SIXTH AMENDED AND RESTATED PRIVATE PLACEMENT MEMORANDUM

CONFIDENTIAL

Barings Private Credit Corporation

OFFERING OF COMMON STOCK
IN A BUSINESS DEVELOPMENT COMPANY ADVISED BY

Barings LLC

June 2024

Barings Private Credit Corporation

Common Stock

We were formed on April 2, 2021 as a Maryland limited liability company named Barings Private Credit LLC and converted to a Maryland corporation named Barings Private Credit Corporation effective on May 13, 2021, in connection with the commencement of our operations. Unless otherwise noted, the terms "we," "us," "our" and the "Company" refer to Barings Private Credit LLC prior to the conversion to a Maryland corporation, and Barings Private Credit Corporation on and after the date of the conversion.

This Confidential Sixth Amended and Restated Private Placement Memorandum (as amended or supplemented from time to time, the "Memorandum") contains a summary of our capital stock and is not meant to be a complete description. However, this Memorandum and the accompanying subscription documents (the "Subscription Agreement") contain the material terms and conditions of the shares of our common stock, par value $0.001 per share, being offered hereunder. The following description is based on relevant portions of the Maryland General Corporation Law ("MGCL") and on our charter and bylaws.

The common stock described herein has not been approved or disapproved by the U.S. Securities and Exchange Commission (the "SEC") or by the securities regulatory authority of any state or of any other U.S. or non-U.S. jurisdiction, nor has the SEC or any such securities regulatory authority passed upon the accuracy or adequacy of this Memorandum. Any representation to the contrary is a criminal offense.

The common stock described herein has not been registered under the Securities Act of 1933, as amended (the "Securities Act"), the securities laws of any U.S. state or the securities laws of any other jurisdiction. The shares of common stock are being offered and sold under the exemption provided by Section 4(a)(2) of the Securities Act, Rule 506 of Regulation D promulgated thereunder and Regulation S under the Securities Act.

Our shares of common stock are being offered solely to investors that are "accredited investors" as defined in Rule 501(a) of Regulation D promulgated under the Securities Act or in accordance with Regulation S under the Securities Act to investors that are not "U.S. persons" as defined in Rule 902(k) of Regulation S. The Company has filed an election to be treated as a business development company ("BDC") under the Investment Company Act of 1940, as amended (the "1940 Act"), in connection with which we filed with the SEC a registration statement on Form 10 (including any amendments thereto filed with the SEC from time to time, the "Form 10 Registration Statement") for our common stock under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). The Form 10 Registration Statement is not the offering document pursuant to which we are conducting this offering and may not include all information regarding the Company contained in this Memorandum; accordingly, investors should rely exclusively on information contained or incorporated by reference herein in making their investment decisions. The shares of common stock offered hereby may not be sold or transferred (i) except as permitted under the Subscription Agreement, including in connection with transfers to the Company in connection with the Company's share repurchase program and (ii) unless they are registered under the Securities Act and under any other applicable securities laws or an exemption from such registration thereunder is available.

The minimum initial investment the shares of our common stock offered hereby is $50,000, after which additional investments must be in increments of $5,000, each subject to the discretion of the Company. The minimum subsequent investment amount does not apply to purchases made under our dividend reinvestment plan.

The Company was formed on April 2, 2021, as a Maryland limited liability company. In connection with its conversion to a Maryland corporation named Barings Private Credit Corporation, which became effective on May 13, 2021, the Company elected to be regulated as a BDC under the 1940 Act. In addition, the Company has elected to be treated as a regulated investment company ("RIC") under Subchapter M of the Internal Revenue Code of 1986, as amended (the "Code"), and expects to maintain its qualification as a RIC annually.

The Company is a non-exchange traded, perpetual-life BDC, which is a BDC whose shares are not listed for trading on a stock exchange or other securities market. We use the term "perpetual-life BDC" to describe an investment vehicle of indefinite duration, whose shares of common stock are intended to be sold by the BDC monthly on a continuous basis at a price generally equal to the BDC's monthly net asset value per share. In our perpetual-life structure, we may offer investors an opportunity to repurchase their shares on a quarterly basis, but we are not obligated to offer to repurchase any in any particular quarter in our discretion. We believe that our perpetual nature enables us to execute a patient and opportunistic strategy and be able to invest across different market environments. This may reduce the risk of the Company being a forced seller of assets in market downturns compared to non-perpetual funds. While we may consider a liquidity event at any time in the future, we currently do not intend to undertake a liquidity event, and we are not obligated by our charter or otherwise to effect a liquidity event at any time.

The Company is managed by its investment adviser, Barings LLC ("Barings" or the "Investment Adviser"), an investment adviser that is registered with the SEC under the Investment Advisers Act of 1940, as amended (the "Advisers Act"). The Investment Adviser, a wholly-owned subsidiary of Massachusetts Mutual Life Insurance Company ("MassMutual"), is a leading global asset management firm, with $406.0 billion in assets under management as of March 31, 2024. The Company is an "emerging growth company" as defined in the Jumpstart Our Business Startups Act of 2012 (the "JOBS Act"), and this Memorandum describes the importance thereof to you as an investor in the Company.

This Memorandum contains a summary of the Company's articles of incorporation (as may be amended and restated from time to time, the "Articles of Incorporation"), the Company's bylaws (as may be amended and restated from time to time, the "Bylaws"), the Subscription Agreement, an Amended and Restated Investment Advisory Agreement between the Company and the Investment Adviser (the "Investment Advisory Agreement"), an Administration Agreement between the Company and the Investment Adviser (in such capacity, the "Administrator") (the "Administration Agreement"), and other related documents referred to herein. The obligations of the Company and holders of the common stock are set forth in and will be governed principally by our Articles of Incorporation, our Bylaws, the Subscription Agreement, the Investment Advisory Agreement and other related documents. The discussions of these documents and agreements set forth in this Memorandum do not purport to be complete. They are subject to and qualified in their entirety by reference to our Articles of Incorporation, our Bylaws, the Subscription Agreement, the Investment Advisory Agreement, the Administration Agreement and other related documents. Copies of our Articles of Incorporation, our Bylaws, the Subscription Agreement, the Investment Advisory Agreement, the Administration Agreement and other related documents will be provided to prospective investors, and each prospective investor and its advisers should carefully read these agreements, including any and all revisions thereto, prior to making an investment in the Company. In the event that the description in or terms of this Memorandum are inconsistent with or contrary to the descriptions in or terms of our Articles of Incorporation, our Bylaws, the Subscription Agreement, the Investment Advisory Agreement, the Administration Agreement or other related documents, the description in or terms of our Articles of Incorporation, our Bylaws, the Subscription Agreement, the Investment Advisory Agreement, the Administration Agreement or such other document will control. The Company and its affiliates reserve the right to modify the terms of the offering and the common stock described herein, and the common stock is offered subject to the Company's right to reject any subscription in whole or in part.

