rate at which we borrow funds and the rate at which we invest the funds borrowed. Accordingly, there can be no assurance that a significant change in market interest rates will not have a material adverse effect on our net investment income. In periods of rising interest rates, our cost of funds would increase, which could reduce our net investment income if there is not a corresponding increase in interest income generated by our investment portfolio.

We regularly measure exposure to interest rate risk. We assess interest rate risk and manage interest rate exposure on an ongoing basis by comparing our interest rate sensitive assets to our interest rate sensitive liabilities. We may hedge against interest rate and currency exchange rate fluctuations by using standard hedging instruments such as futures, options and forward contracts subject to the requirements of the 1940 Act. While hedging activities may insulate us against adverse changes in interest rates, they may also limit our ability to participate in benefits of lower interest rates with respect to our portfolio of investments with fixed interest rates.

In addition, any investments we make that are denominated in a foreign currency will be subject to risks associated with changes in currency exchange rates. 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.

Item 8. Financial Statements and Supplementary Data.

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Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of Runway Growth Credit Fund Inc.

Opinion on the Financial Statements

We have audited the accompanying statements of assets and liabilities, including the schedules of investments, of Runway Growth Credit Fund Inc. (the Company) as of December 31, 2018 and 2017, and the related statements of operations, changes in net assets and cash flows for each of the three years in the period ended December 31, 2018, and the related notes to the financial statements, (collectively, the financial statements). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2018 and 2017, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2018 in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

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

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. Our procedures included confirmation of investments owned as of December 31, 2018, by correspondence with the custodians and portfolio companies. We believe that our audits provide a reasonable basis for our opinion.

/s/ RSM US LLP

We have served as the Company's auditor since 2015.

Chicago, Illinois
March 28, 2019

RUNWAY GROWTH CREDIT FUND INC.

Statements of Assets and Liabilities

	December 31, 2018	December 31, 2017
Assets		
Investments at fair value:		
Non-control/non-affiliate investments at fair value (cost of $223,851,892 and $67,811,669, respectively)	$224,248,389	$ 68,216,859
Investment in U.S. Treasury Bills at fair value (cost of $79,959,928 and $72,504,649, respectively)	79,959,928	72,504,649
Total investments at fair value (cost of $303,811,820 and $140,316,318, respectively)	304,208,317	140,721,508
Cash and cash equivalents	2,527,474	8,141,670
Deferred offering costs	102,865	—
Accrued interest receivable	1,221,494	330,926
Deferred credit facility fees (net of accumulated amortization of $82,648 and $0, respectively)	129,759	—
Other accounts receivable	41,160	25,154
Prepaid expenses	120,064	96,449
Total assets	308,351,133	149,315,707
Liabilities		
Payable for securities purchased	80,699	18,995,710
Deferred revenue	100,000	—
Reverse repurchase agreement	79,560,129	—
Credit facilities	59,500,000	—
Accrued incentive fees	1,071,566	—
Due to portfolio company	—	3,000,000
Due to affiliate	116,697	11,954
Interest payable	163,981	—
Accrued expenses and other liabilities	388,666	267,666
Total liabilities	140,981,738	22,275,330
Commitments and contingencies (Note 3)		
Net assets		
Common stock, $0.01 par value; 100,000,000 shares authorized; 11,056,595 and 8,668,334 shares issued and outstanding, respectively	110,566	86,683
Additional paid-in capital	162,568,188	126,920,269
Accumulated undistributed earnings	4,690,641	33,425
Total net assets	$167,369,395	$127,040,377
Net asset value per share	$ 15.14	$ 14.66

See notes to financial statements.

RUNWAY GROWTH CREDIT FUND INC.

Statements of Operations

	Year Ended December 31, 2018	Year Ended December 31, 2017	Year Ended December 31, 2016
Investment income			
From non-control/non-affiliate:			
Interest income	$19,446,270	$ 3,023,456	$ —
Dividend income	—	117	—
PIK interest income	49,859	—	—
Other income	281,626	50,000	—
Termination fees	618,751	—	—
Interest income from U.S. Treasury Bills	69,338	27,621	—
Other income from non-investment sources	290,210	88,645	—
Total investment income	20,756,054	3,189,839	—
Operating expenses			
Management fees	4,812,500	3,587,314	169,684
Incentive fees	1,411,324	—	—
Professional fees	700,019	544,002	216,214
Interest expense	532,732	—	—
Overhead allocation expense	454,337	313,147	—
Other expenses	269,203	71,366	23,896
Administration fee	209,761	125,000	5,774
Directors’ fees	208,000	206,500	129,000
Tax expense	186,782	—	—
General and administrative expenses	101,984	41,900	—
Insurance expense	96,062	89,092	3,699
Consulting fees	66,933	49,650	—
Organizational expenses	—	—	354,713
State franchise tax expense	—	3,414	—
Total operating expenses	9,049,637	5,031,385	902,980
Net investment income (loss)	11,706,417	(1,841,546)	(902,980)
Realized and unrealized gain (loss) on investments			
Realized gain on non-control/non-affiliate investments	59,792	—	—
Net change in unrealized appreciation (depreciation) on non-control/non-affiliate investments	(8,693)	405,190	—
Net change in unrealized appreciation (depreciation) on U.S. Treasury Bills	—	61	(61)
Net realized and unrealized gain (loss) on investments	51,099	405,251	(61)
Net increase (decrease) in net assets resulting from operations	$11,757,516	$(1,436,295)	$(903,041)
Net increase (decrease) in net assets resulting from operations per common share	$ 1.26	$ (0.51)	$ (83.82)
Net investment income (loss) per common share	$ 1.26	$ (0.66)	$ (83.81)
Weighted-average shares outstanding	9,300,960	2,795,274	10,774

See notes to financial statements.

RUNWAY GROWTH CREDIT FUND INC.

Statements of Changes in Net Assets

	Year Ended December 31, 2018	Year Ended December 31, 2017	Year Ended December 31, 2016
Net increase (decrease) in net assets from operations			
Net investment income (loss)	$ 11,706,417	$ (1,841,546)	$ (902,980)
Realized gain on investments	59,792	—	—
Net change in unrealized appreciation (depreciation) on investments and U.S. Treasury Bills	(8,693)	405,251	(61)
Net increase (decrease) in net assets resulting from operations	11,757,516	(1,436,295)	(903,041)
Distributions to shareholders from:			
Dividends paid to shareholders	(7,283,810)	—	—
Total distributions to shareholders	(7,283,810)	—	—
Capital share transactions			
Offering costs	—	—	(645,287)
Issuance of common stock	30,000,000	125,000,000	5,000,000
Issuance of common stock under dividend reinvestment plan	5,855,312	—	—
Net increase in net assets resulting from capital share transactions	35,855,312	125,000,000	4,354,713
Total increase in net assets	40,329,018	123,563,705	3,451,672
Net assets at beginning of year	127,040,377	3,476,672	25,000
Net assets at end of year	$167,369,395	$127,040,377	$ 3,476,672
Capital share activity			
Shares issued	2,388,261	8,333,334	333,333
Shares outstanding at beginning of year	8,668,334	335,000	1,667
Shares outstanding at end of year	11,056,595	8,668,334	335,000

See notes to financial statements.

RUNWAY GROWTH CREDIT FUND INC.

Statements of Cash Flows

	Year Ended December 31, 2018	Year Ended December 31, 2017	Year Ended December 31, 2016
Cash flows from operating activities			
Net increase (decrease) in net assets resulting from operations	$ 11,757,516	$ (1,436,295)	$ (903,041)
Adjustments to reconcile net increase (decrease) in net assets resulting from operations to net cash used in operating activities:			
Purchase of investments	(168,111,471)	(67,005,037)	—
Purchase of U.S. Treasury Bills	(270,444,962)	(156,977,177)	(2,999,910)
Sales of investments	16,752,528	—	—
Sale or maturity of U.S. Treasury Bills	262,989,682	87,500,000	—
Realized gain on non-control/non-affiliate investments	(59,792)	—	—
Net change in unrealized (appreciation) depreciation on non-control/non-affiliate investments	8,693	(405,190)	—
Net change in unrealized (appreciation) depreciation on U.S. Treasury Bills	—	(61)	61
Amortization of fixed income premiums or discounts	(4,621,487)	(834,194)	—
Amortization of deferred credit facility fees	82,648	—	—
Changes in operating assets and liabilities:			
Deferred offering costs	(102,865)	—	—
Accrued interest receivable	(890,568)	(330,926)	—
Other accounts receivable	(16,006)	(25,154)	—
Prepaid expenses	(23,615)	(11,352)	(85,097)
Payable for securities purchased	(18,915,011)	18,995,710	—
Deferred revenue	100,000	—	—
Accrued incentive fees	1,071,566	—	—
Due to portfolio company	(3,000,000)	3,000,000	—
Due to affiliate	104,743	(636,851)	648,805
Interest payable	163,981	—	—
Accrued expenses and other liabilities	121,000	207,483	60,183
Net cash used in operating activities	(173,033,420)	(117,959,044)	(3,278,999)
Cash flows from financing activities			
Deferred credit facility fees	(212,407)	—	—
Borrowings under credit facilities	74,500,000	—	—
Repayments under credit facilities	(15,000,000)	—	—
Proceeds from reverse repurchase agreements	79,560,129	—	—
Offering costs	—	—	(645,287)
Dividends paid to shareholders	(1,428,498)	—	—
Net cash received from common stock issued, net of change in capital contributions receivable	30,000,000	125,060,783	4,939,217
Net cash provided by financing activities	167,419,224	125,060,783	4,293,930
Net increase (decrease) in cash	(5,614,196)	7,101,739	1,014,931
Cash and cash equivalents at beginning of year	8,141,670	1,039,931	25,000
Cash and cash equivalents at end of year	$ 2,527,474	$ 8,141,670	$ 1,039,931
Supplemental Disclosure of Cash Flow Information			
Taxes paid	$ 3,272	$ 3,414	$ —
Interest paid	368,751	—	—
Non-cash dividend reinvestments	5,855,312	—	—

See notes to financial statements.

RUNWAY GROWTH CREDIT FUND INC.

Schedule of Investments
December 31, 2018

Portfolio Companies	Sub-Industry	Investment Description[1],[5],[6],[11],[13]	Acquisition Date	Principal/ Shares	Cost	Fair Value[2]	% of Net Assets
Non-control/non-affiliate investments							
Senior Secured Term Loans							
Aginity, Inc.	Application Software	LIBOR+9.5%, 11.5% floor, 5% ETP, due 5/25/2022	5/25/2018	$ 7,000,000	$ 6,795,581	$ 6,675,922	3.99%
AllClear ID, Inc.	Specialized Consumer Services	Tranche I: LIBOR+10.75%, 12.25% floor, 5% ETP, due 8/15/2021	9/1/2017	10,000,00	9,545,594	9,841,798	5.88
		Tranche II: LIBOR+8.50%, 10.00% floor, 5% ETP, due 8/15/2021	10/17/2018	5,000,000	4,342,367	4,920,899	2.94
Aria Systems, Inc.	Application Software	LIBOR+9.0%, 11.35% floor, 4% ETP, due 12/15/2021	6/29/2018	25,000,000	24,305,208	24,212,998	14.46
CareCloud Corporation	Healthcare Technology	Prime+7.0%, 11.75% floor, 3.5% ETP, due 6/15/2022	6/19/2018	25,000,000	24,570,129	24,123,158	14.41
Circadence Corporation	Application Software	LIBOR+9.50%, 12.0% floor, 5% ETP, due 6/20/2022	12/20/2018	18,000,000	14,239,085	14,239,085	8.51
Drawbridge, Inc.	Data Processing & Outsourced Services	LIBOR+9.0%, 11.25% floor, 4% ETP, due 10/22/2022	10/22/2018	15,000,000	14,467,708	14,467,708	8.64
Dtex Systems, Inc.	Application Software	LIBOR+9.15%, 11.5% floor, 11.5% cash cap, 4% ETP, due 11/15/2021	6/1/2018	8,000,000	7,938,983	7,887,407	4.71
eSilicon Corporation	Semiconductors	Tranche I: LIBOR+10.5%, 11.5% floor, 5% ETP, due 7/15/2020	7/31/2017	7,916,667	7,976,198	8,227,697	4.92
		Tranche II: LIBOR+10.5%, 11.5% floor, 5% ETP, due 1/15/2021	2/8/2018	5,000,000	5,063,065	5,196,440	3.10
Jibe, Inc.	Application Software	LIBOR+10.0%, 12.25% floor, 5% ETP, due 6/7/2022	6/7/2018	7,000,000	6,951,535	6,951,535	4.15
MingleHealth Care Solutions, Inc.	Healthcare Technology	LIBOR+9.5%, 11.75% floor, 4% ETP, due 8/15/2022	8/15/2018	6,000,000	5,532,093	5,532,093	3.31%
Mobius Imaging, LLC	Healthcare Technology	LIBOR+9.25%, 11% floor, 4% ETP, due 10/15/2022	11/23/2018	15,500,000	13,551,386	13,551,386	8.10
Mojix, Inc.	Application Software	Tranche I: LIBOR+10.5%, 11% floor, 12.0% cash cap, 5% ETP, due 5/15/2021[4],[9]	5/16/2017	6,034,383	5,514,492	5,200,452	3.11
		Tranche II: LIBOR+10.5%, 11% floor, 12.0% cash cap, 5% ETP, due 5/15/2021[4],[9]	8/3/2017	2,011,462	1,845,251	1,733,484	1.04
		Tranche III: LIBOR+10.5%, 11% floor, 12.0% cash cap, 5% ETP, due 5/15/2021[4],[9]	7/6/2018	502,357	465,516	432,933	0.26
		Tranche IV: LIBOR+10.5%, 11% floor, 12.0% cash cap, 5% ETP, due 5/15/2021[4],[9]	9/5/2018	501,656	462,652	432,329	0.26

See notes to financial statements.

RUNWAY GROWTH CREDIT FUND INC.

Schedule of Investments – (continued)
December 31, 2018

Portfolio Companies	Sub-Industry	Investment Description[(1),(5),(6),(11),(13)]	Acquisition Date	Principal/ Shares	Cost	Fair Value[(2)]	% of Net Assets
Non-control/non-affiliate investments (continued)							
Senior Secured Term Loans (continued)							
3DNA Corp.(dba NationBuilder)	Application Software	LIBOR+9%, 11.5% floor, 5% ETP, due 4/28/2022	12/28/2018	$ 7,000,000	$ 6,827,787	$ 6,827,787	4.08%
Ouster, Inc.	Technology Hardware, Storage & Peripherals	LIBOR+8.5%, 10.75% floor, 3.5% ETP, due 05/15/2021[(14)]	11/27/2018	10,000,000	—	—	—
RealWear, Inc.	Technology Hardware, Storage & Peripherals	Tranche I: LIBOR+9.5%, 10.85% floor, 5% ETP, due 10/5/2021	10/05/2018	5,000,000	4,854,551	4,832,563	2.89
		Tranche II: LIBOR+9.5%, 10.85% floor, 5% ETP, due 10/5/2021	12/28/2018	1,000,000	965,139	966,513	0.58
RedSeal, Inc.	Application Software	LIBOR+9.5%, 11% floor, 5.25% ETP, due 12/15/2020	12/15/2017	15,000,000	15,123,353	15,123,353	9.04
ShareThis, Inc.	Data Processing & Outsourced Services	LIBOR+9.25%, 11.65% floor, 4% ETP due 5/15/2022	12/3/2018	19,250,000	17,568,105	17,567,923	10.50%
zSpace, Inc.	Technology Hardware, Storage & Peripherals	LIBOR+10.5%, 12% floor, 5% ETP, due 12/29/2020	12/29/2017	10,000,000	9,682,603	9,593,890	5.73
Total Senior Secured Term Loans					208,588,381	208,539,353	124.61
Preferred Stock							
Aria Systems, Inc.	Application Software	Series G Preferred Stock	7/10/2018	289,419	250,000	461,826	0.28
Warrants[(8)]							
Aginity, Inc.	Application Software	Warrant for Series C-Prime Preferred Stock, exercise price $1.949/share, expires 5/25/2028	5/25/2018	359,158	167,727	154,346	0.09
AllClear ID, Inc.	Specialized Consumer Services	Warrant for Common Stock, exercise price $0.01/share, expires 9/1/2027	9/1/2017	870,514	1,749,733	1,176,700	0.70
Aria Systems, Inc.	Application Software	Warrant for Series G Preferred Stock, exercise price $0.8638/ share, expires 6/29/2028	6/29/2018	2,170,641	770,578	1,827,680	1.09
Aspen Group Inc.	Education Services	Warrant for Common Stock, exercise price $6.87/share, expires 7/25/2022	7/25/2017	224,174	583,301	593,000	0.35
CareCloud Corporation	Healthcare Technology	Warrant for Series C Preferred Stock, exercise price $1.2035/ share, expires 6/19/2025	6/19/2018	1,557,956	394,163	364,562	0.22
Circadence Corp.	Application Software	Warrant for Series A-5 Preferred Stock, exercise price $1.08/share, expires 12/20/2028	12/20/2018	1,666,667	3,630,000	3,630,000	2.18
Drawbridge, Inc.	Data Processing & Outsourced Services	Warrant for Series C Preferred Stock, exercise price $2.2595/ share, expires 10/22/2028	10/22/2018	663,864	406,285	429,520	0.26

See notes to financial statements.

RUNWAY GROWTH CREDIT FUND INC.

Schedule of Investments – (continued)
December 31, 2018

Portfolio Companies	Sub-Industry	Investment Description[1],[5],[6],[11],[13]	Acquisition Date	Principal/ Shares	Cost	Fair Value[2]	% of Net Assets
Non-control/non-affiliate investments (continued)							
Warrants[8] (continued)							
Dtex Systems, Inc.	Application Software	Warrant for Series C Preferred Stock, exercise price $0.600/share, expires 6/1/2025	6/1/2018	$ 500,000	$ 59,000	$ 56,000	0.03%
eSilicon Corporation	Semiconductors	Warrant for Series H Preferred Stock, exercise price $1.01/share, expires 7/31/2027	7/31/2017	1,485,149	543,564	1,005,446	0.60
Jibe, Inc.	Application Software	Warrant for Series C Preferred Stock, exercise price $2.265/share, expires 6/7/2028	6/7/2018	247,242	40,795	35,603	0.02
MingleHealth Care Solutions, Inc.	Healthcare Technology	Warrant for Series AA Preferred Stock, exercise price $0.24/share, expires 8/15/2028	8/15/2018	1,625,000	492,375	471,913	0.28
Mobius Imaging, LLC	Healthcare Technology	Warrant for next round security, exercise price $136/share, expires 11/23/2028	11/23/2018	7,123	1,820,000	1,820,000	1.09
Mojix, Inc.	Application Software	Warrants for Common Stock, exercise price $10.64/share, expires 5/16/2027[9],[10]	5/16/2017	164,427	417,645	—	0.00
		Warrants for Series 1 Preferred Stock, exercise price $0.28/share, expires 12/20/2028[9],[10]	12/20/2018	7,176,973	806,991	798,389	0.48
3DNA Corp.(dba NationBuilder)	Application Software	Warrant for Series C-1 Preferred Stock, exercise price $1.4643/ share, expires 12/28/2028	12/28/2018	273,164	104,138	104,138	0.06
Ouster, Inc.	Technology Hardware, Storage & Peripherals	Warrant for Series A Preferred Stock, exercise price $11.3158/ share, expires 11/27/2028[14]		—			
RealWear, Inc.	Technology Hardware, Storage & Peripherals	Warrant for Series A Preferred Stock, exercise price $4.4464/ share, expires 10/5/2028	10/05/2018	112,451	135,841	141,435	0.08
		Warrant for Series A Preferred Stock, exercise price $4.4464/ share, expires 12/28/2028	12/28/2018	22,491	25,248	28,288	0.02
RedSeal, Inc.	Application Software	Warrant for Series C-Prime Preferred Stock, exercise price $0.27318/share, expires 12/15/2027	12/15/2017	3,569,075	364,046	292,664	0.17%
SendtoNews Video, Inc.	Advertising	Warrant for Class B Non-Voting Stock, exercise price $0.67/share, expires 6/30/2027[3], [7]	6/30/2017	191,500	246,461	66,000	0.04
ShareThis Inc.	Data Processing & Outsourced Services	Warrant for Series D-3 Preferred Stock, exercise price $2.4320/ share, expires 12/3/2028	12/3/2018	371,030	1,548,052	1,580,000	0.94

See notes to financial statements.

RUNWAY GROWTH CREDIT FUND INC.

Schedule of Investments – (continued)
December 31, 2018

Portfolio Companies	Sub-Industry	Investment Description[(1),(5),(6),(11),(13)]	Acquisition Date	Principal/ Shares	Cost	Fair Value[(2)]	% of Net Assets
Non-control/non-affiliate investments (continued)							
Warrants[(8)] (continued)							
zSpace, Inc.	Technology Hardware, Storage & Peripherals	Warrant for Series E Preferred Stock, exercise price $0.90/share, expires 12/29/2027	12/29/2017	$ 1,896,966	$ 707,568	$ 671,526	0.40%
Total Warrants					15,013,511	15,247,210	9.10
Total non-control/non-affiliate investments					223,851,892	224,248,389	133.99
U.S. Treasury		U.S. Treasury Bill, 2.254%, due 1/3/2019[(12)]		$80,000,000	79,959,928	79,959,928	47.77
Total Investments					$ 303,811,820	$ 304,208,317	181.76%

(1) Disclosures of interest rates on notes include cash interest rates and payment-in-kind (“PIK”) interest rates, as applicable. Unless otherwise indicated, all of the Company’s variable rate debt investments bear interest at a rate that is determined by reference to the 3-Month London Interbank Offered Rate (“LIBOR”) or the U.S. Prime Rate. At December 31, 2018, the 3-Month LIBOR was 2.80% and the U.S. Prime Rate was 5.50%.

(2) All investments in portfolio companies, which as of December 31, 2018 represented 133.99% of the Company’s net assets, are restricted as to resale and were valued at fair value as determined in good faith by the Company’s Board of Directors.

(3) Investment is not a qualifying investment as defined under Section 55(a) of the Investment Company Act of 1940, as amended. Non-qualifying assets represent 0.04% of total investments at fair value as of December 31, 2018. Qualifying assets must represent at least 70% of total assets at the time of acquisition of any additional non-qualifying assets. If at any time qualifying assets do not represent at least 70% of the Company’s total assets, the Company will be precluded from acquiring any additional non-qualifying assets until such time as it complies with the requirements of Section 55(a).

(4) Represents a PIK security. If the interest rate goes above the cap of 12.00%, PIK interest will be accrued on the excess amount and paid at maturity.

(5) All investments are valued using unobservable inputs, except the U.S. Treasury Bill which is valued using observable inputs.

(6) All investments are domiciled in the United States, unless otherwise noted.

(7) Investment is domiciled in Canada.

(8) Investments are non-income producing.

(9) As of June 29, 2018, the Mojix, Inc. (“Mojix”) loan and security agreement was amended to: (a) increase the LIBOR spread from 10.0% to 10.5%; (b) require existing shareholders to invest additional amounts of equity in Mojix;; and, (c) make certain adjustments to the length and timing of interest-only periods based on the accomplishment of performance milestones. In exchange, the Company has agreed to provide forbearance on certain covenant defaults and make available, upon certain additional equity investment by the shareholders, the remaining $2,000,000 under the original loan commitment. As of December 31, 2018, the Company has funded $1,000,000 in a third and fourth tranche in the amount of $500,000 each.

See notes to financial statements.

RUNWAY GROWTH CREDIT FUND INC.

Schedule of Investments – (continued)
December 31, 2018

(10) In connection with the Amended and Restated Certificate of Incorporation dated September 4, 2018, each one warrant share of Series E Preferred Stock converted into one one-hundredth of a warrant share of Common Stock. The Company previously held 16,442,732 in warrants for Series E Preferred Stock which converted into 164,427 warrants for common stock.

(11) Investments are held at Fair Value net of Unfunded Commitments. See Note 3 for additional detail.

(12) A treasury bill with $80,000,000 of par value was purchased pursuant to a 4.90% reverse repurchase agreement with Goldman Sachs, dated December 26, 2018, due January 2, 2019, with a repurchase price of $80,000,000 and collateralized by a 2.254% U.S. Treasury Bill due January 3, 2019 with a par value of $80,000,000 and fair value of $79,959,928.

(13) Disclosures of end-of-term-payments (“ETP”) are one-time payments stated as a percentage of original principal amount.

(14) On November 27, 2018, the Company entered into a Loan & Security Agreement whereby, upon attainment of certain financial milestones, Ouster may borrow up to $10,000,000 under the facility. As of December 31, 2018, Ouster had not met the conditions required to borrow any amount under the loan facility. Upon borrowing under the loan facility the Company will receive a Warrant to purchase up to $400,000, or 353,348 shares of Series A preferred stock of Ouster at an exercise price of $11.3158 per share, with the number of shares calculated based on the amount of borrowings under the facility. In the event Ouster fails to meet required financial milestone for borrowing by March 31, 2019, the facility will terminate.

The following tables show the fair value of our portfolio of investments (excluding any U.S. Treasury Bills held) by geographic region and industry as of December 31, 2018:

	December 31, 2018	
Geographic Region	**Investments at Fair Value**	**Percentage of Net Assets**
Western United States	$154,566,480	92.36%
Southeastern United States	24,487,720	14.63
Northeastern United States	22,358,524	13.36
South Central United States	15,939,397	9.52
Midwestern United States	6,830,268	4.08
Canada	66,000	0.04
Total	$224,248,389	133.99%

	December 31, 2018	
Industry	**Investments at Fair Value**	**Percentage of Net Assets**
Application Software	$ 97,077,931	58.01%
Healthcare Technology	45,863,112	27.41
Data Processing & Outsourced Services	34,045,151	20.34
Technology Hardware, Storage & Peripherals	16,234,215	9.70
Specialized Consumer Services	15,939,397	9.52
Semiconductors	14,429,583	8.62
Education Services	593,000	0.35
Advertising	66,000	0.04
Total	$224,248,389	133.99%

See notes to financial statements.

RUNWAY GROWTH CREDIT FUND INC.

Schedule of Investments
December 31, 2017

Portfolio Companies	Sub-Industry	Investment Description[1],[5],[6],[9]	Acquisition Date	Principal/ Shares	Cost	Fair Value[2]	% of Net Assets
Non-control/non-affiliate investments							
Senior Secured Term Loans							
AllClear ID, Inc.	Specialized Consumer Services	LIBOR+10.75%, 12.25% floor, 5% ETP, due 8/31/2020	9/1/2017	$10,000,000	$ 9,068,668	$ 9,068,668	7.14%
Aspen Group Inc.	Education Services	Tranche I: LIBOR+10%, 10% floor, 3.25% ETP, due 7/25/2021[4]	7/25/2017	5,000,000	4,467,483	4,467,483	3.52
		Tranche II: LIBOR+10%, 10% floor, 3.25% ETP, due 7/25/2021[4]	12/4/2017	2,500,000	2,495,740	2,495,740	1.96
eSilicon Corporation	Semiconductors	LIBOR+10.5%, 11.5% floor, 5% ETP, due 7/15/2020	7/31/2017	10,000,000	9,555,024	9,555,024	7.52
Mojix, Inc.	Application Software	Tranche I: LIBOR+10%, 11% floor, 5% ETP, due 5/15/2021[4]	5/16/2017	6,000,000	5,802,549	5,802,549	4.57
		Tranche II: LIBOR+10%, 11% floor, 5% ETP, due 5/15/2021[4]	8/3/2017	2,000,000	1,948,989	1,948,989	1.53
Placecast, Inc.	Internet Software & Services	LIBOR+10.75%, 11.75% floor, 5% ETP, due 6/15/2020	6/21/2017	2,000,000	1,981,236	1,981,236	1.56
RedSeal, Inc.	Application Software	LIBOR+9.5%, 11% floor, 5.25% ETP, due 12/15/2020	12/15/2017	15,000,000	14,656,171	14,656,171	11.54
SendtoNews Video, Inc.	Advertising	Tranche I: LIBOR+11%, 11% floor, 4% ETP, due 6/30/2020[3],[7]	6/30/2017	3,500,000	3,305,812	3,305,812	2.60
		Tranche II; LIBOR+11%, 11% floor, 4% ETP, due 6/30/2020[3],[7]	10/4/2017	1,500,000	1,500,000	1,500,000	1.18
zSpace, Inc.	Application Software	LIBOR+10.5%, 12% floor, 5% ETP, due 12/29/2020	12/29/2017	10,000,000	9,196,084	9,196,084	7.24
Total Senior Secured Term Loans					$63,977,756	$63,977,756	50.36%
Warrants[8]							
AllClear ID, Inc.	Specialized Consumer Services	Warrant for Common Stock, exercise price $0.01/share, expires 8/31/2027	9/1/2017	523,893	1,053,025	1,053,025	0.83%
Aspen Group Inc.	Education Services	Warrant for Common Stock, exercise price $6.87/share, expires 7/25/2022	7/252017	224,174	583,301	1,018,000	0.80
eSilicon Corporation	Semiconductors	Warrant for Series H Preferred Stock, exercise price $1.01/share, expires 7/31/2027	7/31/2017	1,485,149	543,564	543,564	0.43
Mojix, Inc.	Application Software	Warrants for Series E Preferred Stock, exercise price $0.1064/ share, expires 5/16/2027	5/16/2017	11,744,808	303,016	281,900	0.22

See notes to financial statements.

RUNWAY GROWTH CREDIT FUND INC.

Schedule of Investments
December 31, 2017

Portfolio Companies	Sub-Industry	Investment Description[1],[5],[6],[9]	Acquisition Date	Principal/ Shares	Cost	Fair Value[2]	% of Net Assets
Non-control/non-affiliate investments (continued)							
Warrants[8] (continued)							
Placecast, Inc.	Internet Software & Services	Warrant for Series C Preferred Stock, exercise price $1.5669/ share, expires 6/21/2027	6/21/2017	$ 127,643	$ 32,932	$ 31,400	0.02%
RedSeal, Inc.	Application Software	Warrant for Series C-Prime Preferred Stock, exercise price $0.27318/share, expires 12/15/2027	12/15/2017	3,569,075	364,046	364,046	0.29
SendtoNews Video, Inc.	Advertising	Warrant for Class B Non-Voting Stock, exercise price $0.67/share, expires 6/30/2027[3],[7]	6/30/2017	574,502	246,461	239,600	0.19
zSpace, Inc.	Application Software	Warrant for Series E Preferred Stock, exercise price $0.90/share, expires 12/29/2027	12/29/2017	1,896,966	707,568	707,568	0.56
Total Warrants					3,833,913	4,239,103	3.34
Total non-control/non-affiliate investments					67,811,669	68,216,859	53.70
U.S. Treasury		U.S. Treasury Bill, 0%, due 1/4/2018		$72,509,000	72,504,649	72,504,649	57.07
Total Investments					$ 140,316,318	$ 140,721,508	110.77%

(1) Disclosures of interest rates on notes include cash interest rates, payment-in-kind (“PIK”) interest rates and end-of-term-payment (“ETP”) interest rates, as applicable. Unless otherwise indicated, all of the Company’s variable rate debt investments bear interest at a rate that is determined by reference to the 3-Month London Interbank Offered Rate (“LIBOR”). At December 31, 2017, the 3-Month LIBOR was 1.69%.

(2) All investments in portfolio companies are restricted as to resale and were valued at fair value as determined in good faith by the Company’s Board of Directors.

(3) Investment is not a qualifying investment as defined under Section 55(a) of the Investment Company Act of 1940, as amended. Non-qualifying assets represent 3.59% of total investments at fair value as of December 31, 2017. Qualifying assets must represent at least 70% of total assets at the time of acquisition of any additional non-qualifying assets. If at any time qualifying assets do not represent at least 70% of the Company’s total assets, the Company will be precluded from acquiring any additional non-qualifying asset until such time as it complies with the requirements of Section 55(a).

(4) Represents a PIK security. If the interest rate goes above the cap of 12.00%, PIK interest will be accrued on the excess amount and paid at maturity.

(5) All investments are valued using unobservable inputs, except the U.S. Treasury Bill which is valued using observable inputs.

(6) All investments are domiciled in the United States, unless otherwise noted.

(7) Investment is domiciled in Canada.

See notes to financial statements.

RUNWAY GROWTH CREDIT FUND INC.

Schedule of Investments
December 31, 2017

(8) Investments are non-income producing.

(9) Investments are held at Fair Value net of Unfunded Commitments. See Note 3 for additional detail.

The following tables show the fair value of our portfolio of investments (excluding any U.S. Treasury Bills held) by geographic region and industry as of December 31, 2017:

	December 31, 2017	
Geographic Region	**Investments at Fair Value**	**Percentage of Net Assets**
Western United States	$ 53,049,754	41.76%
Midwestern United States	10,121,693	7.97
Canada	5,045,412	3.97
Total	$ 68,216,859	53.70%

	December 31, 2017	
Industry	**Investments at Fair Value**	**Percentage of Net Assets**
Application Software	$ 32,957,307	25.95%
Specialized Consumer Services	10,121,693	7.97
Semiconductors	10,098,588	7.95
Education Services	7,981,223	6.28
Advertising	5,045,412	3.97
Internet Software and Services	2,012,636	1.58
Total	$ 68,216,859	53.70%

See notes to financial statements.

RUNWAY GROWTH CREDIT FUND INC.

Notes to Financial Statements as of December 31, 2018

Note 1 — Organization

Runway Growth Credit Fund Inc. (the "Company") is a Maryland corporation that was formed on August 31, 2015. The Company is an externally managed, non-diversified, closed-end investment company that has elected to be regulated as a business development company ("BDC") under the Investment Company Act of 1940, as amended (the "1940 Act"). In addition, the Company has elected to be treated, and intends to qualify annually, as a regulated investment company ("RIC") under Subchapter M of the Internal Revenue Code of 1986, as amended (the "Code").

The Company was formed primarily to lend to, and selectively invest in, small, fast-growing companies in the United States. The Company's investment objective is to maximize its total return to its stockholders primarily through current income on its loan portfolio, and secondarily through capital appreciation on its warrants and other equity positions. The Company's investment activities are managed by its external investment adviser, Runway Growth Capital LLC ("RGC"). Runway Administrator Services LLC (the "Administrator") is a wholly owned subsidiary of RGC and provides administrative services necessary for the Company to operate.

In October 2015, in connection with the Company's formation, the Company issued and sold 1,667 shares of common stock to R. David Spreng, the President and Chief Executive Officer of the Company and Chairman of the Company's Board of Directors, for an aggregate purchase price of $25,000. The sale of shares of common stock was approved by the unanimous consent of the Company's sole director at the time. In December 2016, the Company completed the initial closing of capital commitments in its first private offering of shares of common stock to investors (the "Initial Private Offering") in reliance on exemptions from the registration requirements of the Securities Act of 1933, as amended (the "Securities Act"), and other applicable securities laws. The final closing of the Initial Private Offering occurred on December 1, 2017. As of December 31, 2018, in connection with the Initial Private Offering, the Company had total capital commitments of $275,000,000 and had issued 10,664,004 shares of its common stock for a total purchase price of $160,000,000. The Company has issued an additional 188,145 shares as part of the dividend reinvestment program. Refer to Note 6 for further detail.

Note 2 — Summary of Significant Accounting Policies

Basis of Presentation

The accompanying financial statements of the Company are prepared on the accrual basis of accounting in conformity with U.S. Generally Accepted Accounting Principles ("U.S. GAAP") and pursuant to the requirements for reporting on Form 10-K and Regulation S-X under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). The Company is an investment company following the specialized accounting and reporting guidance specified in the Financial Accounting Standards Board's ("FASB") Accounting Standards Codification ("ASC") Topic 946, Financial Services — Investment Companies.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of income and expense during the reporting period. Actual results could differ from those estimates.

Cash and cash equivalents

Cash represents deposits held at financial institutions while cash equivalents are highly liquid investments held at financial institutions with an original maturity of three months or less at the date of acquisition. At December 31, 2018, cash and cash equivalents balances totaling $2,527,474 exceeded Federal

RUNWAY GROWTH CREDIT FUND INC.

Notes to Financial Statements as of December 31, 2018

Deposit Insurance Corporation protection levels of $250,000 by $2,277,474, subjecting the Company to risks related to the uninsured balance. Cash and cash equivalents are held at large, established, high credit-quality financial institutions, and management believes that risk of loss associated with any uninsured balance is remote.

Capital Contributions Receivable

Capital contributions receivable represents amounts received from investors subsequent to year-end, for contributions with an effective date before the year-end. As of December 31, 2018 and December 31, 2017, the Company had no capital contributions receivable.

Due to Portfolio Company

On December 15, 2017 the Company closed on and funded a $15,000,000 loan to a portfolio company, $3,000,000 of which represented a sinking fund to be held in a blocked bank account on which the Company is the only party authorized to approve payments. As of December 31, 2017, the bank at which the account was to be held had not fully executed the blocked account control agreement and as such, though treated contractually as advanced and earning interest, the funds remained with the Company's custodian until all signatures were received on January 2, 2018. This $3,000,000 is included in Due to Portfolio Company on the Statements of Assets and Liabilities.

Deferred Credit Facility Fees

The fees and expenses associated with opening the Credit Facilities (as defined below) are being deferred and amortized as part of interest expense using the effective interest method over the term of the Credit Facilities in accordance with ASC 470, Debt. Debt issuance costs associated with the Credit Facilities remain classified as an asset, regardless of whether there are any outstanding borrowings on the facility.

Reverse Repurchase agreement

The Company may enter into reverse repurchase agreements, under the terms of a Master Repurchase Agreement, with selected commercial banks and broker-dealers, under which the Company acquires securities as collateral (debt obligation) subject to an obligation of the counterparty to repurchase and the Company to resell the securities (obligation) at an agreed upon time and price. The Company, through the custodian or a sub-custodian, receives delivery of the underlying securities collateralizing repurchase agreements. The Company requires the custodian to take possession, to have legally segregated in the Federal Reserve Book Entry System, or to have segregated within the custodian's vault, all securities held as collateral for repurchase agreements. The Company and the counterparties are permitted to sell, re-pledge, or use the collateral associated with the transaction. It is the Company's policy that the market value of the collateral be at least equal to 100 percent of the repurchase price in the case of a repurchase agreement of one-day duration and 102 percent of the repurchase price in the case of all other repurchase agreements. Upon an event of default under the terms of the Master Repurchase Agreement, both parties have the right to set-off. If the seller defaults or enters an insolvency proceeding, realization of the collateral by the Company may be delayed, limited or wholly denied.

Pursuant to a reverse repurchase agreement with Goldman Sachs, which expires on January 2, 2019, the Company purchased a U.S. Treasury Bill, due January 3, 2019. The fair value of the related collateral that the Company received for this agreement was $79,959,928 at December 31, 2018. At December 31, 2018, the repurchase liability is $79,560,129, which is reflected as Reverse Repurchase Agreement on the Statement of Assets and Liabilities. There is no amount at risk under the reverse repurchase agreement.

RUNWAY GROWTH CREDIT FUND INC.

Notes to Financial Statements as of December 31, 2018

Investment Transactions and Related Investment Income

Security transactions, if any, are recorded on a trade-date basis. Realized gains or losses from the repayment or sale of investments are measured using the specific identification method. The amortized cost basis of investments represents the original cost adjusted for the accretion/amortization of discounts and premiums and upfront loan origination fees. The Company reports changes from the prior period in fair value of investments that are measured at fair value as a component of net change in unrealized appreciation (depreciation) on investments in the statement of operations.

Dividends are recorded on the ex-dividend date. Interest income, if any, adjusted for amortization of market premium and accretion of market discount, is recorded on an accrual basis to the extent that the Company expects to collect such amounts. Original issue discount, principally representing the estimated fair value of detachable equity or warrants obtained in conjunction with the Company’s debt investments, loan origination fees, end of term payments, and market discount or premium are capitalized and accreted or amortized into interest income over the life of the respective security using the effective interest method. Loan origination fees received in connection with the closing of investments are reported as unearned income, which is included as amortized cost of the investment; the unearned income from such fees is accreted into interest income over the contractual life of the loan based on the effective interest method. Upon prepayment of a loan or debt security, any prepayment penalties, unamortized loan origination fees, end of term payments and unamortized market discounts are recorded as interest income.

Valuation of Investments

The Company measures the value of its investments at fair value in accordance with ASC *Topic 820, Fair Value Measurements and Disclosure* (“ASC Topic 820”), issued by the FASB. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The audit committee of the Company’s Board of Directors (the “Audit Committee”) is responsible for assisting the Board of Directors in valuing investments that are not publicly traded or for which current market values are not readily available. Investments for which market quotations are readily available are valued using market quotations, which are generally obtained from independent pricing services, broker-dealers or market makers. With respect to portfolio investments for which market quotations are not readily available, the Company’s Board of Directors, with the assistance of the Audit Committee, RGC and its senior investment team and independent valuation agents, is responsible for determining, in good faith, the fair value in accordance with the valuation policy approved by the Board of Directors. If more than one valuation method is used to measure fair value, the results are evaluated and weighted, as appropriate, considering the reasonableness of the range indicated by those results. The Company considers a range of fair values based upon the valuation techniques utilized and selects the value within that range that was most representative of fair value based on current market conditions as well as other factors RGC’s senior investment team considers relevant.

The Company’s Board of Directors makes this fair value determination on a quarterly basis and any other time when a decision regarding the fair value of the portfolio investments is required. A determination of fair value involves subjective judgments and estimates and depends on the facts and circumstances. Due to the inherent uncertainty of determining the fair value of portfolio investments that do not have a readily available market value, the fair value of the investments may differ significantly from the values that would have been used had a readily available market value existed for such investments, and the differences could be material.

RUNWAY GROWTH CREDIT FUND INC.

Notes to Financial Statements as of December 31, 2018

ASC Topic 820 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. ASC Topic 820 also provides guidance regarding a fair value hierarchy, which prioritizes information used to measure fair value and the effect of fair value measurements on earnings and provides for enhanced disclosures determined by the level within the hierarchy of information used in the valuation. In accordance with ASC Topic 820, these inputs are summarized in the three levels listed below:

- Level 1 — Valuations are based on quoted prices in active markets for identical assets or liabilities that are accessible at the measurement date.
- Level 2 — Valuations are based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly and model-based valuation techniques for which all significant inputs are observable.
- Level 3 — Valuations based on inputs that are unobservable and significant to the overall fair value measurement. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models incorporating significant unobservable inputs, such as discounted cash flow models and other similar valuations techniques. The valuation of Level 3 assets and liabilities generally requires significant management judgment due to the inability to observe inputs to valuation.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of observable input that is significant to the fair value measurement. The assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the investment.

Under ASC Topic 820, the fair value measurement also assumes that the transaction to sell an asset occurs in the principal market for the asset or, in the absence of a principal market, the most advantageous market for the asset, which may be a hypothetical market, and excludes transaction costs. The principal market for any asset is the market with the greatest volume and level of activity for such asset in which the reporting entity would or could sell or transfer the asset. In determining the principal market for an asset or liability under ASC Topic 820, it is assumed that the reporting entity has access to such market as of the measurement date. Market participants are defined as buyers and sellers in the principal or most advantageous market that are independent, knowledgeable and willing and able to transact.

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

- The quarterly valuation process begins with each portfolio company investment being initially valued by RGC's investment professionals that are responsible for the portfolio investment;
- Preliminary valuation conclusions are then documented and discussed with RGC's senior investment team;
- At least once annually, the valuation for each portfolio investment is reviewed by an independent valuation firm. Certain investments, however, may not be evaluated by an independent valuation firm unless the net asset value and other aspects of such investments in the aggregate exceed certain thresholds;
- The Audit Committee then reviews these preliminary valuations from RGC and the independent valuation firm, if any, and makes a recommendation to our Board of Directors regarding such valuations; and
- The Company's Board of Directors reviews the recommended preliminary valuations and determines the fair value of each investment in the Company's portfolio, in good faith, based on the input of RGC, the independent valuation firm and the Audit Committee.

RUNWAY GROWTH CREDIT FUND INC.

Notes to Financial Statements as of December 31, 2018

The Company's investments are primarily loans made to and equity and warrants of small, fast-growing companies focused in technology, life sciences, health care information and services, business services and other high-growth industries. These investments are considered Level 3 assets under ASC Topic 820 because there is no known or accessible market or market indices for these types of debt instruments and, thus, RGC's senior investment team must estimate the fair value of these investment securities based on models utilizing unobservable inputs.

Investment Valuation Techniques

Debt Investments: To determine the fair value of the Company's debt investments, the Company compares the cost basis of the debt investment, which includes original issue discount, to the resulting fair value determined using a discounted cash flow model, unless another model is more appropriate based on the circumstances at the measurement date. The discounted cash flow approach entails analyzing the interest rate spreads for recently completed financing transactions which are similar in nature to the Company's investments, in order to determine a comparable range of effective market interest rates for its investments. The range of interest rate spreads utilized is based on borrowers with similar credit profiles. All remaining expected cash flows of the investment are discounted using this range of interest rates to determine a range of fair values for the debt investment.