Potential investors should pay particular attention to the information under the captions "*Section VI—Risk Factors*" and "*Section XI—Potential Conflicts of Interest*" in this Memorandum. Investment in the Company is suitable only for sophisticated investors and requires the financial ability and willingness to accept the high risks and lack of liquidity inherent in an investment in the Company. Investors in the Company must be prepared to bear such risks for an extended period of time. No assurance can be given that the Company's investment objective will be achieved or that investors will receive a return of their capital.

In making an investment decision, investors must rely on their own examination of the Company and the terms of this offering, including the merits and risks involved. Prospective investors should not construe the contents of this Memorandum as legal, tax, investment or accounting advice, and each prospective investor is urged to consult with its own advisors with respect to legal, tax, regulatory, financial and accounting consequences of its investment in the Company.

This Memorandum is to be used by the prospective investor to which it is furnished solely in connection with the consideration of the purchase of the shares of common stock described herein. This Memorandum contains confidential, proprietary, trade secret and other commercially sensitive information, should be treated in a confidential manner and may not be reproduced or used in whole or in part for any purpose other than the consideration of the purchase of the shares of common stock, nor may it or any information in it be disclosed without the prior written consent of the Company. Each prospective investor accepting this Memorandum hereby agrees to return it to the Company promptly upon request.

In addition, this Memorandum will "incorporate by reference" certain information we file with the SEC, which means that we can disclose important information to investors by referring to those documents. The information incorporated by reference is an important part of this Memorandum, and the information that we file later with the SEC will automatically update and superseded this information. We incorporate by reference in this Memorandum our Annual Report on Form 10-K for the fiscal year ended December 31, 2023. In addition, we incorporate by reference in this Memorandum all documents subsequently filed by us with the SEC pursuant to Section 13(a), 13(c), 14 or 15(d) of the Exchange Act after the date of the filing of our Annual Report on Form 10-K for the fiscal year ended December 31, 2023 and prior to the termination of this offering from the date of the filing of such reports and documents; provided, however, that information "furnished" under Item 2.02 or Item 7.01 of Form 8-K (or corresponding information furnished under Item 9.01 or included in a furnished exhibit), or other information "furnished" to the SEC, which is not deemed filed is not and will not be incorporated by reference in this Memorandum.

For purposes of this Memorandum, any statement contained herein or in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded to the extent that a statement contained in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Memorandum.

In addition to other information included or incorporated by reference in this Memorandum, investors should carefully read our (1) most recent annual report on Form 10-K and quarterly report on Form 10-Q, including the financial statements included therein and the sections titled "Business," "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" therein, as well as (2) any current reports on Form 8-K filed after the date of our most recent annual report on Form 10-K or quarterly report on Form 10-Q, before making any investment in our common stock.

Documents incorporated by reference are available on the SEC's website at www.sec.gov, or from the Company, without charge, excluding all exhibits unless specifically incorporated by reference in the documents. You may obtain a copy of any or all of the information that has been or may be incorporated by reference in this Memorandum by writing to the Company at the following address or e-mail, or by calling the Company at the telephone number listed below:

Barings Private Credit Corporation
Attn: Investor Relations
300 South Tryon Street, Suite 2500
Charlotte, NC 28202
Tel: 1-888-401-1088
E-mail: bdcinvestorrelations@barings.com

Each prospective investor is invited to meet with representatives of the Company and to discuss with, ask questions of and receive answers from such representatives concerning the terms and conditions of the offering of shares of common stock, and to obtain any additional information, to the extent that such representatives possess such information or can acquire it without unreasonable effort or expense, necessary to verify the information contained herein.

No person has been authorized in connection herewith to give any information or make any representations other than as contained in this Memorandum and any representation or information not contained herein may not be relied upon as having been authorized by the Company, the Investment Adviser, or any of their respective directors, officers, employees, members, partners, stockholders or affiliates. Unless otherwise indicated, financial information contained herein is as of the date set forth on the cover page of this Memorandum or as of the date set forth in the document incorporated by reference in this Memorandum subsequent to the date of this Memorandum, such as quarterly and annual reports filed by us under the Exchange Act, that contains such financial information. The delivery of this Memorandum does not imply that any other information contained or incorporated by reference herein is correct as of any time subsequent to the date of this Memorandum or as of any time subsequent to the date of the document or report incorporated by reference herein that contains such information, as applicable.

The distribution of this Memorandum and the offer and sale of shares of common stock in certain jurisdictions may be restricted by law. This Memorandum does not constitute an offer to sell or the solicitation of an offer to buy in any state or other U.S. or non-U.S. jurisdiction to any person to whom it is unlawful to make such offer or solicitation in such state or jurisdiction. This offering does not constitute an offer of shares of common stock to the public, and no action has been or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose. The common stock may not be offered or sold, directly or indirectly, and this Memorandum may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction.

Prospective investors should inform themselves as to the legal requirements and tax consequences within the countries of their citizenship, residence, domicile and place of business with respect to the acquisition, holding or disposal of the common stock, and any foreign exchange restrictions that may be relevant thereto.

Statements contained herein that are attributable to investment professionals affiliated with Barings are not made in any person's individual capacity, but rather on behalf of the Investment Adviser, which will manage and implement the investment program of the Company.

Statements contained in this Memorandum (including those relating to current and future market conditions and trends in respect thereof) that are not historical facts are based on current expectations, estimates, projections, opinions and/or beliefs of the Company and the Investment Adviser. Such statements involve known and unknown risks, uncertainties and other factors and undue reliance should not be placed thereon. Certain information contained in this Memorandum constitutes "forward-looking statements," which can be identified by the use of forward-looking terminology such as "may," "will," "should," "seek," "expect," "anticipate," "project," "estimate," "intend," "continue," "target," or "believe" or the negatives thereof or other variations thereon or comparable terminology. Due to various risks and uncertainties, including those set forth in "*Section VI—Risk Factors*," actual events or results or the actual performance of the Company may differ materially from those reflected or contemplated in such forward-looking statements.

In considering the performance information contained herein, prospective investors should bear in mind that past or targeted performance is not necessarily indicative of future results, and there can be no assurance that targeted or expected returns will be achieved, that the Company will achieve comparable results or that the Company will be able to implement its investment strategy or achieve its investment objectives. For a description of such fees and expenses, see "*Section III—Company Overview*," "*Section V—Summary of Proposed Terms*" and "*Section IX—Investment Advisory Agreement; Administration Agreement; Expense Support*." There can be no assurance that the Company will be able to obtain comparable returns or achieve its investment objective.

In this Memorandum, references to "$" and "dollars" shall be to the lawful currency of the United States.

THE INVESTMENT ADVISER IS NOT ACTING FOR ANY PROSPECTIVE INVESTOR AND DOES NOT REGARD ANY PROSPECTIVE INVESTOR AS A CUSTOMER OR A CLIENT. IT WILL NOT BE RESPONSIBLE TO ANY PROSPECTIVE INVESTOR FOR PROVIDING PROTECTIONS AFFORDED TO CLIENTS OF THE FIRM AND WILL NOT BE ADVISING ANY PROSPECTIVE INVESTOR ON THE RELEVANT TRANSACTION.

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Copy Number

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Recipient

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I. EXECUTIVE SUMMARY

The Company

We are a financial services company that primarily lends to and invests in senior secured private debt investments in well-established middle-market businesses that operate across a wide range of industries. We elected to be treated as a BDC under the 1940 Act in connection with our conversion from a Maryland limited liability company to a Maryland corporation. In addition, we have elected to be treated as a RIC under Subchapter M of the Code and expect to maintain our qualification as a RIC annually.

We are a non-exchange traded, perpetual-life BDC, which is a BDC whose shares are not listed for trading on a stock exchange or other securities market. We use the term “perpetual-life BDC” to describe an investment vehicle of indefinite duration, whose shares of common stock are intended to be sold by the BDC monthly on a continuous basis at a price generally equal to the BDC’s monthly net asset value per share. In our perpetual-life structure, we may offer investors an opportunity to repurchase their shares on a quarterly basis, but we are not obligated to offer to repurchase any in any particular quarter in our discretion. We believe that our perpetual nature enables us to execute a patient and opportunistic strategy and be able to invest across different market environments. This may reduce the risk of the Company being a forced seller of assets in market downturns compared to non-perpetual funds. While we may consider a liquidity event at any time in the future, we currently do not intend to undertake a liquidity event, and we are not obligated by our Articles of Incorporation or otherwise to effect a liquidity event at any time.

We are externally managed by the Investment Adviser, Barings LLC, which is registered with the SEC under the Advisers Act. The Investment Adviser also provides the administrative services necessary for us to operate (in such capacity, the “Administrator”). The Administrator may enter into one or more agreements with third parties for them to provide certain administrative services to the Company. The Investment Adviser, a wholly-owned subsidiary of Massachusetts Mutual Life Insurance Company (“MassMutual”), is a leading global asset management firm, with $406.0 billion in assets under management as of March 31, 2024.

On May 12, 2021, shortly prior to the time we elected to be regulated as a BDC, we acquired from MassMutual and C.M. Life Insurance Company (“CM Life”), a subsidiary of MassMutual, a select portfolio of senior secured private debt investments in, and funding obligations to, well-established middle-market businesses that operate across a wide range of industries (the “Initial Portfolio”). See “*Section III—Company Overview—Formation Transactions/Initial Portfolio*” for more information. The schedule of investments for our Initial Portfolio as of May 12, 2021 is included in the Form 10 Registration Statement, as publicly filed with the SEC. Since the acquisition of the Initial Portfolio, we have continued to invest pursuant to our investment strategy. Please see our most recent annual report on Form 10-K or quarterly report on Form 10-Q for more information regarding our investment portfolio.

The Company’s primary investment objective is to generate current income by investing directly in privately-held middle-market companies to help these companies fund acquisitions, growth or refinancing. We focus on investing primarily in senior secured private debt instruments in well-established middle-market businesses that operate across a wide range of industries. To a lesser extent, we will invest opportunistically in assets such as, without limitation, equity, special situations, structured credit (e.g., private asset-backed securities), syndicated loan opportunities, high-yield investments and/or mortgage securities. Barings employs fundamental credit analysis, and targets investments in businesses with low levels of cyclicality (i.e., the risk of business cycles or other economic cycles adversely affecting them) and operating risk relative to other businesses in this market segment. The holding size of each position will generally be dependent upon a number of factors including total facility size, pricing and structure, and the number of other lenders in the facility. Barings has experience managing levered vehicles, both public and private, and seeks to enhance our returns through the use of leverage with a prudent approach that prioritizes capital preservation. Barings believes this strategy and approach offers attractive risk/return with lower volatility given the potential for fewer defaults and greater resilience through market cycles. A significant portion of our investments are expected to be rated below investment grade by rating agencies or, if unrated, would be rated below investment grade if they were rated. Below investment grade securities, which are often referred to as “junk,” have predominantly speculative characteristics with respect to the issuer's capacity to pay interest and repay principal.

We generate revenues in the form of interest income, primarily from our investments in debt securities, loan origination and other fees and dividend income. Fees generated in connection with our debt investments are recognized over the life of the loan using the effective interest method or, in some cases, recognized as earned. We invest primarily in senior secured private debt investments that have terms of between five and seven years and bear interest between the Secured Overnight Financing Rate ("SOFR") (or an applicable successor rate) plus 475 basis points and SOFR plus 675 basis points per annum. As a BDC, at least 70% of our assets must be "qualifying assets" (measured at the time of investment), which principally include investments in eligible portfolio companies as defined in the 1940 Act. An eligible portfolio company is generally any issuer which is (i) organized under the laws of, and has its principal place of business in, the United States; (ii) is not an investment company or a company that would be an investment company but for certain exclusions under the 1940 Act; and (iii) satisfies any of the following: (a) does not have any class of securities that is traded on a national securities exchange, (b) 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, (c) is controlled by a BDC, either alone or as part of a group acting together, and such BDC has an affiliated person who is a director of the company or (d) is a small and solvent company having total assets of not more than $4 million and capital and surplus of not more than $2 million. In addition, we will be permitted to and may invest up to 30% of our total assets opportunistically in "non-qualifying assets." See "*Section XII—Certain BDC Regulatory Considerations*." These opportunistic investments in non-qualifying assets may include but may not be limited to assets from the following asset classes: equity, special situations, European direct lending, structured credit (e.g., private asset-backed securities), syndicated loan opportunities, high-yield investments and/or mortgage securities. A significant portion of any such investments are expected to be rated below investment grade by rating agencies or, if unrated, would be rated below investment grade if they were rated.