This valuation process includes, among other things, evaluating the underlying investment performance, the portfolio company's current financial condition and ability to raise additional capital, as well as macro-economic events that may impact valuations. These events include, but are not limited to, current market yields and interest rate spreads of similar securities as of the measurement date. Significant increases or decreases in these unobservable inputs could result in a significantly higher or lower fair value measurement.

Under certain circumstances, the Company may use an alternative technique to value the debt investments to be acquired by the Company that better reflects the fair value of the investment, such as the price paid or realized in a recently completed transaction or a binding offer received in an arms-length transaction, the use of multiple probability-weighted cash flow models when the expected future cash flows contain elements of variability or estimates of proceeds that would be received in a liquidation scenario.

Warrants: Fair value of warrants is primarily determined using a Black Scholes option-pricing model. Privately held warrants and equity-related securities are valued based on an analysis of various factors including, but not limited to, the following:

- Underlying enterprise value of the issuer is estimated based on information available, including any information regarding the most recent rounds of issuer funding. Valuation techniques to determine enterprise value include market multiple approaches, income approaches or approaches that utilize recent rounds of financing and the portfolio company's capital structure to determine enterprise value. Valuation techniques are also utilized to allocate the enterprise fair value of a portfolio company to the specific class of common or preferred stock exercisable in the warrant. Such techniques take into account the rights and preferences of the portfolio company's securities, expected exit scenarios, and volatility associated with such outcomes to allocate the fair value to the specific class of stock held in the portfolio. Such techniques include Option Pricing Models, or "OPM," including back-solve techniques, Probability Weighted Expected Return Models, or "PWERM," and other techniques as determined to be appropriate.

- Volatility, or the amount of uncertainty or risk about the size of the changes in the warrant price, is based on comparable publicly traded companies within indices similar in nature to the underlying company issuing the warrant. Significant increases (decreases) in this unobservable input could result in a significantly lower (higher) fair value.

- The risk-free interest rates are derived from the U.S. Treasury yield curve. The risk-free interest rates are calculated based on a weighted average of the risk-free interest rates that correspond closest to the expected remaining life of the warrant. Significant increases (decreases) in this unobservable input could result in a significantly higher (lower) fair value.

- Other adjustments, including a marketability discount on private company warrants, are estimated based on judgment about the general industry environment. Significant increases (decreases) in this unobservable input could result in a significantly lower (higher) fair value.

- Historical portfolio experience on cancellations and exercises of warrants are utilized as the basis for determining the estimated life of the warrants in each financial reporting period. Warrants may be exercised in the event of acquisitions, mergers or initial public offerings, and cancelled due to events such as bankruptcies, restructuring activities or additional financings. These events cause the expected remaining life assumption to be shorter than the contractual term of the warrants. Significant increases or decreases in this unobservable input could result in a significantly higher or lower fair value.

Under certain circumstances, the Company may use an alternative technique to value warrants that better reflects the warrants' fair values, such as an expected settlement of a warrant in the near term, a model that incorporates a put feature associated with the warrant, or the price paid or realized in a recently completed transaction or binding offer received in an arms-length transaction. The fair value may be determined based on the expected proceeds to be received from such settlement or based on the net present value of the expected proceeds from the put option.

These valuation methodologies involve a significant degree of judgment. There is no single standard for determining the fair value of investments that do not have an active public market. Valuations of privately held investments are inherently uncertain, as they are based on estimates, and their values may fluctuate over time. The determination of fair value may differ materially from the values that would have been used if an active market for these investments existed. In some cases, the fair value of such investments is best expressed as a range of values derived utilizing different methodologies from which a fair value may then be determined.

Equity Investments. The fair value of an equity investment in a privately held company is initially the face value of the amount invested. The Company adjusts the fair value of equity investments in private companies upon the completion of a new third-party round of equity financing subsequent to the Company's investment. The Company may make adjustments to fair value, absent a new equity financing event, based upon positive or negative changes in a portfolio company's financial or operational performance. The Company may also reference comparable transactions and/or secondary market transactions in connection with its determination of fair value. The fair value of an equity investment in a publicly traded company is based upon the closing public share price on the date of measurement. These assets are recorded at fair value on a recurring basis. These valuation methodologies involve a significant degree of judgment. There is no single standard for determining the fair value of investments that do not have an active public market. Valuations of privately held investments are inherently uncertain, as they are based on estimates, and their values may fluctuate over time. The determination of fair value may differ materially from the values that would have been used if an active market for these investments existed. In some cases, the fair value of such investments is best expressed as a range of values derived utilizing different methodologies from which a fair value may then be determined.

Fair Value of Financial Instruments

The carrying amounts of the Company's financial instruments, including cash and accrued liabilities, approximate fair value due to their short-term nature.

RUNWAY GROWTH CREDIT FUND INC.

Notes to Financial Statements as of December 31, 2018

Investment Classification

The Company is a non-diversified company within the meaning of the 1940 Act. The Company classifies its investments by level of control. As defined in the 1940 Act, control investments are those where there is the ability or power to exercise a controlling influence over the management or policies of a company. Control is generally deemed to exist when a company or individual possesses or has the right to acquire within 60 days or less, a beneficial ownership of more than 25.0% of the voting securities of an investee company. Affiliated investments and affiliated companies are defined by a lesser degree of influence and are deemed to exist through the possession outright, or via the right to acquire within 60 days or less, beneficial ownership of 5.0% or more of the outstanding voting securities of a company.

Investments are recognized when the Company assumes an obligation to acquire a financial instrument and assumes the risks for gains or losses related to that instrument. Investments are derecognized when the Company assumes an obligation to sell a financial instrument and foregoes the risks for gains or losses related to that instrument. Specifically, the Company records all security transactions on a trade date basis. Investments in other, non-security financial instruments, such as limited partnerships or private companies, are recorded on the basis of subscription date or redemption date, as applicable. Amounts for investments recognized or derecognized but not yet settled will be reported as receivables for investments sold and payables for investments acquired, respectively, in the Statements of Assets and Liabilities.

Income Taxes

The Company elected to be treated as a RIC under Subchapter M of the Code starting with its taxable year ended December 31, 2016 and intends to qualify annually for the tax treatment applicable to RICs. Generally, a RIC is not subject to federal income taxes on distributed income and gains so long as it meets certain source-of-income and asset diversification requirements and it distributes at least 90% of its net ordinary income and net short-term capital gains in excess of its net long-term capital losses, if any, to its stockholders. So long as the Company obtains and maintains its status as a RIC, it generally will not pay corporate-level U.S. federal income taxes on any ordinary income or capital gains that it distributes at least annually to its stockholders as dividends. Rather, any tax liability related to income earned by the Company represents obligations of the Company's investors and will not be reflected in the financial statements of the Company. The Company intends to make sufficient distributions to maintain its RIC status each year and it does not anticipate paying any material federal income taxes in the future.

Depending on the level of taxable income earned in a tax year, we may choose to carry forward such taxable income in excess of current year dividend distributions from such current year taxable income into the next tax year and pay a 4% excise tax on such income, as required. If we determine that our estimated current year taxable income will exceed our estimated dividend distributions for the current year from such income, we accrue excise tax on estimated excess taxable income as such taxable income is earned. For the years ended December 31, 2018, we recorded an expense of $183,510 for U.S. federal excise tax, which is included in tax expense in the statement of operations.

RUNWAY GROWTH CREDIT FUND INC.

Notes to Financial Statements as of December 31, 2018

Differences between taxable income and net increase in net assets resulting from operations either can be temporary, meaning they will reverse in the future, or permanent. In accordance with Section 946-205-45-3 of the ASC, permanent tax differences are reclassified from accumulated undistributed earnings to paid-in-capital at the end of each year. These permanent book-to-tax differences are reclassified on the statements of changes in net assets to reflect their tax character but have no impact on total net assets. For the years ended December 31, 2018 and 2017, the Company reclassified for book purposes amounts arising from permanent book/tax differences related as follows:

	Year Ended December 31, 2018	Year Ended December 31, 2017
Additional paid-in capital	$ (183,510)	$(1,800,846)
Accumulated undistributed earnings	183,510	1,800,846

For the year ended 2017 accumulated undistributed earnings consisted of $1,865,194 of accumulated undistributed net investment loss and $(64,348) of accumulated undistributed net realized loss.

For federal income tax purposes, distributions paid to stockholders are reported as ordinary income, return of capital, long term capital gains or a combination thereof. The tax character of distributions paid for the years ended December 31, 2018 and 2017 was as follows:

	Year Ended December 31, 2018	Year Ended December 31, 2017
Ordinary income	$7,283,810	$ —
Long-term capital gain	—	—
Return of capital	—	—

Certain shareholders who are deemed "Affected Investors" as a result of the Company not being a publicly traded Regulated Investment Company may have additional taxable income.

For federal income tax purposes, the tax cost of investments owned at December 31, 2018 and December 31, 2017 was $304,063,822 and $140,380,666, respectively. The net unrealized appreciation (depreciation) on investments owned at December 31, 2018 and December 31, 2017 was $277,495 and $340,842, respectively.

At December 31, 2018 and 2017, the components of distributable earnings on a tax basis detailed below differ from the amounts reflected in the Company's Statements of Assets and Liabilities by temporary and other book/tax differences, primarily relating to the tax treatment of organizational expenses and OID, as follows:

	December 31, 2018	December 31, 2017
Net increase in net assets resulting from operations	$11,757,516	$(1,436,295)
Net change in unrealized appreciation (depreciation) on investments	8,693	(405,251)
Other book to tax differences	347,516	40,700
Taxable income	12,113,725	(1,800,846)
Distributed during the year	7,283,810	—
Accumulated undistributed earnings on a tax basis	$ 4,829,915	$(1,800,846)

For the years ended December 31, 2018 and 2017, the Company had no net capital loss carryforwards.

The Company accounts for income taxes in conformity with ASC Topic 740 — Income Taxes ("ASC 740"). ASC 740 provides guidelines for how uncertain tax positions should be recognized, measured, presented and disclosed in Consolidated Financial Statements. ASC 740 requires the evaluation of tax

RUNWAY GROWTH CREDIT FUND INC.

Notes to Financial Statements as of December 31, 2018

positions taken or expected to be taken in the course of preparing the Company's tax returns to determine whether the tax positions are "more-likely-than-not" of being sustained by the applicable tax authority. Tax positions deemed to meet a "more-likely-than-not" threshold would be recorded as a tax benefit or expense in the current period. The Company recognizes interest and penalties, if any, related to unrecognized tax benefits as income tax expense in the Statements of Operations. There were no material uncertain income tax positions at December 31, 2018. Although we file federal and state tax returns, our major tax jurisdiction is federal. The Company remains subject to examination by the Internal Revenue Service for the first full tax year ending December 31, 2015 and all future years.

If the Company does not distribute (or is not deemed to have distributed) each calendar year the sum of (1) 98% of its net ordinary income for each calendar year, (2) 98.2% of its capital gain net income for the one-year period ending October 31 in that calendar year and (3) any income recognized, but not distributed, in preceding years (the "Minimum Distribution Amount"), the Company will generally be required to pay a U.S. federal excise tax equal to 4% of the amount by which the Minimum Distribution Amount exceeds the distributions for the year. To the extent that the Company determines that its estimated current year annual taxable income will be in excess of estimated current year dividend distributions from such taxable income, the Company accrues excise taxes, if any, on estimated excess taxable income as taxable income is earned using an annual effective excise tax rate. The annual effective U.S. federal excise tax rate is determined by dividing the estimated annual excise tax by the estimated annual taxable income.

If the Company does not qualify to be treated as a RIC for any taxable year, the Company will be taxed as a regular corporation (a "C corporation") under subchapter C of the Code for such taxable year. If the Company has previously qualified as a RIC but is subsequently unable to qualify for treatment as a RIC, and certain amelioration provisions are not applicable, the Company would be subject to U.S. federal income tax on all of its taxable income (including its net capital gains) at regular corporate rates. The Company would not be able to deduct distributions to stockholders, nor would it be required to make distributions. In order to requalify as a RIC, in addition to the other requirements discussed above, the Company would be required to distribute all of its previously undistributed earnings attributable to the period it failed to qualify as a RIC by the end of the first year that it intends to requalify as a RIC. If the Company fails to requalify as a RIC for a period greater than two taxable years, it may be subject to regular corporate-level U.S. federal income tax on any net built-in gains with respect to certain of its 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 the Company had been liquidated) that it elects to recognize on requalification or when recognized over the next five years.

Per Share Information

Basic and diluted earnings/(loss) per common share is calculated using the weighted-average number of common shares outstanding for the period presented. For the years ended December 31, 2018, 2017 and 2016, basic and diluted earnings/(loss) per share were the same because there were no potentially dilutive securities outstanding. Per share data is based on the weighted-average shares outstanding.

Distributions

The Company generally intends to distribute, out of assets legally available for distribution, substantially all of its available earnings, on a quarterly basis, subject to the discretion of the Board of Directors. For the year ended December 31, 2018, the Company declared and paid dividends in the amount of $7,283,810 of which $1,428,498 was distributed in cash and the remainder distributed in shares to stockholders pursuant to the Company's dividend reinvestment program. For the years ended December 31, 2017 and 2016, the Company did not declare or pay any dividends or distributions.

Organization and Offering Costs

Organization costs include, among other things, the cost of organizing as a Maryland corporation, including the cost of legal services and other fees pertaining to our organization, all of which are expensed

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as incurred. Offering costs include, among other things, legal fees and other costs pertaining to the preparation of the Company's private placement memorandum and other offering documents, including travel-related expenses related to the Initial Private Offering. Pursuant to the investment advisory agreement between the Company and RGC, as subsequently amended and restated (the "Amended Advisory Agreement"), the Company and RGC agreed that organization and offering costs incurred in connection with the Initial Private Offering would be borne by the Company up to a maximum amount of $1,000,000, provided that the amount of such costs in excess of $1,000,000 would be paid by RGC. As of December 31, 2016, the Company had already incurred the maximum amount of $1,000,000 in organization and offering costs incurred in connection with the Initial Private Offering. As a result, for year ended December 31, 2017, the Company did not incur any organization or offering expenses.

Offering costs related to new or follow on offerings will be accumulated and charged to additional paid in capital at the time of closing. As of December 31, 2018, we had accumulated and recorded $102,865 of deferred offering costs.

Recent Accounting Pronouncements

In August 2018, the FASB issued ASU 2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework — Changes to the Disclosure Requirements for Fair Value Measurement*, which changes the fair value measurement disclosure requirements of ASC 820. The key provisions include new, eliminated and modified disclosure requirements. The new guidance is effective for fiscal years beginning after December 15, 2019, including interim periods therein. Early application is permitted. The Company is currently evaluating the impact the adoption of this new accounting standard will have on its financial statements, however the impact of the adoption is not expected to be material.

In August 2018, the SEC issued the Final Rule Release No. 33-10532, *Disclosure Update and Simplification*, amending certain disclosure requirements that were redundant, duplicative, overlapping, outdated or superseded. The amendments are intended to facilitate the disclosure of information to investors and simplify compliance. The final rule was effective on November 5, 2018. The Company adopted this rule, which did not have a material impact on its financial statements and to related disclosures, for the periods presented.

In January 2016, the FASB issued Accounting Standards Update ("ASU") 2016-01, Financial Instruments — Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities ("ASU 2016-01"). ASU 2016-01 affects accounting for equity investments and financial liabilities where the fair value option has been elected. ASU 2016-01 requires an entity to measure equity investments at fair value through net income. ASU 2016-01 is effective for fiscal years beginning after December 15, 2017. The Company has adopted this standard, which did not have a material impact on its financial statements and to related disclosures, for the periods presented.

In May 2014, the FASB issued a converged standard to provide a single, comprehensive revenue recognition model for all contracts with customers to improve comparability within industries, across industries, and across capital markets. The core principle of the new guidance is that an entity will recognize revenue to depict the transfer of goods or services to customers in an amount that the entity expects to be entitled to in exchange for those goods or services. In August 2015, the FASB issued ASU 2015-14, Revenue from Contracts with Customers (Topic 606) — Deferral of the Effective Date, formally amending the effective date of the new revenue recognition guidance. The amended guidance defers the effective date of the new guidance to interim reporting periods within annual reporting periods beginning after December 15, 2017. Public business entities are permitted to apply the new guidance early, but not before the original effective date (*i.e*., interim periods within annual periods beginning after December 15, 2016). The Company has adopted this standard, which did not have a material impact on its financial statements and to related disclosures, for the periods presented.

In March 2016, the FASB issued ASU 2016-08, Revenue from Contracts with Customers (Topic 606) — Principal versus Agent Considerations (Reporting Revenue Gross Versus Net)

("ASU 2016-08"). The amended guidance affects entities that enter into contracts with customers to transfer goods or services in exchange for consideration. Under ASU 2016-08, when another party is involved in providing goods or services to a customer, an entity must determine whether the nature of its promise is to provide the specified good or service itself (that is, the entity is a principal) or to arrange for the good or service to be provided by the other party (that is, the entity is an agent). An entity is a principal if it controls the specified good or service before that good or service is transferred to a customer. The amended guidance includes indicators to assist an entity in determining whether it controls a specified good or service before it is transferred to the customer. ASU 2016-08 affects the guidance in the new revenue standard issued in May 2014 and has the same effective date which is described above. The Company has adopted this standard, which did not have a material impact on its financial statements and to related disclosures, for the periods presented.

In August 2016, the FASB issued 2016-15, Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments, which addresses eight specific cash flow issues including, among other things, the classification of debt prepayment or debt extinguishment costs. ASU 2016-15 is effective for annual periods, and the interim periods within those periods, beginning after December 15, 2017. The Company adopted this standard, which did not have a material impact on its financial statements and to related disclosures, for the periods presented.

In November 2016, the FASB issued ASU 2016-18, Statement of Cash Flows (Topic 230): Restricted Cash ("ASU 2016-18"). ASU 2016-18 requires that a statement of cash flows explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. Therefore, amounts generally described as restricted cash and restricted cash equivalents should be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. ASU 2016-18 is effective for public business entities in fiscal years beginning after December 15, 2017, including interim periods within those years. The Company has adopted ASU 2016-18, which did not have a material impact on its financial statements and to related disclosures, for the periods presented.

Note 3 — Commitments and Contingencies

In the normal course of business, the Company may enter into investment agreements under which it commits to make an investment in a portfolio company at some future date or over a specified period of time.

At December 31, 2018, the Company had $41,250,000 in unfunded loan commitments to provide debt financing to its portfolio companies. The balance of unfunded commitments to extend financing as of December 31, 2018 was as follows:

Portfolio Company	Investment Type	December 31, 2018
Aginity, Inc.	Senior Secured Term Loan	$ 7,000,000
Aria Systems, Inc.	Senior Secured Term Loan	5,000,000
Drawbridge, Inc.	Senior Secured Term Loan	3,000,000
Dtex Systems, Inc.	Senior Secured Term Loan	7,000,000
Mobius Imaging, LLC	Senior Secured Term Loan	4,500,000
Mojix, Inc.	Senior Secured Term Loan	1,000,000
3DNA Corp.(dba NationBuilder, Inc.)	Senior Secured Term Loan	3,000,000
Ouster, Inc.	Senior Secured Term Loan	10,000,000
ShareThis, Inc.	Senior Secured Term Loan	750,000
Total unused commitments to extend financing		$41,250,000

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At December 31, 2017, the Company had $11,500,000 in unfunded loan commitments to provide debt financing to its portfolio companies. The balances of unfunded commitments to extend financing as of December 31, 2017 were as follows:

Portfolio Company	Investment Type	December 31, 2017
AllClear ID, Inc.	Senior Secured Term Loan	$ 2,000,000
Aspen Group Inc.	Senior Secured Term Loan-Tranche I & Tranche II	2,500,000
eSilicon Corporation	Senior Secured Term Loan	5,000,000
Mojix, Inc.	Senior Secured Term Loan-Tranche I & Tranche II	2,000,000
Total unused commitments to extend financing		$11,500,000

The Company's management believes that its available cash balances and/or ability to drawdown capital from investors provides sufficient funds to cover its unfunded commitments as of December 31, 2018. The Company has evaluated the expected net future cash flows related to unfunded commitments and determined the fair value to be zero at December 31, 2018 and December 31, 2017.

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

Note 4 — Concentration of Credit Risk

In the normal course of business, the Company maintains its cash balances in financial institutions, which at times may exceed federally insured limits. The Company is subject to credit risk to the extent that any financial institution with which it conducts business is unable to fulfill contractual obligations on its behalf. Management monitors the financial condition of those financial institutions and does not currently anticipate any losses from these counterparties.

Note 5 — Net Increase/(Decrease) in Net Assets Resulting from Operations per Common Share

The following information sets forth the computation of basic losses per common share for the years ended December 31, 2018, 2017 and 2016:

	Year Ended December 31, 2018	Year Ended December 31, 2017	Year Ended December 31, 2016
Net increase (decrease) in net assets resulting from operations	$11,757,516	$(1,436,295)	$(903,041)
Per Share Data[1]:			
Weighted-average shares outstanding for period			
Basic	9,300,960	2,795,274	10,774
Diluted	9,300,960	2,795,274	10,774
Basic and diluted income (loss) per common share			
Basic	$ 1.26	$ (0.51)	$ (83.82)
Diluted	$ 1.26	$ (0.51)	$ (83.82)

(1) Per share data is based on average weighted shares outstanding.

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Note 6 — Net Assets

The Company has the authority to issue 100,000,000 shares of common stock, $0.01 par value per share. The common shares issued, the price per share and the proceeds raised, since inception, are detailed in the following table:

Issuance Date	Shares Issued	Price Per Share	Gross Proceeds
October 8, 2015	1,667	$15.00	$ 25,000
December 22, 2016	333,333	15.00	5,000,000
April 19, 2017	1,000,000	15.00	15,000,000
June 26, 2017	1,666,667	15.00	25,000,000
September 12, 2017	2,666,667	15.00	40,000,000
December 22, 2017	3,000,000	15.00	45,000,000
May 31, 2018[1]	70,563	14.82	1,045,570
August 31, 2018[1]	117,582	14.92	1,754,244
September 27, 2018	1,997,337	15.02	30,000,000
November 15, 2018[1]	202,779	15.07	3,055,498
Total	**11,056,595**		**$165,880,312**

(1) Shares were issued as part of the dividend reinvestment program.

At December 31, 2018, the Company had total commitments of $275,000,000, of which $115,000,000 remains undrawn.

Capital commitments may be drawn down by the Company on a pro rata basis, as needed, upon not less than ten (10) days' prior written notice for the purposes of funding the Company's investments (including follow-on investments), paying the Company's expenses, including fees under the investment advisory agreement, as amended and restated (the "Amended Advisory Agreement"), by and between the Company and RGC, and/or maintaining a reserve account for the payment of future expenses or liabilities.

Note 7 — Related Party Agreements and Transactions

Amended and Restated Advisory Agreement

On November 29, 2016, the Company's Board of Directors approved an investment advisory agreement between RGC and the Company, under which RGC, subject to the overall supervision of the Board of Directors, manages the day-to-day operations of and provides investment advisory services to the Company. On August 3, 2017, the Board of Directors approved the Amended Advisory Agreement and recommended that the Company's stockholders approve the Amended Advisory Agreement. The Amended Advisory Agreement became effective on September 12, 2017 after approval by the stockholders at a special meeting of stockholders of the Company. Under the terms of the Amended Advisory Agreement, RGC:

- determines the composition of the Company's portfolio, the nature and timing of the changes to the portfolio and the manner of implementing such changes;
- identifies, evaluates and negotiates the structure of the investments the Company makes;
- executes, closes and monitors the investments the Company makes;
- determines the securities and other assets that the Company will purchase, retain or sell;
- performs due diligence on prospective investments; and

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- provides the Company with other such investment advisory, research and related services as the Company may, from time to time, reasonably require for the investment of its funds.

Pursuant to the Amended Advisory Agreement, the Company pays RGC a fee for its investment advisory and management services consisting of two components — a base management fee and an incentive fee. The cost of both the base management fee and incentive fee are ultimately borne by the Company's stockholders.

Base Management Fee

The base management fee is payable on the first day of each calendar quarter, is subject to an annual cap based on RGC's actual operating expenses and is calculated based on the Capital Commitments (as defined below) and assets purchased with borrowed funds or other forms of leverage (collectively, the "Pre-Spin-Off Gross Assets") during the preceding calendar quarter. For purposes of the Amended Advisory Agreement, "Capital Commitments" is defined as the aggregate amount of capital committed to the Company by investors as of the end of the most recently completed calendar quarter. On September 12, 2017, without changing the base management fee percentage, the Advisory Agreement was amended to provide clarification as to the calculation of the base management fee. Prior to amendment, the base management fee was collected on the first day of each quarter based on an estimate of actual operating expenses, not to exceed 1.75% per annum, for the following quarter with an implied, though not defined "true-up" mechanism effected once all actual costs were known. The Amended Advisory Agreement defines the process and timing of the true-up and base management fee. The base management fee is now collected at the maximum annualized rate of 1.75% per annum with a comparison of actual expenses for the immediately preceding calendar year to occur on or before March 31 of the subsequent calendar year, with any excess management fee collected when compared to actual operating expenses credited against the base management fee payable for subsequent quarters.

Until the earlier of (1) the consummation of an initial public offering ("IPO") of the Public Fund (defined below) in connection with a Spin-Off transaction (defined below) and (2) the earliest date at which (a) all Capital Commitments have been called for investments and/or expenses and (b) the Company holds no more than 10.0% of its total assets in cash, the base management fee will be an amount equal to 0.4375% (1.75% annualized) of the Pre-Spin-Off Gross Assets at the end of the most recently completed calendar quarter, provided, however, that the base management fee payable in a calendar year will not exceed the actual operating expenses incurred by RGC during such calendar year (the "Management Fee Cap"). No later than March 31 of each calendar year, RGC will provide the Company a reconciliation of the actual operating expenses incurred by RGC for the prior calendar year and the base management fee paid to RGC for such prior calendar year. To the extent the base management fee paid to RGC for such prior calendar year exceeds the Management Fee Cap (the "Excess Fee") for such prior calendar year, the base management fee payable to RGC for the second calendar quarter and each subsequent quarter immediately following such calendar year will be reduced by the Excess Fee until such time as the Excess Fee for the prior calendar year has been reduced to zero. For the avoidance of doubt, actual operating expenses of RGC for a particular year will not include any reduction in base management fees as a result of Excess Fees paid by the Company.

For purposes of the Amended Advisory Agreement, a "Spin-Off transaction" includes a transaction whereby the Company offers its stockholders the option to elect to either (i) retain their ownership of shares of the Company's common stock; (ii) exchange their shares of the Company's common stock for shares of common stock in a newly formed entity (the "Public Fund") that will elect to be regulated as a BDC under the 1940 Act and treated as a RIC under Subchapter M of the Code, and will use its commercially reasonable best efforts to complete an IPO of shares of its common stock not later than three years after the Company's final closing of the Initial Private Offering, which occurred on December 1, 2017; or (iii) exchange their shares of the Company's common stock for interests of one or more newly formed entities (each, a "Liquidating Fund") that will each be organized as a limited liability company, and which will, among other things, seek to complete an orderly wind down and/or liquidation of any such Liquidating Fund.

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Following the earlier of (1) the consummation of an IPO of the Public Fund in connection with a Spin-Off transaction and (2) the earliest date at which (a) all Capital Commitments have been called for investments and/or expenses and (b) the Company holds no more than 10.0% of its total assets in cash, the base management fee will be an amount equal to 0.4375% (1.75% annualized) of the Company's average daily Gross Assets (defined below) during the most recently completed calendar quarter for so long as the aggregate amount of Gross Assets of the Company as of the end of the most recently completed calendar quarter is less than $500,000,000. For purposes of the Amended Advisory Agreement, "Gross Assets" is defined as the Company's gross assets, including assets purchased with borrowed funds or other forms of leverage, as well as any paid-in-kind interest, as of the end of the most recently completed fiscal quarter. If the aggregate amount of the Company's Gross Assets as of the end of the most recently completed calendar quarter is equal to or greater than $500,000,000, but less than $1,000,000,000, the base management fee will be an amount equal to 0.40% (1.60% annualized) of the Company's average daily Gross Assets during the most recently completed calendar quarter. If the aggregate amount of the Company's Gross Assets as of the end of the most recently completed calendar quarter is equal to or greater than $1,000,000,000, the base management fee will be an amount equal to 0.375% (1.50% annualized) of the Company's average daily Gross Assets during the most recently completed calendar quarter.

RGC earned base management fees of $4,812,500, $3,587,314 and $169,684 for the years ended December 31, 2018, 2017 and 2016, respectively. There were no excess fees paid during any of these years.

Incentive Fee

The incentive fee, which provides RGC with a share of the income that RGC generates for the Company, consists of an investment-income component and a capital-gains component, which are largely independent of each other, with the result that one component may be payable even if the other is not.

Under the investment-income component (the "Income Incentive Fee"), the Company will pay RGC each quarter an incentive fee with respect to the Company's Pre-Incentive Fee net investment income. The Income Incentive Fee is calculated and payable quarterly in arrears based on the Pre-Incentive Fee net investment income for the immediately preceding fiscal quarter. Payments based on Pre-Incentive Fee net investment income will be based on the Pre-Incentive Fee net investment income earned for the quarter. For this purpose, "Pre-Incentive Fee net investment income" means interest income, dividend income and any other income (including any other fees, such as commitment, origination, structuring, diligence, managerial and consulting fees or other fees that the Company receives from portfolio companies) that the Company accrues during the fiscal quarter, minus the Company's operating expenses for the quarter (including the base management fee, expenses payable under the administration agreement with the Administrator (the "Administration Agreement"), and any dividends paid on any issued and outstanding preferred stock, but excluding the incentive fee); provided however, that Pre-Incentive Fee net investment income will be reduced by multiplying the Pre-Incentive Fee net investment income earned for the quarter by a fraction, the numerator of which is the Company's average daily Gross Assets during the immediately preceding fiscal quarter minus average daily borrowings during the immediately preceding fiscal quarter, and the denominator of which is the Company's average daily Gross Assets during the immediately preceding fiscal quarter. Pre-Incentive Fee net investment income includes, in the case of investments with a deferred interest feature (such as original issue discount, debt instruments with pay in kind interest and zero coupon securities), accrued income the Company has not yet received in cash; provided, however, that the portion of the Income Incentive Fee attributable to deferred interest features will be paid, only if and to the extent received in cash, and any accrual thereof will be reversed if and to the extent such interest is reversed in connection with any write off or similar treatment of the investment giving rise to any deferred interest accrual, applied in each case in the order such interest was accrued. Such subsequent payments in respect of previously accrued income will not reduce the amounts payable for any quarter pursuant to the calculation of the Income Incentive Fee described above. Pre-Incentive Fee net investment income does not include any realized capital gains, realized capital losses or unrealized capital appreciation or depreciation.

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Pre-Incentive Fee net investment income, expressed as a rate of return on the value of the Company's net assets (defined as total assets less liabilities) at the end of the immediately preceding fiscal quarter, will be compared to a "hurdle rate" of 2.0% per quarter (8.0% annualized). The Company will pay RGC an Income Incentive Fee with respect to the Company's Pre-Incentive Fee net investment income in each calendar quarter as follows: (1) no Income Incentive Fee in any calendar quarter in which the Company's Pre-Incentive Fee net investment income does not exceed the hurdle rate of 2.0%; (2) 80% of the Company's Pre-Incentive Fee net investment income with respect to that portion of such Pre-Incentive Fee net investment income, if any, that exceeds the hurdle rate but is less than 2.667% in any calendar quarter (10.668% annualized) (the portion of the Company's Pre-Incentive Fee net investment income that exceeds the hurdle but is less than 2.667% is referred to as the "catch-up"; the "catch-up" is meant to provide RGC with 20.0% of the Company's Pre-Incentive Fee net investment income as if a hurdle did not apply if the Company's Pre-Incentive Fee net investment income exceeds 2.667% in any calendar quarter (10.668% annualized)); and (3) 20.0% of the amount of the Company's Pre-Incentive Fee net investment income, if any, that exceeds 2.667% in any calendar quarter (10.668% annualized) payable to RGC (once the hurdle is reached and the catch-up is achieved, 20.0% of all Pre-Incentive Fee net investment income thereafter is allocated to RGC).

Until the consummation of an IPO of the Public Fund in connection with a Spin-Off transaction, in the event that (a) the sum of the Company's cumulative net realized losses since the date of the Company's election to be regulated as a BDC exceeds 2.0% of the total non-control/non-affiliate investments made by the Company since the date of the Company's election to be regulated as a BDC through the end of the quarter and (b) the Pre-Incentive Fee net investment income adjusted to include any realized capital gains and losses ("Adjusted Pre-Incentive Fee net investment income"), expressed as an annualized rate of return on the value of the Company's average daily net assets (defined as total assets less liabilities), since the Company's election to be regulated as a BDC through the end of the quarter is less than 10.0%, no Income Incentive Fee will be payable for such quarter until the first subsequent quarter in which either (x) the sum of the Company's cumulative net realized losses since the date of the Company's election to be regulated as a BDC is equal to or less than 2.0% of the total non-control/non-affiliate investments made by the Company since the date of the Company's election to be regulated as a BDC through the end of such subsequent quarter or (y) the Adjusted Pre-Incentive Fee net investment income, expressed as an annualized rate of return on the value of the Company's average daily net assets (defined as total assets less liabilities), since the Company's election to be regulated as a BDC through the of the end of the quarter equals or exceeds 10.0%; provided, however, that in no event will any Income Incentive Fee be payable for any prior quarter after the three-year anniversary of the end of such quarter.

After the consummation of an IPO of the Public Fund in connection with a Spin-Off transaction, in the event that (a) the sum of the Company's cumulative net realized losses for the previous four fiscal quarters or, if fewer than four fiscal quarters have passed since such IPO, that number of fiscal quarters since such IPO (the "Look-Back Period"), exceeds 2.0% of the total non-control/non-affiliate investments (i) made by the Company during the Look-Back Period or (ii) transferred to the Public Fund in connection with a Spin-Off transaction during the Look-Back Period and (b) the Adjusted Pre-Incentive Fee net investment income, expressed as an annualized rate of return on the value of the Company's average daily net assets (defined as total assets less liabilities), during the Look-Back Period is less than 10.0% no Income Incentive Fee will be payable for such quarter until the first subsequent quarter in which (x) the sum of the Company's cumulative net realized losses for the Look-Back Period is equal to or less than 2.0% of the total non-control/non-affiliate investments (i) made by the Company during the Look-Back Period or (ii) transferred to the Public Fund in connection with a Spin-Off transaction during the Look-Back Period or (y) the Adjusted Pre-Incentive Fee net investment income, expressed as an annualized rate of return on the value of the Company's average daily net assets (defined as total assets less liabilities), during the Look-Back Period equals or exceeds 10.0%; provided, however, that in no event will any Income Incentive Fee be paid for any prior quarter after the three-year anniversary of the end of such quarter.

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Under the capital-gains component of the incentive fee (the “Capital Gains Fee”), the Company will pay RGC, as of the end of each calendar year, 20.0% of the Company’s aggregate cumulative realized capital gains, if any, from the date of the Company’s election to be regulated as a BDC through the end of that calendar year, computed net of the Company’s aggregate cumulative realized capital losses and aggregate cumulative unrealized capital depreciation through the end of such year, less the aggregate amount of any previously paid Capital Gains Fee; provided, however, that the Company will not pay the Capital Gains Fee to RGC for any calendar year in which the sum of the Company’s (1) Pre-Incentive Fee net investment income and (2) realized gains less realized losses and unrealized capital depreciation from the date of the Company’s election to be regulated as a BDC through the end of such calendar year, expressed as a rate of return on the value of the Company’s net assets (defined as total assets less liabilities) at the end of such calendar year is less than 8.0% until the first subsequent calendar quarter in which the sum of the Company’s (1) Pre-Incentive Fee net investment income and (2) realized gains less realized losses and unrealized capital depreciation from the date of the Company’s election to be regulated as a BDC through, and including, the end of such subsequent calendar quarter, expressed as a rate of return on the value of the Company’s net assets (defined as total assets less liabilities) at the end of such calendar quarter is equal to or exceeds 8.0%; provided, further, that in no event will any Capital Gains Fee be paid for any prior year after the three-year anniversary of the end of such year. For the foregoing purpose, the Company’s “aggregate cumulative realized capital gains” will not include any unrealized appreciation. If such amount is negative, then no Capital Gains Fee will be payable for such year.

RGC earned incentive fees for the year ended December 31, 2018 of $1,411,324, which was due to net investment income. $711,868 of the incentive fees for the year ended December 31, 2018 were earned, payable in cash, and included in accrued incentive fees in the statement of assets and liabilities as of December 31, 2018. $359,698 of the incentive fees for the year ended December 31, 2018 were accrued and deferred, and included in accrued incentive fees in the statement of assets and liabilities as of December 31, 2018. RGC earned no incentive fees for the years ended December 31, 2017 and 2016.

Spin-Off Incentive Fee

The Income Incentive Fee will be payable in connection with a Spin-Off transaction. The Income Incentive Fee will be calculated as of the date of the completion of each Spin-Off transaction and will equal the amount of Income Incentive Fee that would be payable to RGC if (1) all of the Company’s investments were liquidated for their current value and any unamortized deferred portfolio investment-related fees would be deemed accelerated, (2) the proceeds from such liquidation were used to pay all of the Company’s outstanding liabilities, and (3) the remainder were distributed to the Company’s stockholders and paid as incentive fee in accordance with the Income Incentive Fee described in clauses (1) and (2) above for determining the amount of the Income Incentive Fee; provided, however, that in no event will the Income Incentive Fee paid in connection with the completion of a Spin-Off transaction (x) include the portion of the Income Incentive Fee attributable to deferred interest features of a particular investment that is not transferred pursuant to a Spin-Off transaction until such time as the deferred interest is received in cash, or (y) exceed 20.0% of the Company’s Pre-Incentive Fee net investment income accrued by the Company for the fiscal quarter as of the date of the completion of the Spin-Off transaction. The Company will make the payment of the Income Incentive Fee paid in connection with the completion of a Spin-Off transaction in cash on or immediately following the date of the completion of a Spin-Off transaction. After a Spin-Off transaction, all calculations relating to the incentive fee payable will be made beginning on the day immediately following the completion of the Spin-Off transaction without taking into account the exchanged shares of the Company’s common stock (or contributions, distributions or proceeds relating thereto).

The Capital Gains Fee will be payable in respect of the exchanged shares of the Company’s common stock in connection with a Spin-Off transaction and will be calculated as of the date of the completion of a Spin-Off transaction as if such date were a calendar year-end for purposes of calculating and paying the Capital Gains Fee.

RUNWAY GROWTH CREDIT FUND INC.

Notes to Financial Statements as of December 31, 2018

No Income Incentive Fee or Capital Gains Fee will be payable in connection with a Spin-Off transaction unless, on the date of the completion of a Spin-Off transaction, the sum of the Company's (i) Pre-Incentive Fee net investment income and (ii) realized capital gains less realized capital losses and unrealized capital depreciation from the date of the Company's election to be regulated as a BDC through, and including, the date of the completion of such Spin-Off transaction, is greater than 8.0% of the cumulative net investments made by the Company since the Company's election to be regulated as a BDC.

Administration Agreement

The Company reimburses the Administrator for the allocable portion of overhead and other expenses incurred by the Administrator in performing its obligations under the Administration Agreement, including furnishing the Company with office facilities, equipment and clerical, bookkeeping and recordkeeping services at such facilities, as well as providing other administrative services. In addition, the Company reimburses the Administrator for the fees and expenses associated with performing compliance functions, and the Company's allocable portion of the compensation of certain of its officers, including the Company's Chief Financial Officer, Chief Compliance Officer and any administrative support staff. Pursuant to the terms of the Administration Agreement, the amounts payable to the Administrator by the Company in any fiscal year will not exceed the greater of (i) 0.75% of the aggregate capital commitments as of the end of the most recently completed fiscal year and (ii) $1.0 million.

The Company reimbursed the Administrator $614,405 during the year ended December 31, 2018. As of December 31, 2018, the Company had accrued a net payable to the Administrator of $116,697. Of the total amount reimbursed to the Administrator, $380,064 was related to overhead allocation expense for the year ended December 31, 2018. The Company reimbursed the Administrator $1,009,680 during the year ended December 31, 2017. As of December 31, 2017, the Company had accrued a payable to the Administrator of $11,954. Of the total amount reimbursed to the Administrator, $305,650 was related to overhead allocation expense for the year ended December 31, 2017. The Company reimbursed the Administrator $527,843 and accrued a payable of $648,805 due to the Administrator for the year ended December 31, 2016, which includes amounts reimbursable to the Administrator for organizational and offering costs, professional fees and other expenses. Administration fees were $209,761, $125,000 and $5,774 for the years ended December 31, 2018, 2017 and 2016, respectively.

License Agreement

The Company has entered into a license agreement with RGC (the "License Agreement") pursuant to which RGC has granted the Company a personal, non-exclusive, royalty-free right and license to use the name "Runway Growth Credit Fund". Under the License Agreement, the Company has the right to use the "Runway Growth Credit Fund" name for so long as RGC or one of its affiliates remains the Company's investment adviser. Other than with respect to this limited license, the Company has no legal right to the "Runway Growth Credit Fund" name.

Oaktree Strategic Relationship

In December 2016, RGC entered into a strategic relationship with Oaktree Capital Management, L.P. ("Oaktree"). In connection with the strategic relationship, OCM Growth Holdings, LLC, a Delaware limited liability company ("OCM") managed by Oaktree, made an initial $125.0 million capital commitment to the Company, which was subsequently increased to $139.0 million (the "OCM Commitment"). OCM has granted a proxy to the Company pursuant to which the shares held by OCM will be voted in the same proportion as the Company's other stockholders vote their shares.

In connection with the OCM Commitment, the Company entered into a stockholder agreement, dated December 15, 2016, with OCM, pursuant to which OCM has a right to nominate a member of the Company's Board of Directors for election. Brian Laibow was appointed to the Company's Board of

RUNWAY GROWTH CREDIT FUND INC.

Notes to Financial Statements as of December 31, 2018

Directors as OCM's representative. OCM also holds an interest in RGC and has the right to appoint a member of RGC's board of managers and a member of RGC's investment committee. Brian Laibow is OCM's initial appointee to RGC's board of managers and investment committee.

Note 8 — Fair Value Measurements

The Company's assets recorded at fair value have been categorized based upon a fair value hierarchy in accordance with ASC Topic 820. See Note 2 for discussion of the Company's policies.

The following tables present information about the Company's assets measured at fair value as of December 31, 2018 and 2017, respectively:

	As of December 31, 2018			
	Level 1	Level 2	Level 3	Total
Portfolio Investments				
Senior Secured Term Loans	$ —	$—	$208,539,353	$208,539,353
Preferred Stock	—	—	461,826	461,826
Warrants	—	—	15,247,210	15,247,210
Total Portfolio Investments	—	—	224,248,389	224,248,389
U.S. Treasury Bill	79,959,928	—	—	79,959,928
Total Investments	$79,959,928	$—	$224,248,389	$304,208,317

	As of December 31, 2017			
	Level 1	Level 2	Level 3	Total
Portfolio Investments				
Senior Secured Term Loans	$ —	$—	$63,977,756	$ 63,977,756
Warrants	—	—	4,239,103	4,239,103
Total Portfolio Investments	—	—	68,216,859	68,216,859
U.S. Treasury Bill	72,504,649	—	—	72,504,649
Total Investments	$72,504,649	$—	$68,216,859	$140,721,508

The Company recognizes transfers into and out of the levels indicated above at the end of the reporting period. There were no transfers into or out of the levels during the years ended December 31, 2018 and 2017.

RUNWAY GROWTH CREDIT FUND INC.

Notes to Financial Statements as of December 31, 2018

The following table presents a rollforward of Level 3 assets measured at fair value as of December 31, 2018:

	Preferred Stock	Senior Secured Term Loans	Warrants	Total
Fair value at December 31, 2017	$ —	$ 63,977,756	$ 4,239,103	$ 68,216,859
Amortization of fixed income premiums or discounts	—	4,621,487	—	4,621,487
Purchases of investments[1]	250,000	157,577,521	11,212,530	169,040,051
Sales of investments[1]	—	(17,588,385)	(92,722)	(17,681,107)
Realized gain	—	—	59,792	59,792
Change in unrealized gain (loss)	211,826	(49,026)	(171,493)	(8,693)
Fair value at December 31, 2018	$461,826	$208,539,353	$15,247,210	$224,248,389
Change in unrealized gain (loss) on Level 3 investments still held as of December 31, 2018	$211,826	$ (49,026)	$ (194,141)	$ (31,341)

(1) Includes reorganizations and restructuring of investments.

The following table presents a rollforward of Level 3 assets measured at fair value as of December 31, 2017:

	Senior Secured Term Loans	Warrants	Total
Fair value at December 31, 2016	$ —	$ —	$ —
Amortization of fixed income premiums or discounts	806,632	—	806,632
Purchases of investments	63,171,124	3,833,913	67,005,037
Sales of investments	—	—	—
Change in unrealized gain (loss)	—	405,190	405,190
Fair value at December 31, 2017	$63,977,756	$4,239,103	$68,216,859
Change in unrealized gain (loss) on Level 3 investments still held as of December 31, 2017	$ —	$ 405,190	$ 405,190

RUNWAY GROWTH CREDIT FUND INC.