The Investment Adviser

Our Investment Adviser, a wholly-owned subsidiary of MassMutual, is a leading global asset management firm and is registered with the SEC as an investment adviser under the Advisers Act. Barings' primary investment capabilities include fixed income, private credit, real estate, equity, and alternative investments. Subject to the overall supervision of our Board of Directors (the "Board"), a majority of which is made up of directors that are not "interested persons," as defined in Section 2(a)(19) of the 1940 Act, of the Company or the Investment Adviser ("Independent Directors"), Barings' Global Private Finance Group ("Barings GPFG") manages our day-to-day operations, and provides investment advisory and management services to us. Barings GPFG is part of Barings' $287.0 billion Global Fixed Income Platform (as of March 31, 2024) that invests in liquid, private and structured credit. Barings GPFG manages private funds and separately managed accounts, along with multiple public vehicles. The Investment Adviser has retained its indirect, wholly-owned subsidiary, Baring International Investment Limited ("BIIL"), as a sub-adviser to manage European investments for the Company. BIIL is an investment adviser registered with the SEC in the United States and the Financial Conduct Authority in the United Kingdom with its principal office located in London, England. As of March 31, 2024, BIIL had approximately £17.0 billion in assets under management. See "*Section IX—Investment Advisory Agreement; Administration Agreement; Expense Support*" for more information regarding the sub-advisory arrangement with BIIL.

Among other things, Barings (i) determines the composition of our portfolio, the nature and timing of the changes therein and the manner of implementing such changes; (ii) identifies, evaluates and negotiates the structure of the investments made by us; (iii) executes, closes, services and monitors the investments that we make; (iv) determines the securities and other assets that we purchase, retain or sell; (v) performs due diligence on prospective portfolio companies and (vi) provides us with such other investment advisory, research and related services as we may, from time to time, reasonably require for the investment of our funds.

Barings' investment experience within the direct private credit market began in 1992 with the formal inception of its private finance business (now called the Global Private Finance Group), and has remained an integral part of Barings' overall platform to date. Barings GPFG began with a primary focus on investments in North American subordinated debt and equity co-investments, but diversified over the years to expand its capabilities geographically and across all tranches of the capital structure of middle-market companies. Barings GPFG has over 85 investment professionals (as of March 31, 2024), located in seven offices in the U.S., Europe, Australia/New Zealand and Asia.

Included in Barings GPFG is Barings North American Private Finance Team (the "U.S. Investment Team"), which consists of 43 investment professionals (as of March 31, 2024) located in three offices in the U.S. The U.S. Investment Team provides a full set of solutions to the North American middle market, including revolvers, first and second lien senior secured loans, unitranche structures, mezzanine debt and equity co-investments. The U.S. Investment Team averages over 18 years of industry experience at the Managing Director and Director level. In addition, Barings believes that it has best-in-class support personnel, including expertise in risk management, legal, accounting, tax, information technology and compliance, among others. We expect to benefit from the support provided by these personnel in our operations.

Status under CFTC Rules

To the extent Barings provides commodity interest trading advice to its clients or operates commodity pools, Barings is a commodity trading advisor ("CTA") or commodity pool operator ("CPO") duly exempt from registration with the U.S. Commodity Futures Trading Commission (the "CFTC") or excluded from the definition of CPO. Barings shall maintain such exemption from registration or exclusion continuously or, alternatively, will become a CTA or CPO duly registered with the CFTC and a member in good standing with the National Futures Association.

Investment Committee

The Barings North American Private Finance investment committee (the "Investment Committee"), which is responsible for our investment origination and portfolio monitoring activities for middle-market companies in North America, currently consists of five members: Bryan High, Head of Barings GPFG, Stuart Mathieson, Head of Europe and APAC Private Credit and Capital Solutions, Terry Harris, Head of Portfolio Management for Barings GPFG; Brianne Ptacek, Managing Director; and Bob Shettle, Managing Director. The Investment Committee averages approximately 26 years of industry experience. A majority of the votes cast at a meeting at which a majority of the members of the Investment Committee is present is required to approve all investments in new middle-market companies.

Bryan High, Stuart Mathieson, Terry Harris and Tom Kilpatrick, a member of Barings' Private Credit and Capital Solutions Team, comprise the Barings GPFG European Investment Committee, and Stuart Mathieson, Terry Harris, Shane Forster, Managing Director, and Justin Hooley, Managing Director, comprise the Barings GPFG Asia-Pacific Investment Committee, which committees are responsible for our investment origination and portfolio monitoring activities for middle-market companies in European and Asia-Pacific geographies, respectively. Barings believes that the individual and shared experience of these senior team members provides Barings GPFG's investment committees with an appropriate balance of shared investment philosophy and difference of background and opinion.

North American Investment Committee Members

Parentheses indicate years of investment experience/tenure at Barings.

Portfolio Managers

Bryan High and Matthew Freund serve as portfolio managers to the Company.

See "*Section IV—Management and Investment Professionals—Management—Executive Officers*" for a description of Mr. High's and Mr. Freund's biography and experience.

The Private Offering

We are offering on a continuous basis up to $3,000,000,000 in shares of our common stock (the "Private Offering"). We will endeavor to take all reasonable actions to avoid interruptions in the continuous Private Offering. Although the shares of common stock in the Private Offering are being sold under the exemption provided by Section 4(a)(2) of the Securities Act only to investors that are "accredited investors" in accordance with Rule 506 of Regulation D promulgated under the Securities Act or in accordance with Regulation S promulgated under the Securities Act to investors that are not "U.S. persons" (as defined in Rule 902(k) of Regulation S), there can be no assurance that we will not need to suspend our continuous offering for various reasons, including but not limited to regulatory review from the SEC and various state regulators, to the extent applicable.

The minimum initial investment in the shares of our common stock offered hereby is $50,000, after which additional investments must be in increments of $5,000, each subject to the discretion of the Company. The minimum subsequent investment amount does not apply to purchases made under our dividend reinvestment plan.