Notes to Financial Statements as of December 31, 2018

The following table provides quantitative information regarding Level 3 fair value measurements as of December 31, 2018.

Description	Fair Value	Valuation Technique	Unobservable Inputs	Range (Weighted Average)
Preferred Stock	$ 461,826	Recent private market and merger and acquisition transaction prices	N/A	N/A
Senior Secured Term Loans[1]	200,740,155	Discounted Cash Flow analysis	Discount rate	14.6% – 30.3% (18.4%)
		Market approach	Origination yield	13.8% – 26.0% (16.8%)
	7,799,198	PWERM	Discount rate	24.4% – 62.0% (40.3%)
Warrants[2]	13,667,210	Black-Scholes model	Risk-free interest rate	2.5% – 2.6% (2.5%)
			Average industry volatility	8.0% – 60.0% (25.2%)
			Estimated time to exit	0.5 years – 7.1 years (4.1 years)
	1,580,000	Monte Carlo simulation	Risk-free interest rate	2.5%
			Average industry volatility	13.0%
Total Level 3 Investments	**$224,248,389**			

The following table provides quantitative information regarding Level 3 fair value measurements as of December 31, 2017.

Description	Fair Value	Valuation Technique	Unobservable Inputs	Range (Weighted Average)
Senior Secured Term Loans[1]	$42,475,947	Market approach	Origination yield	14.3% – 21.0% (17.2%)
	21,501,809	Income approach	Discount rate	14.8% – 19.4% (16.7%)
Warrants[2]	4,239,103	Black-Scholes model	Risk-free interest rate	1.3% – 2.3% (2.0%)
			Average industry volatility	20% – 70% (43%)
			Estimated time to exit	1.4 years – 5.8 years (4.3 years)
Total Level 3 Investments	$68,216,859			

(1) The significant unobservable inputs used in the fair value measurement of the Company’s debt securities are origination yields and discount rates. The origination yield is defined as the initial market price of an investment in a hypothetical market to hypothetical market participants where buyers and sellers are willing participants. The discount rate is related to company specific characteristics such as underlying investment performance, projected cash flows, and other characteristics of the investment. Significant increases (decreases) in the inputs in isolation may result in a significantly higher (lower) fair value measurement, depending on the materiality of the investment.

(2) The significant unobservable inputs used in the fair value measurement of the Company's warrant and equity-related securities are inputs used in the Black Scholes option pricing model ("OPM") which include industry volatility, risk free interest rate and estimated time to exit. Significant increases (decreases) in the inputs in isolation would result in a significantly higher (lower) fair value measurement, depending on the materiality of the investment. For some investments, additional consideration may be given to data from the last round of financing or merger/acquisition events near the measurement date.

Note 9 — Derivative Financial Instruments

In the normal course of business, the Company may utilize derivative contracts in connection with its investment activities. Investments in derivative contracts are subject to additional risks that can result in a loss of all or part of an investment. The derivative activities and exposure to derivative contracts primarily involve equity price risks. In addition to the primary underlying risk, additional counterparty risk exists due to the potential inability of counterparties to meet the terms of their contracts.

Warrants

The warrants provide exposure and potential gains upon equity appreciation of the portfolio company's equity value. A warrant has a limited life and expires on a certain date. As a warrant's expiration date approaches, the time value of the warrant will decline. In addition, if the stock underlying the warrant declines in price, the intrinsic value of an "in the money" warrant will decline. Further, if the price of the stock underlying the warrant does not exceed the strike price of the warrant on the expiration date, the warrant will expire worthless. As a result, there is the potential for the entire value of an investment in a warrant to be lost.

Counterparty risk exists from the potential failure of an issuer of warrants to settle its exercised warrants. The maximum risk of loss from counterparty risk is the fair value of the contracts and the purchase price of the warrants. The Company's Board of Directors considers the effects of counterparty risk when determining the fair value of its investments in warrants.

Note 10 — Credit Facilities

On June 22, 2018, the Company entered into a demand loan agreement (the "Uncommitted Facility") and a revolving loan agreement (the "Committed Facility," and together with the Uncommitted Facility, the "Credit Facilities") with CIBC Bank USA ("CIBC"). An amendment to the Credit Facilities was entered into on September 24, 2018 between the Company and CIBC.

The current maximum principal amount of available borrowings under each of the Uncommitted Facility and the Committed Facility is $30 million (for a combined maximum principal amount under the Credit Facilities of $60 million), subject in each case to availability under the borrowing base, which is based on unused capital commitments. Borrowings under the Credit Facilities bear interest, at the Company's election at the time of drawdown, at a rate per annum equal to (i) in the case of LIBOR rate loans, the LIBOR rate for the applicable interest period plus 2.50% or (ii) in the case of prime rate loans, CIBC's prime commercial rate at the time of the borrowing minus 0.50%.

The Credit Facilities mature on September 19, 2019, however, CIBC may terminate the Uncommitted Facility, and call any loans thereunder, at any time on demand. The Company has twenty (20) business days to honor any such demand for payment under the Uncommitted Facility (unless the Company is in payment default or certain bankruptcy or liquidation events that constitute events of default occur, in which case immediate repayment is required). Loans made under the Credit Facilities must also be repaid in full on the earlier of (i) one hundred and eighty (180) days following the funding date of the loan for the first two loans, (ii) the maturity date under the Credit Facilities of September 19, 2019, (iii) the occurrence of certain bankruptcy and liquidation events that constitute events of default under the Credit Facilities, and (iv) CIBC's demand for payment after the occurrence of any other events of default.

RUNWAY GROWTH CREDIT FUND INC.

Notes to Financial Statements as of December 31, 2018

The Credit Facilities are secured by a perfected first priority security interest in the Company's right, title, and interest in and to the capital commitments of the Company's private investors, including the Company's right to make capital calls, receive and apply capital contributions, enforce remedies and claims related thereto together with capital call proceeds and related rights, and a pledge of the collateral account into which capital call proceeds are deposited.

The Credit Facilities contain customary covenants and events of default for such subscription credit facilities (with customary cure and notice provisions), including, without limitation, maintenance of RIC status; nonpayment; misrepresentation of representations and warranties; breach of covenant; certain bankruptcy and liquidation events; change of control at RGC; the Amended Advisory Agreement or the Administration Agreement, ceasing to remain in effect; investors with aggregate capital commitments to the Company in excess of fifteen percent (15%) of the aggregate capital commitments of all investors in the Company failing to make capital contributions within ten (10) business days of when required; and the commitment period of the Company's investors terminating because the Company engages in a Spin-Off transaction.

As of December 31, 2018, the Company had $59,500,000 outstanding under the Credit Facilities with maturities as follows:

Loan Facility	Date of Advance	Due Date	Amount	Rate
CIBC Bank USA Committed Loan Facility	10/22/2018	4/20/2019	$ 4,000,000	5.00%
CIBC Bank USA Committed Loan Facility	11/23/2018	5/22/2019	14,000,000	5.00%
CIBC Bank USA Committed Loan Facility	12/3/2018	6/1/2019	12,000,000	5.00%
CIBC Bank USA Demand Loan Facility	12/3/2018	6/1/2019	4,000,000	5.00%
CIBC Bank USA Demand Loan Facility	12/20/2018	6/18/2019	16,500,000	5.00%
CIBC Bank USA Demand Loan Facility	12/28/2018	6/26/2019	9,000,000	5.00%
			$59,500,000	

RUNWAY GROWTH CREDIT FUND INC.

Notes to Financial Statements as of December 31, 2018

Note 11 — Financial Highlights

	Year ended December 31, 2018	Year ended December 31, 2017	Year ended December 31, 2016
Per Share Data[1]:			
Net asset value at beginning of year	$ 14.66	$ 10.38	$ 15.00
Net investment income (loss)[2]	1.26	(0.66)	(83.81)
Realized gain (loss)	—	—	—
Change in unrealized appreciation (depreciation)	—	0.14	(0.01)
Issuance of common shares	—	—	79.20
Dividends	(0.77)	—	—
Accretion[3]	(0.01)	4.80	—
Net asset value at end of year	$ 15.14	$ 14.66	$ 10.38
Total return based on net asset value[4]	3.27%	41.23%	(30.80)%
Weighted-average shares outstanding for year, basic	9,300,960	2,795,274	10,774
Ratio/Supplemental Data:			
Net assets at end of year	$167,369,395	$127,040,377	$3,476,672
Average net assets[5]	$141,046,177	$ 40,388,772	$ 151,520
Annualized ratio of net operating expenses to average net assets[6]	6.42%	12.46%	595.90%
Annualized ratio of net investment income (loss) to average net assets	8.30%	(4.56)%	(595.90)%

(1) Financial highlights are based on weighted-average shares outstanding.

(2) Return from investment operations was 8.59%, (6.36)% and (30.80)% for the years ended December 31, 2018, 2017 and 2016, respectively. Return from investment operations represents returns on net investment income (loss) from operations.

(3) Return from accretion was (0.07)% and 46.24% for the years ended December 31, 2018 and 2017, respectively.

(4) Total return based on net asset value is based upon the change in net asset value per share between the opening and ending net asset values per share in the year.

(5) The annualized ratio of net investment income (loss) to average net assets was 8.30%, (4.56)% and (595.90)% for the years ended December 31, 2018, 2017 and 2016, respectively.

(6) The annualized ratio of net operating expenses excluding management fees, to average net assets was 2.63%, 3.58% and 484.00% for the years ended December 31, 2018, 2017 and 2016, respectively.

RUNWAY GROWTH CREDIT FUND INC.

Notes to Financial Statements as of December 31, 2018

Note 12 — Selected Quarterly Financial Data (Unaudited)

	March 31, 2018	June 30, 2018	September 30, 2018	December 31, 2018
Total investment income	$3,370,571	$4,409,042	$ 5,516,079	$7,460,362
Total operating expenses	1,690,847	1,760,814	2,411,145	3,186,831
Net investment income (loss)	1,679,724	2,648,228	3,104,934	4,273,531
Net realized gain on investments	59,792	—	—	—
Net change in unrealized appreciation (depreciation) on investments	(336,207)	(459,019)	493,648	292,885
Increase (decrease) in net assets resulting from operations	1,403,309	2,189,209	3,598,582	4,566,416
Increase (decrease) in net assets resulting from operations per share	$ 0.16	$ 0.25	$ 0.41	$ 0.45
Net asset value per share as of the end of the period	$ 14.82	$ 14.92	$ 15.07	$ 15.14

	March 31, 2017	June 30, 2017	September 30, 2017	December 31, 2017
Total investment income	$ 3,288	$ 128,093	$ 1,150,108	$1,908,350
Total operating expenses	885,750	1,368,402	1,315,204	1,462,029
Net investment income (loss)	(882,462)	(1,240,309)	(165,096)	446,322
Net change in unrealized appreciation (depreciation) on investments	164	1,733	(636)	403,990
Increase (decrease) in net assets resulting from operations	(882,298)	(1,238,576)	(165,733)	850,312
Increase (decrease) in net assets resulting from operations per share	$ (2.63)	$ (1.01)	$ (0.05)	$ 0.14
Net asset value per share as of the end of the period	$ 7.74	$ 13.78	$ 14.32	$ 14.66

	March 31, 2016	June 30, 2016	September 30, 2016	December 31, 2016
Total investment income	$—	$—	$—	$ —
Total operating expenses	—	—	—	902,980
Net investment income (loss)	—	—	—	(902,980)
Net change in unrealized appreciation (depreciation) on investments	—	—	—	(61)
Increase (decrease) in net assets resulting from operations	—	—	—	(903,041)
Increase (decrease) in net assets resulting from operations per share	$—	$—	$—	$ (23.83)
Net asset value per share as of the end of the period	$—	$—	$—	$ 10.38

RUNWAY GROWTH CREDIT FUND INC.

Notes to Financial Statements as of December 31, 2018

Note 13 — Subsequent Events

Subsequent to December 31, 2018, through March 28, 2019, we funded the following transactions:

Date	Investment Name	Principal	Cost Allocated to Loan	Cost Allocated to Warrant
January 17, 2019	ShareThis, Inc.	$ 750,000	$ 750,000	$ —
January 28, 2019	Mojix, Inc.	$ 1,000,000	$ 919,301	$ 80,699
February 28, 2019	zSpace, Inc.	$ 5,000,000	$ 4,588,472	$ 411,528
March 28, 2019	Ouster, Inc.	$10,000,000	*	*

* The allocation of cost between the loan and the warrant is pending at this time.

On January 2, 2019, we delivered a capital drawdown notice to investors relating to the sale of 4,344,963.791 shares of our common stock, for an aggregate offering price of $66,000,000. The sale closed on January 15, 2019.

On February 11, 2019, we funded an additional $5,000,000 senior secured term loan to zSpace, Inc. at a purchase price of $4,950,000 and the warrant to purchase 1,896,966 shares purchased on December 29, 2017 was amended to provide for the purchase of $1,707,269 of zSpace, Inc. Series E Preferred Stock at $0.90 per share or shares of a subsequent round stock at the lowest price at which shares are issued to investors.

On March 22, 2019, the Board of Directors declared a dividend in the amount of $0.40 per share payable on March 26, 2019 to stockholders of record as of March 22, 2019.

On March 26, 2019, we, RGC and Peak Capital Limited (“Peak”) entered into a marketing and consulting agreement (the “Peak Agreement”), pursuant to which Peak was appointed to provide placement agent services on our behalf. We will pay Peak a placement fee with respect to each investor identified by Peak for which the Fund accepts a Subscription Agreement (the “Placement Fee”). The Placement Fee will consist of two parts, as follows: (i) the quarterly placement fee of 1% of the committed capital from such investors identified by Peak (payable in quarterly installments over a period of eight calendar quarters commencing on the fifteenth day of the first calendar quarter immediately following the date of the acceptance of the subscription from the applicable investor, but only for so long as the investor remains an investor in the Fund); and (ii) the as-drawn placement fee of 0.5% of the capital called from such investors identified by Peak at the applicable capital call (payable over eight calendar quarters commencing on the fifteenth day of the first quarter following any capital call of the Fund where capital is called from investors identified by Peak. Either party may terminate the Peak Agreement at any time upon ninety (90) days’ prior written notice.

On March 26, 2019, we, RGC and Pickwick Capital Partners, LLC (“Pickwick”) entered into a marketing and consulting agreement (the “Pickwick Agreement”), pursuant to which Pickwick was appointed to provide placement agent services on our behalf. The Fund will pay Pickwick a placement fee, with respect to each investor identified by Pickwick for which the Fund accepts a Subscription Agreement, of 1.5% of the committed capital from such investor (payable in quarterly installments over a period of eight calendar quarters, but only for so long as the investor remains an investor in the Fund). Either party may terminate the Pickwick Agreement at any time upon thirty (30) days’ prior written notice.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

None.

Item 9A. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

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

Management's Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act). The Company's internal control over financial reporting is a process designed under the supervision of its Chief Executive Officer (Principal Executive Officer) and Chief Financial Officer and Treasurer (Principal Financial Officer) and effected by the Company's Board of Directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of its financial statements for external reporting purposes in accordance with U.S. GAAP.

The Company's internal control over financial reporting includes policies and procedures that pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect transactions and dispositions of the Company's assets; provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with U.S. GAAP, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and the directors; and provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on its financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. In addition, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management conducted an evaluation of the effectiveness of the Company's internal control over financial reporting as of December 31, 2018 based on the framework established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this assessment, management concluded that the Company's internal control over financial reporting as of December 31, 2018 was effective.

This annual report does not include an attestation report of the Company's registered public accounting firm due to an exemption for emerging growth companies under the JOBS Act.

Changes in Internal Control over Financial Reporting

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

Item 9B. Other Information

Not applicable.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

Information in response to this item is incorporated by reference from our 2019 Proxy Statement. The 2019 Proxy Statement will be filed with the SEC within 120 days after the end of the fiscal period covered by this Form 10-K pursuant to Regulation 14A under the Exchange Act.

We have adopted a Code of Business Conduct and Ethics for our employees and directors, including, specifically, our Chief Executive Officer, our Chief Financial Officer, and our other executive officers. Our Code of Business Conduct and Ethics satisfies the requirements for a “code of ethics” within the meaning of SEC rules. A copy of the Code of Business Conduct and Ethics is posted on our website at https://runwaygrowth.com/wp-content/uploads/2017/03/GSV-GC-Fund-SOX-Code-of-Ethics.pdf. We intend to disclose any changes in, or waivers from, the Code of Business Conduct and Ethics by posting such information on the same website or by filing a Form 8-K, in each case to the extent such disclosure is required by rules of the SEC or NASDAQ.

Item 11. Executive Compensation

Information in response to this item is incorporated by reference from our 2019 Proxy Statement. The 2019 Proxy Statement will be filed with the SEC within 120 days after the end of the fiscal period covered by this Form 10-K pursuant to Regulation 14A under the Exchange Act.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

Information in response to this item is incorporated by reference from our 2019 Proxy Statement. The 2019 Proxy Statement will be filed with the SEC within 120 days after the end of the fiscal period covered by this Form 10-K pursuant to Regulation 14A under the Exchange Act.

Item 13. Certain Relationships and Related Transactions, and Director Independence

Information in response to this item is incorporated by reference from our 2019 Proxy Statement. The 2019 Proxy Statement will be filed with the SEC within 120 days after the end of the fiscal period covered by this Form 10-K pursuant to Regulation 14A under the Exchange Act.

Item 14. Principal Accountant Fees and Services

Information in response to this item is incorporated by reference from our 2019 Proxy Statement. The 2019 Proxy Statement will be filed with the SEC within 120 days after the end of the fiscal period covered by this Form 10-K pursuant to Regulation 14A under the Exchange Act.

PART IV

Item 15. Exhibits and Financial Statement Schedules

The following documents are filed or incorporated by reference as part of this annual report on Form 10-K:

(a) Financial Statements

(1) Financial Statements — Refer to Part II, Item 8 of this Form 10-K, which are incorporated herein by reference:

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Report of Independent Registered Public Accounting Firm	73
Statements of Assets and Liabilities as of December 31, 2018 and 2017	74
Statements of Operations for the years ended December 31, 2018, 2017 and 2016	75
Statements of Changes in Net Assets for the years ended December 31, 2018, 2017 and 2016	76
Statements of Cash Flows for the years ended December 31, 2018, 2017 and 2016	77
Schedules of Investments as of December 31, 2018 and 2017	78
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(1) Financial Statement Schedules — None. We have omitted financial statement schedules because they are not required or are not applicable, or the required information is shown in the financial statements or notes to the financial statements.

(2) Exhibits

The following exhibits are filed as part of this report or hereby incorporated by reference to exhibits previously filed with the SEC:

3.1	Articles of Amendment and Restatement[(1)]
3.2	Articles of Amendment[(2)]
3.3	Amended and Restated Bylaws[(2)]
4.1	Form of Subscription Agreement[(3)]
9.1	Voting Proxy of OCM Growth Holdings, LLC in favor of Runway Growth Credit Fund Inc.[(4)]
10.1	Amended and Restated Investment Advisory Agreement between Runway Growth Credit Fund Inc. and Runway Growth Capital LLC, as the investment adviser[(5)]
10.2	Administration Agreement between Runway Growth Credit Fund Inc. and GSV Credit Service Company, LLC, as the administrator[(1)]
10.3	Stockholder Agreement between Runway Growth Credit Fund Inc. and OCM Growth Holdings, LLC[(1)]
10.4	Custody Agreement between Runway Growth Credit Fund Inc. and U.S. Bank National Association, as the custodian[(1)]
10.5	Dividend Reinvestment Plan[(6)]
10.6	Form of Indemnification Agreement[(6)]
10.7	Trademark License Agreement by and between Runway Growth Capital LLC and the Registrant[(7)]
10.8	Transfer Agent Agreement by and between American Stock Transfer & Trust Company, LLC and the Registrant[(8)]
10.9	Marketing and Consulting Agreement by and between Pickwick Capital Partners, LLC, Runway Growth Capital LLC and the Registrant*

10.10	Marketing and Consulting Agreement by and between Peak Capital Limited, Runway Growth Capital LLC and the Registrant*
11.1	Computation of Per Share Earnings (Included in the notes to the financial statements contained in this report)*
21.1	List of Subsidiaries — None
31.1	Certification of Chief Executive Officer pursuant to Rule 13a-14 of the Securities Exchange Act of 1934, as amended*
31.2	Certification of Chief Financial Officer pursuant to Rule 13a-14 of the Securities Exchange Act of 1934, as amended*
32.1	Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002*
32.2	Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002*

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* Filed herewith.

(1) Previously filed as an exhibit to the Registrant’s Current Report on Form 8-K filed with the SEC on December 19, 2016.

(2) Previously filed as an exhibit to the Registrant’s Current Report on Form 8-K filed with the SEC on June 14, 2017.

(3) Previously filed as an exhibit to the Registrant’s Quarterly Report on Form 10-Q filed with the SEC on August 10, 2017.

(4) Previously filed as an exhibit to the Registrant’s Annual Report on Form 10-K filed with the SEC on March 29, 2017.

(5) Previously filed as an exhibit to the Registrant’s Current Report on Form 8-K filed with the SEC on September 13, 2017.

(6) Previously filed as an exhibit to the Registrant’s Registration Statement on Form 10 (File No. 000-55544) filed with the SEC on February 12, 2016.

(7) Previously filed as an exhibit to the Registrant’s Quarterly Report on Form 10-Q filed with the SEC on November 9, 2017.

(8) Previously filed as an exhibit to the Registrant’s Current Report on Form 8-K filed with the SEC on December 28, 2018.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

RUNWAY GROWTH CREDIT FUND INC.

Date: March 28, 2019

By: /s/ R. David Spreng

R. David Spreng
President, Chief Executive Officer and
Chairman of the Board of Directors

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Date: March 28, 2019	By: /s/ R. David Spreng R. David Spreng President, Chief Executive Officer and Chairman of the Board of Directors (Principal Executive Officer)
Date: March 28, 2019	By: /s/ Thomas B. Raterman Thomas B. Raterman Chief Financial Officer, Treasurer and Secretary (Principal Financial and Accounting Officer)
Date: March 28, 2019	By: /s/ Gary Kovacs Gary Kovacs Director
Date: March 28, 2019	By: /s/ Brian Laibow Brian Laibow Director
Date: March 28, 2019	By: /s/ Julie Persily Julie Persily Director
Date: March 28, 2019	By: /s/ Lewis W. Solimene, Jr. Lewis W. Solimene, Jr. Director

MARKETING AND CONSULTING AGREEMENT

AGREEMENT dated as of March 20, 2019, by and between **Runway Growth Credit Fund Inc.,** (the "Fund"), **Runway Growth Capital LLC** (the "Manager") and **Pickwick Capital Partners, LLC** (the "Marketer").