The initial closing of the Private Offering (the "Initial Closing") occurred on May 10, 2021, in connection with which we sold 22,500,000 common units in exchange for gross proceeds of $450 million. The common units issued in the Initial Closing subsequently converted, on a one-to-one basis, into shares of common stock in connection with our conversion to a Maryland corporation. We used the proceeds of the Initial Closing, along with borrowings under the Revolving Credit Facility (as defined in "*Section III—Company Overview—Revolving Credit Facility*") to acquire the Initial Portfolio from MassMutual and CM Life. See "*Section V—Summary of Proposed Terms—Use of Proceeds*" and "*Section III—Company Overview—Formation Transactions/Initial Portfolio*" for more information.

We intend to issue shares of our common stock in the Private Offering on a monthly basis at a price per share generally equal to the then-current net asset value per share for our common stock; provided that the Company shall retain the right, if determined by the Company in its sole discretion, to accept subscriptions and issue shares of common stock, in amounts to be determined by the Company, more or less frequently to one or more investors for regulatory, tax or other reasons as may be determined to be appropriate by the Company. The purchase price for common units in the Initial Closing was $20.00 per unit (which subsequently converted, on a one-to-one basis, into shares of our common stock in connection with our conversion to a Maryland corporation).

The purchase of our shares of common stock is intended to be a long-term investment. We do not intend to complete a liquidity event within any specific time period, if at all. We do not intend to list our shares on a national securities exchange. See "*Section VIII—Share Liquidity Strategy*" for more information.

We have commenced a discretionary share repurchase program in which we may, subject to market conditions and the discretion of the Board, offer to repurchase, in each quarter, up to 5% of our shares of common stock outstanding as of the close of the previous calendar quarter. The Board may amend, suspend or terminate the share repurchase program at any time if in its reasonable judgement it deems such action to be in our best interest and the best interest of our stockholders. As a result, share repurchases may not be available each quarter, such as when a repurchase offer would place an undue burden on our liquidity, adversely affect our operations or risk having an adverse impact on us that would outweigh the benefit of the repurchase offer. We intend to conduct such repurchase offers in accordance with the requirements of Rule 13e-4 promulgated under the Exchange Act and the 1940 Act and subject to compliance with applicable covenants and restrictions under our financing arrangements. All shares purchased by us pursuant to the terms of each tender offer will be redeemed and thereafter will be authorized and unissued shares. See "*Section VII—Share Repurchase Program*" for more information.

How to Subscribe

You may buy shares of our common stock directly from the Company or through your financial advisor or other financial intermediary that has an agreement with the Company. Because an investment in our shares of common stock involves many considerations, your financial advisor or other financial intermediary may help you with this decision. Due to the illiquid nature of investments in directly originated senior secured private debt investments, our shares of common stock are only suitable as a long-term investment. Because there is no public market for our shares, stockholders may have difficulty selling their shares if we choose to repurchase only some, or even none, of the shares in a particular quarter, or if the Board modifies, suspends or terminates share repurchase program.

Investors seeking to purchase shares of our common stock must proceed as follows:

- Read this entire Memorandum, any appendices and supplements accompanying this Memorandum, and all documents incorporated by reference into this Memorandum, as well as the Subscription Agreement.

- Complete the Subscription Agreement and all attachments thereto in accordance with the instructions thereto (the "Subscription Documents") provided to you by Barings. Subscription Documents may be executed manually or by electronic signature except where the use of such electronic signature has not been approved by or on behalf of the Company. Should you execute the Subscription Documents electronically, your electronic signature, whether digital or encrypted, included in the Subscription Documents is intended to authenticate the Subscription Documents and to have the same force and effect as a manual signature.

- Submit the completed Subscription Documents to the Company, along with, upon request from or on behalf of the Company, a wire transfer to the Company in accordance with the instructions in the Subscription Documents, or otherwise instruct your broker to make payment from your brokerage account or deliver funds for the full purchase price of the shares of common stock being subscribed for. After you have satisfied the applicable minimum purchase requirement of $50,000, additional purchases must be in increments of $5,000, unless such minimums are waived by the Company. The minimum subsequent investment does not apply to purchases made under our dividend reinvestment plan.

- By executing the Subscription Documents and paying the total purchase price for the shares of common stock subscribed for, each investor attests that he, she or it meets the suitability standards as stated in the Subscription Documents and agrees to be bound by all of its terms. Certain participating placement agents or brokers may require additional documentation.

Subscriptions to purchase shares of our common stock may be made on an ongoing basis, but investors may only purchase our shares of common stock pursuant to accepted subscription orders as of the first day of each month (based on the then-current transaction price), and to be accepted, a subscription request must be made with a completed and executed subscription agreement in good order, including satisfying any additional requirements imposed by the subscriber's broker, at least fifteen business days prior to the first day of the month (unless waived by or on behalf of the Company) and, upon request from or on behalf of the Company, payment of the full purchase price for our shares of common stock being subscribed for at least five business days prior to the first day of the month.

For example, if you wish to subscribe for shares of our common stock in October, your subscription request must be received in good order at least fifteen business days before November 1 (unless waived by or on behalf of the Company) and, upon request from or on behalf of the Company, payment of the full purchase price for our shares of common stock being subscribed for must be received by the close of business on the fifth business day prior to November 1. Notice of each transaction for purchase of shares of our common stock will be furnished to stockholders (or their financial representatives) as soon as practicable but not later than seven business days after the Company's net asset value as of October 31 is determined and credited to the stockholder's account, together with information relevant for personal and tax records. While a stockholder will not know our net asset value applicable on the effective date of the share purchase, our net asset value applicable to a purchase of shares will be available generally within 20 business days after the effective date of the share purchase; at that time, the number of shares based on that net asset value and each stockholder's purchase will be determined and shares are credited to the stockholder's account as of the effective date of the share purchase. In this example, if accepted, your subscription would be effective on the first calendar day of November.

If for any reason we reject the subscription, or if the subscription request is canceled before it is accepted or withdrawn as described below, we will return the subscription agreement and any submitted funds, without interest or deduction.

Shares of common stock purchased by a fiduciary or custodial account will be registered in the name of the fiduciary account and not in the name of the beneficiary. If you place an order to buy shares and your payment is not received and collected, your purchase may be canceled and you could be liable for any losses or fees we have incurred.