Pursuant to the terms of this agreement, Marketer agrees to act as solicitor and to provide broker dealer services to the Fund in connection with assisting the Fund in identifying and soliciting potential investors for the Fund in connection with the Fund's private offering as described in the private placement memorandum dated February 28, 2019, as may be amended or supplemented from time to time (the "Offering").

WHEREAS, the Fund is a business development company and its affiliate, the Manager, currently serves as the investment manager of the Fund;

WHEREAS, the Marketer is in the business of, and has expertise in, providing marketing and consulting services to private investment funds; and

WHEREAS, the Fund desires to appoint the Marketer as a non-exclusive marketing representative of the Fund in the United States during the term of this Agreement, to identify and introduce to the Fund and the Manager potential investors for the Fund, subject to the terms of this Agreement, and the Marketer desires to accept such appointment.

NOW, THEREFORE, the parties hereby agree as follows:

1. APPOINTMENT

(a) The Fund hereby appoints the Marketer to represent the Fund in the United States in connection with providing marketing, consulting and capital raising services for the Fund pursuant to the terms of this agreement. The Marketer will be the exclusive representative of the Fund with respect to any and all Investor Prospects (as hereinafter defined), other than Excluded Persons (as hereinafter defined). As used herein, the term "Investor Prospects" includes individual and institutional investors of all types, including any affiliates, clients or investors, identified and introduced directly or indirectly by the Marketer to the Fund. As used herein, "Excluded Persons" shall mean any new investors not initially identified and introduced to the Fund by the Marketer and any person for which the Marketer was not granted the authority to communicate pursuant to Section 1(c) hereof.

(b) All Investor Prospects shall be subject to acceptance by the Fund, in its sole discretion, for inclusion as investors with respect to the Fund.

(c) Prior to providing any Investor Prospect with confidential materials regarding the Fund, Marketer shall notify the Fund in writing of the name of such Investor Prospect. Within ten (10) business days thereafter, the Fund shall notify Marketer in writing as to whether Marketer may communicate with such Investor Prospect pursuant to this Agreement. Marketer's communications with an Investor Prospect may be restricted as set forth in the Fund's authorization. Marketer will not provide confidential materials to any person regarding the Fund or the Manager unless such person has been approved by the Fund and such Investor Prospect has delivered an executed confidentiality agreement in a form acceptable to the Fund.

(d) Marketer shall submit an initial list of Investor Prospects to the Fund on Schedule A hereto. From time to time, Schedule A shall be updated to include each additional Investor Prospect, not included on the initial Schedule A submitted herewith, that the Fund consents to hereby, and to remove any Investor Prospect, consented to by the Fund, which Marketer does not contact or fails to receive written or verbal corresponded from the Investor Prospect relative to their interest in or review of the Fund within ninety (90) days of the date an Investor Prospect is consented to by the Fund pursuant to Section 1(c) hereof. Any updates to Schedule A that involve the addition of new Investor Prospects must be consented to in writing by Marketer and the Fund. As used herein, the term "Investor" shall include any Investor Prospect whose subscription agreement is accepted by the Fund directly or indirectly as an investor in the Fund for which the Fund authorized the Marketer to solicit such Investor Prospect during the term of this Agreement; provided, however, that Excluded Persons shall not be Investors.

(e) The Fund shall treat each Investor Prospect with respect to a specific closing (the "Closing") of the Fund, unless (i) such Investor Prospect has materially breached its subscription agreement with the Fund, which shall, for the avoidance of doubt, include a default relating to a capital call by the Fund, or (ii) the Investor Prospect is not permitted to contribute capital to the Fund pursuant to the terms of such Investor Prospect's subscription agreement with the Fund as determined in the Fund's sole discretion, in the same manner as the Fund treats all other investors in such Closing of the Fund. For the avoidance of doubt, and without limiting the foregoing sentence, the Fund shall not reduce, terminate, reject additional funding from or fail to renew the investment of any Investor Prospect, unless the Fund is also reducing, terminating, rejecting funding from or failing to renew the investments of all other investors with respect to such Closing.

(f) During and after the term of this Agreement, the Fund may retain one or more additional marketing representatives, or any other person, firm or corporation furnishing marketing, consulting or capital raising services relating to the Fund. During and after the term of this Agreement, the Marketer may act as marketing and/or consulting representative for any other person, fund or organization.

2. REPRESENTATIONS AND WARRANTIES

(a) The Marketer hereby agrees, represents and warrants as follows:

i. No subscription from an Investor Prospect shall be effective unless and until it is accepted by the Fund, in its sole discretion; and, the Fund reserves the right, in its sole discretion to: **(A)** refrain from accepting, in whole or in part, any subscription from an Investor Prospect; **(B)** redeem, in whole or in part, an Investor's investment in the Fund; or **(C)** subsequently expel an Investor from the Fund or terminate the Fund's relationship with any Investor.

ii. The Marketer will use only such offering documents and other materials, and make such representations, in connection with the Fund as shall have been expressly approved in advance by the Fund.

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iii. The activities of the Marketer hereunder will comply with Securities and Exchange Commission ("SEC") Rule 506 promulgated under the Securities Act of 1933, as amended (the "Securities Act"), as well as other applicable provisions of Regulation D promulgated under the Securities Act ("Regulation D"), or other applicable law specified by the Fund. Without limiting the foregoing, the Marketer will not engage in any form of "general solicitation or advertising", within the meaning of Regulation D, in performing its duties pursuant to this Agreement. In connection therewith, the Marketer will not mention the Manager, the Fund, the equity interests of the Fund (the "Interests") or any information about the Marketer's duties under this Agreement in any public medium, including any newspaper, on radio or television, the Internet or otherwise.

iv. The Marketer will only offer Interests to Investor Prospects that it reasonably believes are "accredited investors" within the meaning of Regulation D and, if applicable, "qualified purchasers" within the meaning of Section 2(a)(51) of the Investment Company Act of 1940, as amended. The Marketer will only offer Interests to Investor Prospects for whom it reasonably believes the Interests would be suitable, in accordance with NASD Notice to Members 03-07 *("NASD Reminds Members of Obligations When Selling Hedge Funds").*

v. The Marketer is registered and in good standing with the SEC as a broker-dealer under the Securities Exchange Act of 1934, as amended, and is a member of the Financial Industry Regulatory Authority ("FINRA"). As of the date of this Agreement, the Marketer is registered as a broker-dealer in the jurisdictions set forth on Schedule C hereto. The Marketer will offer Interests to Investor Prospects only in those states in which **(A)** the Marketer is registered as a broker-dealer or **(B)** is exempt from registration. In accordance with the Form BD of the Marketer as filed with the SEC and FINRA, and the Membership Agreement by and between the Marketer and FINRA, the Marketer is authorized to enter into this Agreement and to perform the services contemplated by this Agreement to be performed by the Marketer.

vi. The Marketer agrees to introduce the Fund to potential investors only in states in which the Marketer has been advised by the Fund that offers and sales of Interests can be legally made and in which the Marketer is registered and in good standing as a broker-dealer or is exempt from registration.

vii. During the term of this Agreement, the Marketer shall comply with all applicable laws, rules and regulations including, without limitation, federal and state securities laws.

viii. The Marketer: **(A)** is not subject to an order of the SEC issued under Section 203(f) of the Investment Advisers Act of 1940, as amended (together with the rules and regulations promulgated thereunder, the "Advisers Act") **(B)** has not been convicted within ten years of the date hereof of any felony or misdemeanor involving conduct described in Section 203(e)(2)(A)-(D) of the Advisers Act; **(C)** has not been found by the SEC to have engaged, and has not been convicted of engaging, in any of the conduct specified in paragraph (1), (5) or (6) of Section 203 of the Advisers Act; and **(D)** is not subject to an order, judgment or decree described in Section 203(e) of the Advisers Act. In the event that the Marketer becomes subject to any order, conviction, finding, judgment or decree described in the immediately preceding sentence, it will promptly advise the Fund of such fact and the Fund will not be obligated to pay the Marketer any amount hereunder for such period in which the Marketer is subject to such order, conviction, finding, judgment or decree.

ix. The Marketer undertakes to perform its duties hereunder in a manner consistent with the instructions of the Fund.

x. Neither the Marketer nor any of its officers, directors, employees, affiliates or agents will, without the express prior written consent of the Fund, which consent the Fund may withhold in its sole discretion, share any part of the compensation received pursuant to this Agreement with any other person or entity, other than persons who are properly licensed with FINRA and all applicable states as registered representatives/agents of the Marketer.

(b) The Manager agrees, represents and warrants as follows:

i. The Fund shall assure that the offering and sale of the Interests by the Fund complies with all applicable provisions of Regulation D or the provisions of such other exemption from registration under the Securities Act, being relied upon and any other applicable federal and state securities laws and regulations (other than those applicable to the status or activities of the Marketer). Specifically, the Fund will be responsible for any applicable Blue Sky qualification in each state in which it is agreed that the Marketer shall solicit on Fund's behalf. Without limiting the foregoing, any offering circular or memorandum or other written material approved by the Fund for use in connection with the offering and sale of the Interests (as well as any amendments and supplements thereto) will comply with applicable law and will not contain any misstatement of a material fact or omit to state any material fact necessary to make the statements made therein not misleading.

ii. If required by applicable federal or state securities laws, the Manager will be registered, or continue its registration, as an investment adviser and/or commodity pool operator.

iii. During the term of this Agreement, the Fund shall comply with applicable laws, rules and regulations including, without limitation, federal and state securities laws, unless failure to so comply would not result in a material breach under the terms of this Agreement.

iv. The Manager: **(A)** is not subject to an order of the SEC issued under Section 203(f) of the Advisers Act; **(B)** has not been convicted within ten years of the date hereof of any felony or misdemeanor involving conduct described in Section 203(e)(2)(A)-(D) of the Advisers Act; **(C)** has not been found by the SEC to have engaged, and has not been convicted of engaging, in any of the conduct specified in paragraph (1), (5) or (6) of Section 203 of the Advisers Act; and **(D)** is not subject to an order, judgment or decree described in Section 203(e) of the Advisers Act. In the event that the Manager becomes subject to any order, conviction, finding, judgment or decree described in the immediately preceding sentence, it will promptly advise the Marketer of such fact.

3. <u>DUTIES OF THE MARKETER</u>

a) The Marketer shall use reasonable efforts and time, consistent with its resources, on behalf of the Fund to solicit Investor Prospects for the Fund. In this regard, the Marketer shall:

i. Initiate written or telephonic communication with Investors and Investor Prospects with a view to providing information regarding, and increasing the awareness of, the Fund's services;

ii. Use reasonable efforts subsequent to each initial contact to solicit Investor Prospects for the Fund (which solicitations may include, without limitation, personal meetings between Investor Prospects, the Marketer and/or the Fud); provided, however, that any personal meetings involving the Fund shall be subject to the prior approval of the Fund;

iii. Consult with the Fund, at the Fund's request, regarding; **(A)** the satisfaction by Investor Prospects of qualification and suitability standards; **(B)** the rejection of a subscription by any Investor Prospect; **(C)** the acceptance of any initial investment by any Investor Prospect in an amount less than or different from that provided in the relevant offering memorandum; **(D)** the acceptance of any additional subscription by any Investor Prospect in an amount less than or different from that provided in the relevant offering memorandum; **(E)** the rejection of any additional subscription by any Investor Prospect in the Fund; **(F)** the consent to withdrawals by any Investor in any amount less than or different from that provided in the relevant offering memorandum; and **(G)** the consent to the retention by any Investor Prospect of an investment in the Fund in an amount less than or different from that provided in the relevant offering memorandum;

iv. Provide other investor relations services, such as responding to Investor Prospect inquiries; and

v. Provide such other services as the Fund and the Marketer shall agree upon from time to time.

4. INDEPENDENT REPRESENTATIVE

In performing the services for the Fund as described herein, the Marketer shall be regarded as an independent contractor and marketing and consulting representative, the Marketer shall not have any right or authority to create any obligations of any kind on behalf of the Fund and shall make no representation to any third party to the contrary.

5. EXPENSES

The Marketer shall not be entitled to be reimbursed for normal and customary out-of-pocket marketing expenses incurred by it in connection with this Agreement.

6. MARKETER FEES AND COMPENSATION

As compensation for the services provided by the Marketer hereunder, in addition to the other obligations of the Manager and the Fund to the Marketer set forth in this Agreement, the Manager shall pay to the Marketer:

a) **Guranteed Capacity.** Subject to applicable law and to any limits in the aggregate offering size of Interest in the Fund under the Offering Materials, the Fund shall provide the Marketer a minimum of Thirty Million Dollars ($30,000,000.00) of additional capital commitment capacity in the Fund for the marketer's Investor Prospects until December 31, 2019.

b) **Placement Fee.** The Marketer shall receive a placement fee with respect to each Investor for which the Fund accepts the Subscription Agreement ("Placement Fee"), which shall be equal to one and one-half percent (1.5%) of the committed capital from such Investor, as reflected in such subscriber's Subscription Agreement. The placement fees will be paid in quarterly installments over a period of 8 calendar quarters commencing on the 15th day of the first quarter immediately following the date of the capital call from the applicable Investor. **Example**: If the capital call occurs in January 2019, the quarter will start February 1, 2019, with payment due on February 15, 2019, and the next quarter beginning on May 1, 2019, and thereafter, but only for so long as the Investor remains an Investor in the Fund

c) **Future Investments by Investors**. Any and all future investments or additional increments of investment made directly or indirectly by an Investor, or an Investor Prospect listed on Schedule B, in the Fund, either during the term of this Agreement or within 12 months from the termination of this Agreement, will be subject to the provisions of Section 2; where the Marketer receives a **1.5**% fee of the committed capital. Furthermore, any and all future investments in any other fund or any investment offering managed by the Manager or an affiliate of the Manager, excluding the Fund, or additional increments of investment made directly or indirectly by an Investor or Investor Prospect listed on Schedule B, , either during the term of this Agreement or within 12 months of the termination of this Agreement, will be subject to the provisions of Section 2 and the Marketer will receive from the Manager a 1.5% fee of the committed capital paid for any such investment. In such event, the Manager shall comply with Rule 206(4)-3 under the Advisers Act, require the Investor to sign a Disclosure Statement agreed to by the Manager and the Marketer, and maintain complete and accurate books and records with respect to the Capital Contributions of such Investors, which Pickwick shall have access to review in accordance with and subject to Section 6(d) below).

d) **Recordkeeping**. The Fund shall maintain complete and accurate current books and records with respect to the Capital Contributions of the Investors. Pickwick shall have access to records relating to such Capital Contributions until the first anniversary of the final close of the Offering, for the sole purpose of determining the accuracy of payments to be made to Pickwick, and the Fund shall cooperate in providing information related thereto.

7. COMPLIANCE WITH SEC RULE 206(4)-3

The Marketer shall, in accordance with SEC Rule 206(4)-3 promulgated under the Advisers Act:

a) perform its duties under this Agreement in a manner consistent with the reasonable instructions of the Fund and the provisions of the Advisers Act and the rules of the SEC promulgated thereunder; *and*

b) at the time of any solicitation activities by the Marketer with respect to one or more Investor Prospects, provide such Investor Prospects with copies of:

i. the applicable Fund offering documents; and

ii. a Disclosure Statement. The Fund will not accept any subscription from an Investor unless a Disclosure Statement and Authorization to Release Information Form, attached hereto as Exhibit C, is signed by the Investor and submitted to Pickwick by the Fund.

8. TERMINATION AND INDEMNIFICATION

The term of this Agreement shall expire as of the expiration of the guaranteed Capacity period, as defined in this Agreement. In addition, either party hereto may terminate this Agreement at any time upon thirty (30) days prior written notice to the other party. Termination of this Agreement shall result in the termination of all duties and authorities of each party, other than Sections 6, 9 and 10 hereof which shall survive any such termination. By signing this Letter Agreement Manager and Marketer agree to the provisions regarding indemnification, contribution, and limitation of liability attached to this Letter Agreement as Appendix A which provisions are expressly incorporated by reference herein.

9. CONFIDENTIALITY

a) The Marketer agrees that, during the term of this Agreement and at all times thereafter, unless specifically authorized by the Fund, the Marketer will not disclose any Proprietary Information (defined below) to any person or entity other than on a need-to-know basis, to employees and/or registered persons of the Marketer and persons engaged by the Marketer to provide legal, accounting, consulting and similar services. The Marketer further agrees that upon termination of this Agreement, the Marketer will to the extent instructed by the Fund destroy any Proprietary Information then in the Marketer's possession (or in the possession of the Marketer's employees, registered persons, or persons engaged by the Marketer to provide legal, accounting, consulting or similar services), unless the Marketer shall be required by law to retain such Proprietary Information.

b) As used herein, the term "Proprietary Information" means all information of a nonpublic, proprietary and confidential nature concerning the Manager, its affiliates, the Fund and the other investment funds and accounts managed by the Manager and its affiliates, including but not limited to information relating to

i. business operations,

ii. existing and proposed investments and investment strategies,

iii. financial performance,

iv. compensation arrangements and amounts (inclusive of arrangements between the Fund, the Manager, and their affiliates and their respective employees and registered persons, and the arrangement between the Fund and the Marketer),

v. contractual relationships,

vi. business partners and relationships, and

vii. stockholders/investors and prospective stockholders/investors of the Fund and the other investment funds and accounts managed by the Manager and its affiliates, regardless of the medium in which any such information is contained; provided, however, that Proprietary Information does not include information that (A) becomes generally available to the public by means other than a breach by the Marketer of this Agreement or any other agreement between the Marketer and the Fund or its affiliates, (B) is in the possession of the Marketer (such as information pertaining to Investor Prospects introduced to the Fund by the Marketer), or becomes available to the Marketer, on a non-confidential basis from a source other than the Fund or its affiliates, or (C) the Marketer is required by law, regulation, court order or discovery demand to disclose; provided, however, that in the case of this clause (C) the Marketer provides the Fund with prompt notice of the Proprietary Information required to be disclosed and the reasons and circumstances surrounding such disclosure in order to allow the Fund an opportunity to seek a protective order or other appropriate request for confidential treatment of the applicable Proprietary Information.

c) Without the prior written consent of the Fund, the Marketer shall not disclose, whether in client lists, marketing literature or otherwise, the fact that it is rendering services to the Fund, or to use the name of the Manager, the Fund or its affiliates in any public document, other than as necessary in order to perform its services hereunder; or as required by law or legal process.

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d) Each party hereto agrees to comply with the provisions of SEC Regulation S-P, the Graham-Leach-Bliley Act of 1999 and other applicable federal and state privacy regulations with respect to personal non-public information of Investor Prospects and Investors.

10. UNDERTAKING TO PROVIDE ADDITIONAL INFORMATION AND DOCUMENTATION

Each party undertakes and agrees that it will promptly supply the other party with such information and documentation regarding the Manager, the Fund, the Marketer and Investors as from time to time may be requested by such party and which is deemed by such party to be necessary in order for such party to comply with anti-money laundering, OFAC, or other applicable federal, state, local or foreign laws, rules or regulations.[1]

11. MISCELLANEOUS

a) **Notices**. All notices and other communications under this Agreement must be in writing, and any notice or communication will be deemed to have been duly given **(i)** when delivered personally, **(ii)** on the business day following the day such notice or other communication is sent by recognized overnight courier, **(iii)** on the date of transmission, if such notice or other communication is delivered via facsimile on a business day (with confirmation of transmission), or **(iv)** on the fifth business day following the date of deposit within a postal service if sent first class, postage prepaid, by registered or certified mail or any other alternative postal service. Notices to each of the Marketer and the Fund will be sent to the addresses set forth below, unless either party notifies the other party in writing of a different address in accordance with the requirements of this paragraph:

If to the Manager:
Runway Growth Credit Fund Inc.
205 N Michigan Ave., Suite 4200
Chicago, IL 60601
Attn: Tom Raterman

If to Marketer:
Pickwick Capital Partners, LLC
455 Hamilton Avenue, Suite 1102
White Plains, NY 10601
Attn: Douglas Greenwood

b) **Amendments in Writing; No Waiver; Cumulative Remedies**. None of the terms or provisions of this Agreement may be amended, supplemented or otherwise modified except by a written instrument executed by each of the parties hereto. No party hereto shall by any act (except by a written instrument pursuant to Section 12(a) hereof), delay, indulgence, omission or otherwise be deemed to have waived any right or remedy hereunder. No single or partial exercise of any right, power or privilege hereunder shall preclude any other or further exercise thereof or the exercise of any other right, power or privilege. A waiver by any party hereto of any right or remedy hereunder on any one or more occasions shall not be construed as a bar to any right or remedy that any party hereto would otherwise have on any future occasion. The rights and remedies herein provided are cumulative, may be exercised singly or concurrently, and are not exclusive of any other rights or remedies provided by law.

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[1] *We are specifically required to advise you that we will undertake routine due diligence to check/verify the identities of the Fund(s) and its principals.*

c) **No Third Party Beneficiaries; Assignment**. This Agreement shall be binding upon and inure solely to the benefit of the parties hereto and their permitted successors and assigns, and nothing herein, express or implied, is intended to or shall confer upon any other person or entity, any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement or the transactions contemplated hereunder. No party hereto may assign any of its rights or obligations under this Agreement to any person or entity without the prior written consent of the other party hereto.

d) **Governing Law; Severability**. This agreement shall be interpreted in accordance with and governed by the laws of the State of New York, without regard to the principles of conflict of laws thereof. If any provision hereof would be invalid under applicable law, then such provision shall be deemed to be modified to the extent necessary to render it valid while most nearly preserving its original intent. No provision hereof shall be affected as a result of another provision being held invalid.

e) **Entire Agreement**. This Agreement constitutes the entire agreement of the parties hereto with respect to the subject matter hereof, and supersedes all prior agreements and undertakings, both written and oral, between the parties hereto with respect to the subject matter hereof.

f) **Counterparts**. This Agreement may be executed by the parties hereto in any number of separate counterparts, and all of said counterparts taken together shall be deemed to constitute one and the same instrument.

g) **Facsimiles/PDF**. Any facsimile or PDF signature of this Agreement or any other document by any person or entity shall constitute the legal, valid and binding execution of this Agreement or such other document by such person or entity.

h) **Section Headings**. The section headings used in this Agreement are for convenience of reference only and are not to affect the construction hereof or to be taken into consideration in the interpretation hereof.

i) **Identity Disclosure**. To help the U.S. Government prevent the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies client corporations and senior management and or owners of corporate clients. In accordance with these requirements the Marketer will request certain information which may include name, address, date of birth (for individuals), corporate tax ID and other information that will allow us to identify the Fund and senior management and or owners of the Fund. The Marketer may also request to see certain documents such as Certificate of Incorporation, driver's license or other identifying documents. The Marketer is committed to maintaining the privacy of our current and former clients.

Pickwick's Privacy Policy and Business Continuity Plan can be found under Disclosure Information on its website www.pickwickcapitalpartners.com.

Signature Page Follows

IN WITNESS WHEREOF, the parties have hereunto executed this Agreement as of the day and year first above written.

RUNWAY GROWTH CREDIT FUND INC.

By: /s/ Thomas B. Raterman
Name: Thomas B. Raterman
Title: Chief Financial Officer

RUNWAY GROWTH CAPITAL LLC

By: /s/ Thomas B. Raterman
Name: Thomas B. Raterman
Title: Chief Financial Officer

PICKWICK CAPITAL PARTNERS, LLC

By: /s/ Douglas C. W. Greenwood
Name: Douglas C. W. Greenwood
Title: President

SCHEDULE A

INVESTOR PROSPECTS

Name	City, State	Date Added	Date Removed
1.			
2.			
3.			
4.			
5.			

IN WITNESS WHEREOF, the parties have hereunto executed this Schedule A as of the ____ day of __________, 201_.

RUNWAY GROWTH CREDIT FUND INC.

By: ______________________________
Name: Thomas B. Raterman
Title: Chief Financial Officer

PICKWICK CAPITAL PARTNERS, LLC

By: ______________________________
Name: Douglas C. W. Greenwood
Title: President

SCHEDULE B

STATES IN WHICH MARKETER IS REGISTERED AS BROKER-DEALER

California	Nevada
Colorado	New Hampshire
Connecticut	New Jersey
Delaware	New York
District of Columbia	North Carolina
Florida	Ohio
Georgia	Oregon
Illinois	Pennsylvania
Iowa	Rhode Island
Maryland	Texas
Massachusetts	Utah
Michigan	Vermont
Minnesota	Virginia
Montana	Washington
Nebraska	

IN WITNESS WHEREOF, the undersigned has hereunto executed this Schedule B as of the ____ day of __________, 201_.

RUNWAY GROWTH CREDIT FUND INC.

By: ____________________________
Name:
Title:

PICKWICK CAPITAL PARTNERS, LLC

By: ____________________________
Name: Douglas C. W. Greenwood
Title: President

APPENDIX A

PICKWICK CAPITAL PARTNERS, LLC
INDEMNIFICATION PROVISIONS

In connection with the engagement of Pickwick Capital Partners LLC ("Pickwick") by Runway Growth Credit Fund Inc., an investment company that has elected to be regulated as a business development company (the "Company") under the Investment Company Act of 1940, as amended, pursuant to a letter agreement dated _______, between the Company and Pickwick, as it may be amended from time to time (the "Letter Agreement"), the Company hereby agrees as follows:

1. In connection with or arising out of or relating to the engagement of Pickwick under the Letter Agreement, or any actions taken or omitted, services performed or matters contemplated by or in connection with the Letter Agreement, the Company agrees to reimburse Pickwick, its affiliates and their respective directors, officers, employees, agents, and controlling persons (each an "Indemnified Party") promptly for expenses (including fees and expenses of legal counsel) that are reasonably incurred in connection with the investigation of, preparation for, or defense of any pending or threatened claim, or any litigation, proceeding, or other action in respect thereof. The Company also agrees (in connection with the foregoing) to indemnify and hold harmless each Indemnified Party from and against any and all losses, claims, damages, and liabilities -- joint or several -- to which any Indemnified Party may become subject, including any amount paid in settlement of any litigation or other action (commenced or threatened), to which the Company shall have consented in writing (such consent not to be unreasonably withheld), whether or not any Indemnified Party is a party and whether or not liability resulted; *provided, however*, that the Company shall not be liable pursuant to this sentence in respect of any loss, claim, damage, or liability to the extent that a court having competent jurisdiction shall have determined by final judgment (not subject to further appeal) that such loss, claim, damage, or liability resulted solely from the willful misfeasance, bad faith or gross negligence of such Indemnified Party.

2. An Indemnified Party shall have the right to retain separate legal counsel of its own choice to conduct the defense and all related matters in connection with any such litigation, proceeding, or other action. The Company shall pay the fees and expenses of such legal counsel, and such legal counsel to the fullest extent consistent with its professional responsibilities shall cooperate with the Company and any legal counsel designated by the Company. The Company agrees to consult in advance with Pickwick with respect to the terms of any proposed waiver, release, or settlement of any claim, liability, proceeding, or other action against the Company to which any Indemnified Party may also be subject, and to use its best efforts to afford Pickwick and/or any such Indemnified Party the opportunity to join in such waiver, release, or settlement.

   If indemnification is to be sought hereunder by an Indemnified Party, then such Indemnified Party shall notify the Company of the commencement of any litigation, proceeding, or other action in respect thereof; *provided, however,* that the failure to notify the Company shall not relieve the Company from any liability or obligation that it may have under this paragraph or otherwise to such Indemnified Party. Following such notification, the Company may elect in writing to assume the defense of such litigation, proceeding, or other action (and the costs related thereto) and, on such election, the Company shall not be liable for any legal costs subsequently incurred by such Indemnified Party (other than costs of investigation or the production of documents or witnesses) unless (i) the Company has failed to provide legal counsel reasonably satisfactory to such Indemnified Party in a timely manner or (ii) such Indemnified Party shall have reasonably concluded that (A) the representation of such Indemnified Party by legal counsel selected by the Company would be inappropriate due to actual or potential conflicts of interest or (B) there may be legal defenses available to such Indemnified Party that are different from additional to those available to the Company or any other Indemnified Party represented by such legal counsel.

3. It is understood and agreed that, in connection with Pickwick's engagement by the Company, Pickwick may also be engaged to act for the Company in one or more additional capacities, and that the terms of any such additional engagement may be embodied in one or more separate written agreements. These Indemnification Provisions shall apply to the engagement under the Letter Agreement and to any such additional engagement and any modification of such additional engagement; *provided, however,* that in the event that the Company engages Pickwick to act as a dealer Company in an exchange or tender offer or as an underwriter in connection with the issuance of securities by the Company or to furnish an opinion letter (other than as indicated in the Letter Agreement), such further engagement may be subject to separate indemnification and contribution provisions as may be mutually agreed on.

4. These Indemnification Provisions shall remain in full force and effect whether or not any of the transactions contemplated by the Letter Agreement are consummated and shall survive the expiration of the period of the Letter Agreement and shall be in addition to any liability that the Company might otherwise have to any Indemnified Party under the Letter Agreement or otherwise. The Parties agree that these Indemnification Provisions flow from the Company to Pickwick, but that nothing contained in such Indemnification Provisions limit any right or cause of action that the Company may have against Pickwick under the Letter Agreement; provided, however, that no Indemnified Party (including Pickwick) shall be liable to the Company or any affiliate of the Company in connection with any matter arising out of or relating to the engagement of Pickwick under the Letter Agreement, or any actions taken or omitted, services performed or matters contemplated by or in connection with the Letter Agreement, except to the extent that a court having competent jurisdiction shall have determined by final judgment (not subject to further appeal) that such liability resulted solely from the willful misfeasance, bad faith or gross negligence of such Indemnified Party.

Pickwick Capital Partners, LLC

By: ______________________________
Name: Douglas C. W. Greenwood
Title: President

Runway Growth Credit Fund Inc.

By: ______________________________
Name: ____________________________
Title: _____________________________

APPENDIX B

PICKWICK CAPITAL PARTNERS, LLC
FUND AND MANAGER REPRESENTATION

Runway Growth Credit Fund Inc. (the "Fund") and Runway Growth Capital LLC (the "Manager") hereby represent and warrant to Pickwick Capital Partners, LLC ("PICKWICK") that:

1. None of the "Fund Covered Persons" is subject to any "Bad Actor" disqualifications described in Rule 506(d) under the Securities Act of 1933, as amended, (each a "Disqualified Event"). A "Fund Covered Person" is the Fund, the Manager, any person associated with the Fund or the Manager, any director, executive officer or other officer of the Fund or the Manager participating in the Transaction, as defined in the Letter Agreement.

2. The Fund will notify Pickwick in writing of any Disqualification Event relating to any Fund Covered Person not previously disclosed, and any event that would, with the passage of time, become a Disqualification Event relating to any Fund Covered Person. The Fund agrees to contact PICKWICK as promptly as practical if there is any change which would cause the above representations for a "Bad Actor" to be untrue or inaccurate.

The foregoing representations, warranties and covenants will be true and correct as of the date hereof. The Fund or the Manager, as appropriate, must notify Pickwick, in writing, if, any of the representations or warranties made by the Fund or the Manager in this representation become inaccurate or untrue, and of the facts relating thereto.

Agreed to and Accepted by:

RUNWAY GROWTH CREDIT FUND INC.

By: ______________________________
Name: ____________________________
Title: _____________________________

RUNWAY GROWTH CAPITAL LLC

By: ______________________________
Name: ____________________________
Title: _____________________________

PICKWICK CAPITAL PARTNERS, LLC
MARKETER REPRESENTATION

Pickwick Capital Partners, LLC (the "Marketer") hereby represents and warrants to Runway Growth Credit Fund Inc. (the "Fund") and Runway Growth Capital LLC (the "Manager") that:

1. None of the "Marketer Covered Persons" is subject to any "Bad Actor" disqualifications described in Rule 506(d) under the Securities Act of 1933, as amended, (each a "Disqualification Event"). A "Marketer Covered Person" is the Marketer, any person associated with the Marketer, any director, executive officer or other officer of the Marketer participating in the Transaction, as defined in the Letter Agreement.

2. The Marketer will notify the Fund and the Manager in writing of any Disqualification Event relating to any Marketer Covered Person not previously disclosed, and any event that would, with the passage of time, become a Disqualification Event relating to any Marketer Covered Person. The Marketer agrees to contact the Fund and the Manager as promptly as practical if there is any change which would cause the above representations for a "Bad Actor" to be untrue or inaccurate.

The foregoing representations, warranties and covenants will be true and correct as of the date hereof. The Marketer must notify the Fund and the Manager, in writing, if, any of the representations or warranties made by the Marketer in this representation become inaccurate or untrue, and of the facts relating thereto.

Agreed to and Accepted by:

PICKWICK CAPITAL PARTNERS, LLC

By: ______________________________
Name: ____________________________
Title: _____________________________

EXHIBIT C

PICKWICK CAPITAL PARTNERS, LLC
DISCLOSURE STATEMENT
AND
AUTHORIZATION TO RELEASE INFORMATION

Runway Growth Capital LLC (the "Manager"), is the Investment Manager of the **Runway Growth Credit Fund Inc.** (the "Fund"). The Fund has engaged the services of **Pickwick Capital Partners, LLC** (the "Marketer") to solicit prospective investors to acquire shares of common stock, par value $0.01 per share, ("Interests") in the Fund. The Fund is not affiliated with the Marketer, and the Marketer performs its services for the Fund pursuant to a written agreement between the Fund and the Marketer (the "Marketing and Consulting Agreement").

For each person or entity (including you, the "Investor") that is solicited by the Marketer pursuant to the terms and conditions of the Marketing and Consulting Agreement, which acquires an Interest as a result of such solicitation, the Fund has agreed to pay the Marketer a fee equal to one and one-half percent (1.50%) on the committed investment amount in the Fund by the Investor. This compensation to the Marketer does affect the management, incentive fees and allocations that you would be charged or allocated in the event that you acquired an Interest without the solicitation of the Marketer.

You hereby acknowledge that your introduction to the Manager or the Fund by the Marketer and its personnel does not constitute an endorsement by the Marketer of the Manager or an investment recommendation by the Marketer with respect to the Manager or the Fund. You hereby authorize the Manager or the Fund to provide the Marketer with a duplicate copy of the subscription documentation entered into by you with respect to the Fund.

Notification to Investors/Clients – Identification Verification: The USA Patriot Act requires all financial institutions to obtain, verify and record information that identifies each person and entity that opens an account. Therefore, such identity information must be received prior to accepting an investment in a company; and either before or after such investment, we must verify this identification information. We will request to view one or more of the following documents in order to verify identification: for an individual, an unexpired government-issued identification evidencing nationality, residence, and bearing a photograph or similar safeguard, such as a driver's license or passport; and for an entity, documents showing the existence of the entity, such as certified articles of incorporation, a government-issued business license, a partnership agreement, or a trust agreement. Alternatively, we will reference a database or other official public information source to verify the legal entity's identity.

The Marketer's Privacy Policy can be found under Disclosure Information on its website at www.pickwickcapitalpartners.com.

PICKWICK CAPITAL PARTNERS, LLC

Please acknowledge your receipt of this written disclosure statement and authorization to release information:

Full Name of Entity/Individual Investor: ____

If an Entity: **Signature:** ____

Signing Officer Name: ____

Title: ____

If an Individual: **Signature:** ____

Exhibit 10.10

MARKETING AND CONSULTING AGREEMENT

AGREEMENT dated as of March 1, 2019, by and between **Runway Growth Credit Fund Inc.,** (the "Fund"), **Runway Growth Capital LLC** (the "Manager") and **Peak Capital Limited** (the "Marketer").

Pursuant to the terms of this agreement, Marketer agrees to act as solicitor and to provide broker dealer services to the Fund in connection with assisting the Fund in identifying and soliciting potential investors for the Fund in connection with the Fund's private offering as described in the private placement memorandum dated 28th February, 2019, as may be amended or supplemented from time to time (the "Offering").

WHEREAS, the Fund is a business development company and its affiliate, the Manager, currently serves as the investment manager of the Fund;

WHEREAS, the Marketer is in the business of, and has expertise in, providing marketing and consulting services to private investment funds; and

WHEREAS, the Fund desires to appoint the Marketer as a non-exclusive marketing representative of the Fund in Asia during the term of this Agreement, to identify and introduce to the Fund and the Manager potential investors for the Fund, subject to the terms of this Agreement, and the Marketer desires to accept such appointment.

NOW, THEREFORE, the parties hereby agree as follows:

1. APPOINTMENT

(a) The Fund hereby appoints the Marketer to represent the Fund in Asia in connection with providing marketing, consulting and capital raising services for the Fund. As used herein, the term "Investor Prospects" includes professional investors, corporate investors and institutional investors of all types identified and introduced by the Marketer to the Fund. As used herein, "Excluded Persons" shall mean any new investors not initially identified and introduced to the Fund by the Marketer and any person for which the Marketer was not granted the authority to communicate pursuant to Section 1(c) hereof.

(b) All Investor Prospects shall be subject to acceptance by the Fund, in its sole discretion, for inclusion as investors with respect to the Fund.

(c) Prior to providing any Investor Prospect with confidential materials regarding the Fund, Marketer shall notify the Fund in writing of the name of such Investor Prospect. Within ten (10) business days thereafter, the Fund shall notify Marketer in writing as to whether Marketer may communicate with such Investor Prospect pursuant to this Agreement. Marketer's communications with an Investor Prospect may be restricted as set forth in the Fund's authorization. Marketer will not provide confidential materials to any person regarding the Fund or the Manager unless such person has been approved by the Fund and such Investor Prospect has delivered an executed confidentiality agreement in a form acceptable to the Fund.

(d) The Fund shall treat each Investor Prospect with respect to a specific closing (the "Closing") of the Fund, unless (i) such Investor Prospect has materially breached its subscription agreement with the Fund, which shall, for the avoidance of doubt, include a default relating to a capital call by the Fund (a "Capital Call"), or (ii) the Investor Prospect is not permitted to contribute capital to the Fund pursuant to the terms of such Investor Prospect's subscription agreement with the Fund as determined in the Fund's sole discretion, in the same manner as the Fund treats all other investors in such Closing of the Fund. For the avoidance of doubt, and without limiting the foregoing sentence, the Fund shall not reduce, terminate, reject additional funding from or fail to renew the investment of any Investor Prospect, unless the Fund is also reducing, terminating, rejecting funding from or failing to renew the investments of all other investors with respect to such Closing.

(e) During and after the term of this Agreement, the Fund may retain one or more additional marketing representatives, or any other person, firm or corporation furnishing marketing, consulting or capital raising services relating to the Fund. During and after the term of this Agreement, the Marketer may act as marketing and/or consulting representative for any other person, fund or organization.

2. REPRESENTATIONS AND WARRANTIES

(a) The Marketer hereby agrees, represents and warrants as follows:

i. No subscription from an Investor Prospect shall be effective unless and until it is accepted by the Fund, in its sole discretion; and, the Fund reserves the right, in its sole discretion to: (A) refrain from accepting, in whole or in part, any subscription from an Investor Prospect; (B) redeem, in whole or in part, an Investor's investment in the Fund; or (C) subsequently expel an Investor from the Fund or terminate the Fund's relationship with any Investor. As used herein, the term "Investor" shall include any Investor Prospect contacted by Marketer within sixty (60) days of the date such Investor Prospect is consented to by the Fund pursuant to Section 1(c) hereof which: (i) the Fund acknowledges in writing has been identified and introduced by the Marketer to the Fund; and (ii) whose subscription agreement is accepted by the Fund directly or indirectly as an investor in the Fund for which the Fund authorized the Marketer to solicit such Investor Prospect during the term of this Agreement; provided, however, that Excluded Persons shall not be Investors.

ii. The Marketer will use only such offering documents and other materials, and make such representations, in connection with the Fund as shall have been expressly approved in advance by the Fund.

iii. The activities of the Marketer hereunder will comply with the Hong Kong Securities and Futures Ordinance or other applicable law (references to law or applicable law in this Agreement shall include all relevant statutes, regulations or regulatory rules and official guidance and interpretation in any relevant jurisdiction and references to any laws, statutes, regulations or regulatory rules shall refer to those in force from time to time). Without limiting the foregoing, the Marketer will not engage in any form of "general solicitation or advertising", in performing its duties pursuant to this Agreement and will ensure that it complies with applicable law in performing its duties under this agreement. In connection therewith, the Marketer will not mention the Manager, the Fund, the equity interests of the Fund (the "Interests") or any information about the Marketer's duties under this Agreement in any public medium, including any newspaper, on radio or television, the Internet or otherwise.

iv. The Marketer will only offer Interests to Investor Prospects that it has ascertained in accordance with applicable law are professional investors and that it reasonably believes are "accredited investors" within the meaning of Regulation D under the U.S. Securities Act of 1933, as amended.

v. The Marketer is registered and in good standing with the Hong Kong Securities and Futures Commission ("SFC"). The Marketer will offer Interests to Investor Prospects only in Asia in accordance with applicable law.

vi. The Marketer agrees to introduce the Fund to potential investors only in Asia in which the Marketer has been advised by the Fund that offers and sales of Interests can be legally made and in which the Marketer is registered and in good standing as an introducer or is exempt from registration.

vii. During the term of this Agreement, the Marketer shall comply with all applicable laws, rules and regulations including, without limitation, governmental securities law.

viii. The Marketer undertakes to perform its duties hereunder in a manner consistent with the instructions of the Fund and in accordance with applicable law.

ix. Neither the Marketer nor any of its officers, directors, employees, affiliates or agents will, without the express prior written consent of the Fund, which consent the Fund may withhold in its sole discretion, share any part of the compensation received pursuant to this Agreement with any other person or entity, other than persons who are properly licensed and registered representatives/agents of the Marketer.

(b) The Manager agrees, represents and warrants as follows:

i. During the term of this Agreement, the Fund shall comply with applicable laws, rules and regulations including, without limitation, federal and state securities laws, unless failure to so comply would not result in a material breach under the terms of this Agreement.

3. <u>DUTIES OF THE MARKETER</u>

a) The Marketer shall use reasonable efforts and time, consistent with its resources, on behalf of the Fund to solicit Investor Prospects for the Fund. In this regard, the Marketer shall:

i. Initiate written or telephonic communication with Investors and Investor Prospects with a view to providing information regarding, and increasing the awareness of, the Fund's services;

ii. Use reasonable efforts subsequent to each initial contact to solicit Investor Prospects for the Fund (which solicitations may include, without limitation, personal meetings between Investor Prospects, the Marketer and/or the Fund); provided, however, that any personal meetings involving the Fund shall be subject to the prior approval of the Fund;

iii. carry out client identification and anti-money laundering checks, in accordance with applicable laws, on all Investor Prospects that the Marketer introduces to the Fund;

iv. in the event of any enquiry from law enforcement agencies or regulators, make available to the Manager copies of the relevant identification documents obtained pursuant to this agreement;

v. be responsible for assessing whether the Fund is a suitable investment for Investor Prospects and, in making that assessment, it will take due account of the information supplied to it by the Manager in relation to the Fund;

vi. Consult with the Fund, at the Fund's request, regarding; (A) the rejection of a subscription by any Investor Prospect; (B) the acceptance of any initial investment by any Investor Prospect in an amount less than or different from that provided in the relevant offering memorandum; (C) the acceptance of any additional subscription by any Investor Prospect in an amount less than or different from that provided in the relevant offering memorandum; (D) the rejection of any additional subscription by any Investor Prospect in the Fund; (E) the consent to withdrawals by any Investor in any amount less than or different from that provided in the relevant offering memorandum; and (F) the consent to the retention by any Investor Prospect of an investment in the Fund in an amount less than or different from that provided in the relevant offering memorandum;

vii. Provide other investor relations services, such as responding to Investor Prospect inquiries; and

viii. Provide such other services as the Fund and the Marketer shall agree upon from time to time.

4. INDEPENDENT REPRESENTATIVE

In performing the services for the Fund as described herein, the Marketer shall be regarded as an independent contractor and marketing and consulting representative, the Marketer shall not have any right or authority to create any obligations of any kind on behalf of the Fund and shall make no representation to any third party to the contrary.

5. EXPENSES

The Marketer shall not be entitled to be reimbursed for normal and customary out-of-pocket marketing expenses incurred by it in connection with this Agreement and shall only be entitled to receive the fees described in accordance with clause 6 of this Agreement.

6. MARKETER FEES AND COMPENSATION

As compensation for the services provided by the Marketer hereunder, in addition to the other obligations of the Manager and the Fund to the Marketer set forth in this Agreement, the Manager shall pay to the Marketer:

a) Placement Fee. The Marketer shall receive a placement fee with respect to each Investor for which the Fund accepts a Subscription Agreement ("Placement Fee") The Placement Fee will consist of two parts, as follows:

- The first part (the "Quarterly Placement Fee") will be payable in quarterly installments over a period of eight (8) calendar quarters commencing on the 15th day of the first calendar quarter immediately following the date of the acceptance of the subscriptionfrom the applicable Investor. **Example**: If the subscription acceptance occurs in January 2019, the quarter will start April 1, 2019, with payment due by April 15, 2019, and the next quarter beginning on July 1, 2019, and thereafter, but only for so long as the Investor remains an Investor in the Fund. The Quarterly Placement Fee payable by the Fund will be an amount equal to 1% of the committed capital from such Investors.