The Company and Barings have engaged, and may engage, one or more placement agents, stockholder servicing agents or other financial intermediaries to assist with the placement of shares of the Company's common stock, for the purpose of introducing a selling agent to the Company, to provide certain services to the Company and its stockholders and/or to promote the recommendation of an investment in the Company's shares of common stock. The Investment Adviser has agreed to pay all placement fees and related compensation/expenses and any additional payments ("Additional Payments") to such placement agents, stockholder servicing agents and financial intermediaries in connection with the shares of common stock offered and sold under this Memorandum in the Private Offering but is under no obligation to continue to pay such fees, expenses and Additional Payments and may decide not to do so in the future. Such payments made by Barings may be based on the aggregate purchase price of investors in the Company as determined by Barings, such placement agents and/or financial intermediaries. The amount of these payments will be determined from time to time by Barings, may be substantial and are or will be paid out of Barings' revenues, which generally come directly or indirectly from fees paid by the Company. The prospect of receiving placement fees or other compensation may provide placement agents, stockholder servicing agents and/or their salespersons, stockholder servicing agents or other financial intermediaries with an incentive to favor sales or recommendations of the shares of the Company over the sale or recommendation of interests of other investments with respect to which the placement agent, stockholder servicing agents or financial intermediary does not receive such additional compensation, or receives lower levels of additional compensation.

In return for these fees and Additional Payments, Barings expects to receive certain marketing or servicing advantages that are not generally available to funds that do not make such payments. Such advantages are expected to include, without limitation, placement of the Company on a list of funds offered as investment options to the selling agent's clients (sometimes referred to as "Shelf Space"); access to the selling agent's registered representatives; and/or ability to assist in training and educating the selling agent's registered representatives.

In exchange for any such Additional Payments that may be made to certain selling or stockholder servicing agents, these agents may provide services including, but not limited to, establishing and maintaining accounts and records; answering inquiries regarding purchases, exchanges and redemptions; processing and verifying purchase, redemption and exchange transactions; furnishing account statements and confirmations of transactions; processing and mailing monthly statements, prospectuses, stockholder reports and other SEC-required communications; and providing the types of services that might typically be provided by the Company's transfer agent (*e.g.*, the maintenance of omnibus or omnibus-like accounts). Any such payments may create potential conflicts of interests between an investor and a selling agent who is recommending a particular fund over other funds. Before investing, you should consult with your financial consultant and review carefully any disclosure by the selling agent as to what monies they receive from fund advisers and distributors, as well as how your financial consultant is compensated.

Purchase Price

We intend to sell our shares of common stock in the Private Offering at an offering price that we believe reflects the net asset value per share as determined in accordance with Barings' valuation policy, and will generally be based on the prior month-end's net asset value per share as determined in accordance with such valuation policy. The Board has approved Barings' valuation policy, is responsible for overseeing its application and has designated Barings as the Company's valuation designee under Rule 2a-5 under the 1940 Act. There is no guarantee that this net asset value will be equal to the offering price of our shares of common stock at any closing.

Each issuance of our shares of common stock will be subject to the limitations of Section 23(b) under the 1940 Act, which generally prohibits us from issuing such shares at a price below the then-current net value of the shares as determined within 48 hours, excluding Sundays and holidays, of such issuance (taking into account any investment valuation adjustments from the latest quarterly valuation date in accordance with Barings' valuation policy), subject to certain exceptions. We reserve the right, in our sole discretion and at any time, to sell shares of our common stock to investors subscribing after the Initial Closing at a price set above the net asset value per share based on a variety of factors in order to fairly allocate initial offering, organizational and other expenses to such investors. Please see "*Section III—Company Overview—Valuation Process and Determination of Net Asset Value*" for more information regarding our valuation process and the determination of our net asset value.

Our net asset value may vary significantly from one month to the next. In contrast to securities traded on an exchange or over-the-counter, where the price often fluctuates as a result of, among other things, the supply and demand of securities in the trading market, our net asset value will generally be calculated once monthly using our valuation methodology, and the price at which we sell new shares and repurchase outstanding shares will not change depending on the level of demand by investors or the volume of requests for repurchases.

If you participate in our dividend reinvestment plan, the cash distributions attributable to the shares that you purchase in the Private Offering will be automatically invested in additional shares. The purchase price for shares purchased under our dividend reinvestment plan will be equal to the most recent available net asset value per share for such shares at the time the distribution is payable.

We will generally adhere to the following procedures relating to purchases of shares of our common stock in the Private Offering:

- On each business day, we or our transfer agent will collect purchase orders. Notwithstanding the submission of an initial purchase order, we can reject purchase orders for any reason, even if a prospective investor meets the suitability standards as stated in the Subscription Documents. If a purchase order is received less than fifteen business days prior to the first day of the month, unless waived by or on behalf of the Company, the purchase order will be executed in the next month's closing at the transaction price applicable to that month. As a result of this process, the price per share at which your order is executed may be different than the price per share for the month in which you submitted your purchase order.

- Generally, within 20 business days after the first calendar day of each month, we will determine our net asset value per share for our common stock as of the last calendar day of the immediately preceding month, which will generally be the purchase price for shares purchased in the applicable month's closing. We will disclose such net asset value publicly, typically via a current report on Form 8-K filed with the SEC. In connection with such disclosure, we expect to request payment of the full purchase price for our shares of common stock being subscribed for by investors who have pending purchase orders, which funds must be received by the close of business on the fifth business day prior to the first day of the month in order for such investors to participate in the then-current month's closing.

- Subscribers are not committed to purchase shares at the time their subscription orders are submitted and any subscription may be canceled at any time before the time it has been accepted by the Company after the subscriber's payment of the purchase price as described in the previous bullet.

- You will receive a confirmation statement of each new transaction in your account as soon as practicable but generally not later than seven business days after the shareholder transactions are settled when the applicable net asset value per share is determined. The confirmation statement will include information on how to obtain information we have filed with the SEC.

Beneficial Ownership Table

The following table sets forth information with respect to the beneficial ownership of our common stock as of March 31, 2024, by our directors and executive officers, both individually and as a group, and by each person known to us to beneficially own 5% or more of the outstanding shares of our common stock. With respect to persons known to us to beneficially own 5% or more of the outstanding shares of our common stock, we base such knowledge on beneficial ownership filings made by the holders with the SEC and other information known to us. Other than as set forth in the table below, none of our directors or executive officers are deemed to beneficially own shares of our common stock. Beneficial ownership is determined in accordance with the rules of the SEC and includes voting or investment power with respect to the securities.

There is no common stock subject to options or warrants that are currently exercisable or exercisable within 60 days of March 31, 2024. Percentage of beneficial ownership is based on 78,202,476 shares of common stock outstanding as of March 31, 2024. Unless otherwise indicated by footnote, the business address of each person listed below is 300 South Tryon Street, Suite 2500, Charlotte, North Carolina 28202.

Name of Beneficial Owner	**Number of Shares Beneficially Owned**[(1)]	**Percentage of Class**[(2)]
Directors and Executive Officers:		
Interested Directors		
Eric Lloyd	—	—
Independent Directors		
Mark F. Mulhern	—	—
Thomas W. Okel	—	—
Jill Olmstead	—	—
Executive Officers		
Bryan High	—	—
Matthew Freund	—	—
Elizabeth Murray	—	—
Ashlee Steinnerd	—	—
All directors and executive officers as a group (8 persons)	—	—
Five-Percent Stockholders:		
Cliffwater Corporate Lending Fund[(3)]	44,235,355.216	56.6%
CPCF SPV LLC[(4)]	4,559,392.471	5.8%

* Less than 1.0%

(1) Beneficial ownership in this column has been determined in accordance with Rule 13d-3 of the Exchange Act. Except as otherwise noted, each beneficial owner of more than five percent of the Company's common stock and each director and executive officer has sole voting and/or investment power over the shares reported.

(2) Based on a total 78,202,476 shares issued and outstanding as of March 31, 2024.

(3) Based on a Schedule 13D/A filed with the SEC on February 14, 2024, Cliffwater Corporate Lending Fund ("CCLF"), a statutory trust organized under the laws of the state of Delaware, and its investment adviser, Cliffwater LLC, a Delaware limited liability company, share voting and dispositive power over the shares. The address of CCLF's principal place of business and principal executive office is c/o UMB Fund Services, Inc., 235 W. Galena Street, Milwaukee, Wisconsin 53212. The address of Cliffwater LLC's principal place of business and principal executive office is 4640 Admiralty Way, 11th floor, Marina del Rey, California 90292.

Pursuant to a Fund of Funds Investment Agreement, dated as of August 20, 2021, by and between CCLF and the Company, which provided for the acquisition of the Company's common stock by CCLF in a manner consistent with the requirements of Rule 12d1-4 under the 1940 Act, CCLF has waived its right to vote all shares of the Company's common stock to the extent that CCLF's aggregate ownership represents more than 4.99% of the Company's outstanding shares.

(4) The address of CPCF SPV LLC's principal place of business and principal executive office is 444 W. Lake St., Suite 4700, Chicago, Illinois 60606.

II. MARKET OPPORTUNITY

Market Opportunity

Our primary objective is to generate current income by investing directly in privately-held middle-market companies to help these companies fund acquisitions, growth or refinancing. We invest primarily in directly originated senior secured private debt investments. To a lesser extent, we will invest in equity, special situations, structured credit (e.g., private asset-backed securities), syndicated loan opportunities, high-yield investments and/or mortgage securities. Barings believes that the inherently attractive structural features of first lien senior secured private debt investments, coupled with the extensive industry experience and investment expertise of Barings GPFG, provide an opportunity to deliver consistently attractive returns to investors. Below are several key points to support this strategy and rationale:

- **Core Focus on Capital Preservation:** Barings believes that a critical element in maintaining its successful long-term track record in private credit investing is its core focus on capital preservation. Barings seeks to employ a fundamental, rigorous approach to credit analysis to construct well-diversified portfolios.

- **Focus on First Lien Senior Secured Loans:** The Company primarily targets investments in first lien senior secured loans. First lien senior secured loans reside at the top of the capital structure, as opposed to second lien or last-out loans or unsecured junior capital. Senior secured loans are typically floating rate, offering a potential hedge against rising interest rates. Additionally, senior secured loans have typically demonstrated lower leverage and higher equity contributions than other types of loans. Barings typically invests in senior loans with at least one maintenance covenant. Barings believes this most senior portion of the capital structure represents an attractive opportunity for risk-adjusted returns given these structural elements. The Company will also opportunistically invest in second lien loans.

- **Attractive Return Potential with Leverage:** The Company utilizes leverage to enhance the overall return potential to investors. Barings believes that the Company's strategy of levering traditional first lien senior secured loans represents an optimal approach to minimizing volatility and capturing attractive risk-adjusted returns given the structural protections and relatively low risk profile of the underlying assets. Additionally, Barings has seven years of experience employing leverage on its own balance sheet of senior secured loans. Thus, the U.S. Investment Team is intimately familiar with the process of negotiating leverage terms and the day-to-day operations involved with leverage facilities.

- **Deep and Experienced Team:** Barings has been investing in North American private credit since 1992 and has experience managing private investment portfolios, including the Barings North American Private Loan Funds and other levered vehicles, collateralized loan obligation funds ("CLOs") and MassMutual's General Investment Account. In addition, in 2018, Barings assumed investment management responsibilities on behalf of Barings BDC, Inc. ("BBDC"), another BDC which is traded on the New York Stock Exchange, and manages Barings Capital Investment Corporation ("BCIC"), another BDC. The U.S. Investment Team consists of 43 investment professionals (as of March 31, 2024) located in three offices in the U.S. who average over 18 years of experience at the Managing Director and Director level, and average 26 years of industry experience at the Investment Committee level. The U.S. Investment Team has established personal relationships with local market participants including private equity sponsors, banks and other industry sources which span decades.

  In addition, Barings was among the first non-bank institutions to enter the European middle market in 2005 with our first European mezzanine fund. Subsequently, Barings GPFG raised two more European mezzanine funds in 2008 and 2010, respectively. In 2013, with the evolution of the European private mid-market lending space, Barings began originating European senior loans. Barings expanded the mandate of its third mezzanine fund to include senior and unitranche capacity, and raised its first dedicated European senior-focused third party fund in 2015, Barings European Direct Lending I. Barings' second dedicated European senior-focused fund, Barings European Private Loan Fund II, closed in July 2019. In addition to these funds, Barings also manages several European, Global and/or multi-strategy separately managed accounts that invest in European private credit. The European Private Finance Team consists of 26 dedicated investment professionals (as of March 31, 2024) centrally located in London, England.