- The second part (the "As-Drawn Placement Fee") will be payable over eight (8) calendar quarters commencing on the 15th day of the first quarter following any Capital Call of the Fund where capital is called from Investors. The As-Drawn Placement Fee payable by the Fund will be an amount equal to 0.5% of the capital called from such Investors at the applicable Capital Call.

- In any jurisdiction where the engagement of a placement agent is required by law, but where the Fund or Manager identifies an investor listed on Schedule A (a "Fund Investor"), to the extent the Marketer provides services related to the solicitation and processing of a Fund Investor, the Placement Fee payable by the Fund will be an amount equal to 75% of the Placement Fee that would otherwise be paid as outlined above.

b) **Future Investments by Investors**. Any and all future investments or additional increments of investment made directly or indirectly by an Investor in the Fund, either during the term of this Agreement or within 12 months from the date the Fund accepts the Investor's Subscription Agreement, will be subject to the provisions of Section 2; where the Marketer receives a 0.75% fee of the committed capital.

c) **Recordkeeping**. The Fund shall maintain complete and accurate current books and records with respect to the Capital Contributions of the Investors. The Marketer shall have access to records relating to such Capital Contributions until the first anniversary of the final close of the Offering, for the sole purpose of determining the accuracy of payments to be made to the Marketer, and the Fund shall cooperate in providing information related thereto.

7. COMPLIANCE

The Marketer shall comply with all applicable laws (including without limitation laws relating to personal data)in accordance with the Hong Kong Securities and Futures Commission Ordinance.

a) perform its duties under this Agreement in a manner consistent with the reasonable instructions of the Fund.*and*

b) at the time of any solicitation activities by the Marketer with respect to one or more Investor Prospects, provide such Investor Prospects with copies of:

i. the applicable Fund offering documents; and

ii. a Disclosure Statement. The Fund will not accept any subscription from an Investor unless a Disclosure Statement and Authorization to Release Information Form, attached hereto as Exhibit C, is signed by the Investor and submitted to the Marketer by the Fund.

8. TERMINATION AND INDEMNIFICATION

The term of this Agreement shall expire as of the final closing of the Offering. In addition, either party hereto may terminate this Agreement at any time upon ninety (90) days prior written notice to the other party. Termination of this Agreement shall result in the termination of all duties and authorities of each party, other than Sections 6, 9 and 10 hereof which shall survive any such termination. By signing this Letter Agreement Manager and Marketer agree to the provisions regarding indemnification, contribution, and limitation of liability attached to this Letter Agreement as Appendix A which provisions are expressly incorporated by reference herein.

9. CONFIDENTIALITY

a) The Marketer agrees that, during the term of this Agreement and at all times thereafter, unless specifically authorized by the Fund, the Marketer will not disclose any Proprietary Information (defined below) to any person or entity other than on a need-to-know basis, to employees and/or registered persons of the Marketer and persons engaged by the Marketer to provide legal, accounting, consulting and similar services. The Marketer further agrees that upon termination of this Agreement, the Marketer will to the extent instructed by the Fund destroy any Proprietary Information then in the Marketer's possession (or in the possession of the Marketer's employees, registered persons, or persons engaged by the Marketer to provide legal, accounting, consulting or similar services), unless the Marketer shall be required by law to retain such Proprietary Information.

b) As used herein, the term "Proprietary Information" means all information of a nonpublic, proprietary and confidential nature concerning the Manager, its affiliates, the Fund and the other investment funds and accounts managed by the Manager and its affiliates, including but not limited to information relating to

i. business operations,

ii. existing and proposed investments and investment strategies,

iii. financial performance,

iv. compensation arrangements and amounts (inclusive of arrangements between the Fund, the Manager, and their affiliates and their respective employees and registered persons, and the arrangement between the Fund and the Marketer),

v. contractual relationships,

vi. business partners and relationships, and

vii. stockholders/investors and prospective stockholders/investors of the Fund and the other investment funds and accounts managed by the Manager and its affiliates, regardless of the medium in which any such information is contained; provided, however, that Proprietary Information does not include information that (A) becomes generally available to the public by means other than a breach by the Marketer of this Agreement or any other agreement between the Marketer and the Fund or its affiliates, (B) is in the possession of the Marketer (such as information pertaining to Investor Prospects introduced to the Fund by the Marketer), or becomes available to the Marketer, on a non-confidential basis from a source other than the Fund or its affiliates, or (C) the Marketer is required by law, regulation, court order or discovery demand to disclose; provided, however, that in the case of this clause (C) the Marketer provides the Fund with prompt notice of the Proprietary Information required to be disclosed and the reasons and circumstances surrounding such disclosure in order to allow the Fund an opportunity to seek a protective order or other appropriate request for confidential treatment of the applicable Proprietary Information.

c) Without the prior written consent of the Fund, the Marketer shall not disclose, whether in client lists, marketing literature or otherwise, the fact that it is rendering services to the Fund, or to use the name of the Manager, the Fund or its affiliates in any public document, other than as necessary in order to perform its services hereunder; or as required by law or legal process.

d) Each party hereto agrees to comply with the provisions of protecting Investors private information as stated in the SEC Regulation S-P, the Gramm -Leach-Bliley Act of 1999 and other applicable federal and state privacy regulations and as required under other applicable law with respect to personal non-public information of Investor Prospects and Investors.

10. UNDERTAKING TO PROVIDE ADDITIONAL INFORMATION AND DOCUMENTATION

Each party undertakes and agrees that it will promptly supply the other party with such information and documentation regarding the Manager, the Fund, the Marketer and Investors as from time to time may be requested by such party and which is deemed by such party to be necessary in order for such party to comply with anti-money laundering, OFAC, or other applicable federal, state, local or foreign laws, rules or regulations.

11. MISCELLANEOUS

a) **Notices**. All notices and other communications under this Agreement must be in writing, and any notice or communication will be deemed to have been duly given **(i)** when delivered personally, **(ii)** on the business day following the day such notice or other communication is sent by recognized overnight courier, **(iii)** on the date of transmission, if such notice or other communication is delivered via facsimile on a business day (with confirmation of transmission), or **(iv)** on the fifth business day following the date of deposit within a postal service if sent first class, postage prepaid, by registered or certified mail or any other alternative postal service. Notices to each of the Marketer and the Fund will be sent to the addresses set forth below, unless either party notifies the other party in writing of a different address in accordance with the requirements of this paragraph:

If to the Manager:

Runway Growth Credit Fund Inc.
205 N Michigan Ave., Suite 4200
Chicago, IL 60601
Attn: Tom Raterman

If to Marketer:

Peak Capital Limited
12B, Shun Ho Tower
24-30 Ice House Street
Central
Hong Kong
Attn: Simon Powell

b) **Amendments in Writing; No Waiver; Cumulative Remedies**. None of the terms or provisions of this Agreement may be amended, supplemented or otherwise modified except by a written instrument executed by each of the parties hereto. No party hereto shall by any act (except by a written instrument pursuant to Section 11(a) hereof), delay, indulgence, omission or otherwise be deemed to have waived any right or remedy hereunder. No single or partial exercise of any right, power or privilege hereunder shall preclude any other or further exercise thereof or the exercise of any other right, power or privilege. A waiver by any party hereto of any right or remedy hereunder on any one or more occasions shall not be construed as a bar to any right or remedy that any party hereto would otherwise have on any future occasion. The rights and remedies herein provided are cumulative, may be exercised singly or concurrently, and are not exclusive of any other rights or remedies provided by law.

c) **No Third Party Beneficiaries; Assignment**. This Agreement shall be binding upon and inure solely to the benefit of the parties hereto and their permitted successors and assigns, and nothing herein, express or implied, is intended to or shall confer upon any other person or entity, any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement or the transactions contemplated hereunder. No party hereto may assign any of its rights or obligations under this Agreement to any person or entity without the prior written consent of the other party hereto.

d) **Governing Law; Severability**. This agreement shall be interpreted in accordance with and governed by the laws of the State of New York, without regard to the principles of conflict of laws thereof. If any provision hereof would be invalid under applicable law, then such provision shall be deemed to be modified to the extent necessary to render it valid while most nearly preserving its original intent. No provision hereof shall be affected as a result of another provision being held invalid.

e) **Entire Agreement**. This Agreement constitutes the entire agreement of the parties hereto with respect to the subject matter hereof, and supersedes all prior agreements and undertakings, both written and oral, between the parties hereto with respect to the subject matter hereof.

f) **Counterparts**. This Agreement may be executed by the parties hereto in any number of separate counterparts, and all of said counterparts taken together shall be deemed to constitute one and the same instrument.

g) **Facsimiles/PDF**. Any facsimile or PDF signature of this Agreement or any other document by any person or entity shall constitute the legal, valid and binding execution of this Agreement or such other document by such person or entity.

h) **Section Headings**. The section headings used in this Agreement are for convenience of reference only and are not to affect the construction hereof or to be taken into consideration in the interpretation hereof.

i) **Identity Disclosure**. To help the U.S. Government prevent the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies client corporations and senior management and or owners of corporate clients. In accordance with these requirements the Marketer will request certain information which may include name, address, date of birth (for individuals), corporate tax ID and other information that will allow us to identify the Fund and senior management and or owners of the Fund. The Marketer may also request to see certain documents such as Certificate of Incorporation, driver’s license or other identifying documents. The Marketer is committed to maintaining the privacy of our current and former clients.

Signature Page Follows

IN WITNESS WHEREOF, the parties have hereunto executed this Agreement as of the day and year first above written.

RUNWAY GROWTH CREDIT FUND INC.

By: /s/ Thomas B. Raterman
Name: Thomas B. Raterman
Title: Chief Financial Officer

RUNWAY GROWTH CAPITAL LLC

By: /s/ Thomas B. Raterman
Name: Thomas B. Raterman
Title: Chief Financial Officer

PEAK CAPITAL LIMITED

By: /s/ Simon Powell
Name: Simon Powell
Title: Director

FORM OF SCHEDULE A

FUND IDENTIFIED INVESTOR PROSPECTS

Name	City, State	Date Added	Date Removed

IN WITNESS WHEREOF, the parties have hereunto executed this Schedule A as of the ____ day of ___________, 2019.

RUNWAY GROWTH CREDIT FUND INC.

By: ______________________________
Name: Thomas B. Raterman
Title: Chief Financial Officer

PEAK CAPITAL LIMITED

By: ______________________________
Name: Simon Powell
Title: Director

APPENDIX A

PEAK CAPITAL LIMITED INDEMNIFICATION PROVISIONS

In connection with the engagement of Peak Capital Limited ("the Marketer") by Runway Growth Credit Fund Inc., an investment company that has elected to be regulated as a business development company (the "Company") under the Investment Company Act of 1940, as amended, pursuant to a letter agreement dated _______, between the Company and the Marketer, as it may be amended from time to time (the "Letter Agreement"), the Company hereby agrees as follows:

1. In connection with or arising out of or relating to the engagement of the Marketer under the Letter Agreement, or any actions taken or omitted, services performed or matters contemplated by or in connection with the Letter Agreement, the Company agrees to reimburse the Marketer, its affiliates and their respective directors, officers, employees, agents, and controlling persons (each an "Indemnified Party") promptly for expenses (including fees and expenses of legal counsel) that are reasonably incurred in connection with the investigation of, preparation for, or defense of any pending or threatened claim, or any litigation, proceeding, or other action in respect thereof. The Company also agrees (in connection with the foregoing) to indemnify and hold harmless each Indemnified Party from and against any and all losses, claims, damages, and liabilities -- joint or several -- to which any Indemnified Party may become subject, including any amount paid in settlement of any litigation or other action (commenced or threatened), to which the Company shall have consented in writing (such consent not to be unreasonably withheld), whether or not any Indemnified Party is a party and whether or not liability resulted; *provided*, *however*, that the Company shall not be liable pursuant to this sentence in respect of any loss, claim, damage, or liability to the extent that a court having competent jurisdiction shall have determined by final judgment (not subject to further appeal) that such loss, claim, damage, or liability resulted solely from the willful misfeasance, bad faith or gross negligence of such Indemnified Party.

2. An Indemnified Party shall have the right to retain separate legal counsel of its own choice to conduct the defense and all related matters in connection with any such litigation, proceeding, or other action. The Company shall pay the fees and expenses of such legal counsel, and such legal counsel to the fullest extent consistent with its professional responsibilities shall cooperate with the Company and any legal counsel designated by the Company. The Company agrees to consult in advance with the Marketer with respect to the terms of any proposed waiver, release, or settlement of any claim, liability, proceeding, or other action against the Company to which any Indemnified Party may also be subject, and to use its best efforts to afford the Marketer and/or any such Indemnified Party the opportunity to join in such waiver, release, or settlement.

   If indemnification is to be sought hereunder by an Indemnified Party, then such Indemnified Party shall notify the Company of the commencement of any litigation, proceeding, or other action in respect thereof; *provided, however,* that the failure to notify the Company shall not relieve the Company from any liability or obligation that it may have under this paragraph or otherwise to such Indemnified Party. Following such notification, the Company may elect in writing to assume the defense of such litigation, proceeding, or other action (and the costs related thereto) and, on such election, the Company shall not be liable for any legal costs subsequently incurred by such Indemnified Party (other than costs of investigation or the production of documents or witnesses) unless (i) the Company has failed to provide legal counsel reasonably satisfactory to such Indemnified Party in a timely manner or (ii) such Indemnified Party shall have reasonably concluded that (A) the representation of such Indemnified Party by legal counsel selected by the Company would be inappropriate due to actual or potential conflicts of interest or (B) there may be legal defenses available to such Indemnified Party that are different from additional to those available to the Company or any other Indemnified Party represented by such legal counsel.

3. It is understood and agreed that, in connection with the Marketer's engagement by the Company, the Marketer may also be engaged to act for the Company in one or more additional capacities, and that the terms of any such additional engagement may be embodied in one or more separate written agreements. These Indemnification Provisions shall apply to the engagement under the Letter Agreement and to any such additional engagement and any modification of such additional engagement; *provided*, *however*, that in the event that the Company engages the Marketer to act as a dealer Company in an exchange or tender offer or as an underwriter in connection with the issuance of securities by the Company or to furnish an opinion letter (other than as indicated in the Letter Agreement), such further engagement may be subject to separate indemnification and contribution provisions as may be mutually agreed on.

4. These Indemnification Provisions shall remain in full force and effect whether or not any of the transactions contemplated by the Letter Agreement are consummated and shall survive the expiration of the period of the Letter Agreement and shall be in addition to any liability that the Company might otherwise have to any Indemnified Party under the Letter Agreement or otherwise. The Parties agree that these Indemnification Provisions flow from the Company to the Marketer, but that nothing contained in such Indemnification Provisions limit any right or cause of action that the Company may have against the Marketer under the Letter Agreement; provided, however, that no Indemnified Party (including the Marketer) shall be liable to the Company or any affiliate of the Company in connection with any matter arising out of or relating to the engagement of the Marketer under the Letter Agreement, or any actions taken or omitted, services performed or matters contemplated by or in connection with the Letter Agreement, except to the extent that a court having competent jurisdiction shall have determined by final judgment (not subject to further appeal) that such liability resulted solely from the willful misfeasance, bad faith or gross negligence of such Indemnified Party.

PEAK CAPITAL LIMITED

By: ______________________________
Name: Simon Powell
Title: Director

RUNWAY GROWTH CREDIT FUND INC.

By: ______________________________
Name: Thomas B. Raterman
Title: Chief Financial Officer

APPENDIX B

RUNWAY GROWTH CREDIT FUND INC. AND RUNWAY GROWTH CAPITAL LLC
FUND AND MANAGER REPRESENTATION

Runway Growth Credit Fund Inc. (the “Fund”) and Runway Growth Capital LLC (the “Manager”) hereby represent and warrant to Peak Capital Limited (the “Marketer”) that:

1. None of the “Fund Covered Persons” is subject to any “Bad Actor” disqualifications described in Rule 506(d) under the Securities Act of 1933, as amended, (each a “Disqualification Event”). A “Fund Covered Person” is the Fund, the Manager any person associated with the Fund or the Manager, any director, executive officer or other officer of the Fund or the Manager participating in the Transaction, as defined in the Letter Agreement.

2. The Fund will notify the Marketer in writing of any Disqualification Event relating to any Fund Covered Person not previously disclosed, and any event that would, with the passage of time, become a Disqualification Event relating to any Fund Covered Person. The Fund agrees to contact the Marketer as promptly as practical if there is any change which would cause the above representations for a “Bad Actor” to be untrue or inaccurate.

The foregoing representations, warranties and covenants will be true and correct as of the date hereof. The Fund or the Manager, as appropriate, must notify the Marketer in writing, if, any of the representations or warranties made by the Fund or Manager in this representation become inaccurate or untrue, and of the facts relating thereto.

Agreed to and Accepted by:

RUNWAY GROWTH CREDIT FUND INC.

By: ______________________________
Name: Thomas B. Raterman
Title: Chief Financial Officer

RUNWAY GROWTH CAPITAL LLC

By: ______________________________
Name: Thomas B. Raterman
Title: Chief Financial Officer

PEAK CAPITAL LIMITED
MARKETER REPRESENTATION

Peak Capital Limited (the “Marketer”) hereby represents and warrants to Runway Growth Credit Fund Inc. (the “Fund”) and Runway Growth Capital LLC (the “Manager”) that:

3. None of the “Marketer Covered Persons” is subject to any “Bad Actor” disqualifications described in Rule 506(d) under the Securities Act of 1933, as amended, (each a “Disqualification Event”). A “Marketer Covered Person” is the Marketer, any person associated with the Marketer, any director, executive officer or other officer of the Marketer participating in the Transaction, as defined in the Letter Agreement.

4. The Marketer will notify the Fund and the Manager in writing of any Disqualification Event relating to any Marketer Covered Person not previously disclosed, and any event that would, with the passage of time, become a Disqualification Event relating to any Marketer Covered Person. The Marketer agrees to contact the Fund and the Manager as promptly as practical if there is any change which would cause the above representations for a “Bad Actor” to be untrue or inaccurate.

The foregoing representations, warranties and covenants will be true and correct as of the date hereof. The Marketer must notify the Fund and the Manager, in writing, if, any of the representations or warranties made by the Marketer in this representation become inaccurate or untrue, and of the facts relating thereto.

Agreed to and Accepted by:

PEAK CAPITAL LIMITED

By: ______________________________
Name: _Simon Powell___________________________
Title: __Director___________________________

EXHIBIT C

PEAK CAPITAL LIMITED
DISCLOSURE STATEMENT
AND
AUTHORIZATION TO RELEASE INFORMATION

Runway Growth Capital LLC (the "Manager"), is the Investment Manager of the **Runway Growth Credit Fund Inc.** (the "Fund"). The Fund has engaged the services of **Peak Capital Limited** (the "Marketer") to solicit prospective investors to acquire shares of common stock, par value $0.01 per share, ("Interests") in the Fund. The Fund is not affiliated with the Marketer, and the Marketer performs its services for the Fund pursuant to a written agreement between the Fund and the Marketer (the "Marketing and Consulting Agreement").

For each person or entity (including you, the "Investor") that is solicited by the Marketer pursuant to the terms and conditions of the Marketing and Consulting Agreement, which acquires an Interest as a result of such solicitation, the Fund has agreed to pay the Marketer a fee equal to one and one-half percent (1.50%) on the committed investment amount in the Fund by the Investor. This compensation to the Marketer does affect the management, incentive fees and allocations that you would be charged or allocated in the event that you acquired an Interest without the solicitation of the Marketer.

You hereby acknowledge that your introduction to the Manager or the Fund by the Marketer and its personnel does not constitute an endorsement by the Marketer of the Manager or an investment recommendation by the Marketer with respect to the Manager or the Fund. You hereby authorize the Manager or the Fund to provide the Marketer with a duplicate copy of the subscription documentation entered into by you with respect to the Fund.

Notification to Investors/Clients – Identification Verification: The USA Patriot Act requires all financial institutions to obtain, verify and record information that identifies each person and entity that opens an account. Therefore, such identity information must be received prior to accepting an investment in a company; and either before or after such investment, we must verify this identification information. We will request to view one or more of the following documents in order to verify identification: for an individual, an unexpired government-issued identification evidencing nationality, residence, and bearing a photograph or similar safeguard, such as a driver's license or passport; and for an entity, documents showing the existence of the entity, such as certified articles of incorporation, a government-issued business license, a partnership agreement, or a trust agreement. Alternatively, we will reference a database or other official public information source to verify the legal entity's identity.

PEAK CAPITAL LIMITED

Please acknowledge your receipt of this written disclosure statement and authorization to release information:

Full Name of Entity/Individual Investor: ____

If an Entity: **Signature:** ____

Signing Officer Name: ____

Title: ____

If an Individual: **Signature:** ____

Exhibit 31.1

Certification of Chief Executive Officer of Runway Growth Credit Fund Inc.
pursuant to Rule 13a-14(a) under the Exchange Act,
as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, R. David Spreng, as Chief Executive Officer, certify that:

1. I have reviewed this annual report on Form 10-K of Runway Growth Credit Fund Inc.;

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

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

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

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

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

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

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

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

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

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

/s/ R. David Spreng

R. David Spreng
Chief Executive Officer

March 28, 2019

Exhibit 31.2

Certification of Chief Financial Officer of Runway Growth Credit Fund Inc.
pursuant to Rule 13a-14(a) under the Exchange Act,
as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Thomas B. Raterman, as Financial Officer, certify that:

1. I have reviewed this annual report on Form 10-K of Runway Growth Credit Fund Inc.;

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

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

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

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

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

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

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

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

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

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

/s/ Thomas B. Raterman

Thomas B. Raterman
Chief Financial Officer

March 28, 2019

Exhibit 32.1

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

In connection with the annual report on Form 10-K for the year ended December 31, 2017 (the “Report”) of Runway Growth Credit Fund Inc. (the “Registrant”), as filed with the Securities and Exchange Commission on the date hereof, I, R. David Spreng, the Chief Executive Officer of the Registrant, hereby certify, to the best of my knowledge, that:

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

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

/s/ R. David Spreng

Name: R. David Spreng
Date: March 28, 2019

Exhibit 32.2

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

In connection with the annual report on Form 10-K for the year ended December 31, 2017 (the "Report") of Runway Growth Credit Fund Inc. (the "Registrant"), as filed with the Securities and Exchange Commission on the date hereof, I, Thomas B. Raterman, the Chief Financial Officer of the Registrant, hereby certify, to the best of my knowledge, that:

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

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

/s/ Thomas B. Raterman

Name: Thomas B. Raterman
Date: March 28, 2019