- **Disciplined Investor with Attractive Results:** Given the wide array of opportunities Barings can access, the U.S. Investment Team believes it has the ability to be highly selective in its investment approach and can focus on investments that offer attractive risk-adjusted returns and portfolio diversification rather than being forced to select less attractive opportunities due to lack of options or capabilities. As a result, Barings' investment close rate typically ranges from 3% to 6% of all opportunities reviewed.

III. COMPANY OVERVIEW

General

We are a financial services company that primarily lends to and invests in senior secured debt in privately held companies. We seek to generate current income by primarily investing directly in privately-held middle-market companies to help these companies fund acquisitions, growth or refinancing. However, no assurance can be given that the Company's investment objective will be achieved, and investment results may vary substantially on a monthly, quarterly, annual and other periodic basis.

Formation Transactions/Initial Portfolio

Barings Private Credit Corporation was formed in April 2021 as a Maryland limited liability company named Barings Private Credit LLC and converted to a Maryland corporation named Barings Private Credit Corporation, effective May 13, 2021, in connection with its election to be regulated as a BDC under the 1940 Act. Prior to the BDC election, Barings Private Credit LLC sold 22,500,000 common units in exchange for gross proceeds of $450 million in the Initial Closing, which proceeds were used to effectuate the investment portfolio acquisition described below. The common units issued in the Initial Closing subsequently converted, on a one-to-one basis, into shares of common stock in connection with the Company's conversion to a Maryland corporation.

On May 12, 2021, shortly prior to the time Barings Private Credit LLC elected to be regulated as a BDC and converted to a Maryland corporation, and in order to avoid the blind pool-aspects typically associated with the launch of a new fund, it acquired the Initial Portfolio from MassMutual and CM Life using the proceeds from the Initial Closing, along with borrowings under the Revolving Credit Facility (as defined below). The Initial Portfolio was comprised of a select portfolio of senior secured private debt investments in, and funding obligations to, well-established middle-market businesses that operate across a wide range of industries. The investments in the Initial Portfolio were selected based upon our defined investment objective, amount and type of unfunded obligations associated with each investment and the investment requirements set forth under the 1940 Act or otherwise imposed by applicable laws, rules or regulations, including in accordance with our election to be treated as a RIC.

The aggregate purchase price for the Initial Portfolio was $602.8 million, which is equal to the sum of the fair values of each investment in the Initial Portfolio at the time of purchase of the Initial Portfolio, net of accrued fees associated with certain unfunded obligations in the Initial Portfolio. The investments in the Initial Portfolio were valued as of March 31, 2021 by an independent third-party valuation firm, provided that any investments in the Initial Portfolio acquired by MassMutual or CM Life after March 31, 2021 were initially valued at cost. In connection with the acquisition of the Initial Portfolio, Barings conducted certain valuation procedures to confirm whether there had been any material changes to the fair value of the investments and obligations in the Initial Portfolio from the previously determined fair value thereof and concluded that no purchase price adjustments were necessary given the absence of any such material changes.

Revolving Credit Facility

On May 11, 2021, BPC Funding LLC ("BPC Funding"), our wholly-owned subsidiary, entered into a senior secured revolving credit facility (as amended, the "Revolving Credit Facility") with BNP Paribas ("BNPP"). BNPP serves as administrative agent, State Street Bank and Trust Company serves as collateral agent, and the Company serves as servicer under the Revolving Credit Facility. The initial maximum amount of borrowings available under the Revolving Credit Facility was $400 million, which amount was subsequently increased to $600 million by amendment in November 2021 and to $800 million by amendment in March 2022.

As most recently amended on May 9, 2024, advances under the Revolving Credit Facility bear interest at a per annum rate equal, to in the case of U.S. dollar advances, Term SOFR based upon the applicable interest accrual period, and in the case of foreign currency advances, the applicable benchmark in effect for such currency, plus an applicable margin of (1) during the reinvestment period, 2.50% and (2) following the reinvestment period, 3.00%. In addition, commencing May 9, 2024, BPC Funding pays an unused fee, based on the average daily unused amount of the financing commitments, in an amount not to exceed (1) 1.375% per annum for the period up to and including March 31, 2025, and (2) 2.00% per annum for the period after March 31, 2025, in addition to certain other fees as agreed between BPC Funding and BNPP.

The expiration date for the period during which BPC Funding may borrow under the Revolving Credit Facility is scheduled for May 11, 2027, and the scheduled maturity date under the Revolving Credit Agreement is May 11, 2029.

Advances under the Revolving Credit Facility are subject to compliance with borrowing base requirements, pursuant to which the amount of funds advanced by the lenders to BPC Funding varies depending upon the types of assets in BPC Funding's portfolio. Assets must meet certain criteria in order to be included in the borrowing base, and the borrowing base is subject to certain portfolio restrictions including investment size, sector concentrations and investment type.

Proceeds from borrowings under the Revolving Credit Facility may be used to fund portfolio investments by BPC Funding, to make advances under delayed draw term loans and revolving loans for which BPC Funding is a lender and to make permitted distributions.

BPC Funding's obligations to the lenders under the Revolving Credit Facility are secured by a first priority security interest in all of BPC Funding's portfolio investments and cash. The obligations of BPC Funding under the Revolving Credit Facility are non-recourse to the Company, and the Company's exposure under the Revolving Credit Facility is limited to the value of the Company's investment in BPC Funding.

In connection with the Revolving Credit Facility, BPC Funding has made certain customary representations and warranties and is required to comply with various covenants, reporting requirements and other customary requirements for similar facilities. The Revolving Credit Facility contains customary events of default for similar financing transactions, including if a change of control of BPC Funding occurs. Upon the occurrence and during the continuation of an event of default, BNPP may declare the outstanding advances and all other obligations under the Revolving Credit Facility immediately due and payable. The occurrence of an event of default (as described above) triggers a requirement that BPC Funding obtain the consent of BNPP prior to entering into any sale or disposition with respect to portfolio investments.

SMBC Credit Facility

On March 6, 2023, the Company entered into a senior secured revolving credit facility (as amended, the "SMBC Credit Facility") pursuant to a Senior Secured Revolving Credit Agreement ("SMBC Credit Agreement"). Sumitomo Mitsui Banking Corporation ("SMBC") serves as administrative agent, lead arranger and sole bookrunner under the SBMC Credit Facility. The initial principal amount of the SMBC Credit Facility was $115 million, subject to availability under the borrowing base, which is based on the Company's portfolio investments and other outstanding indebtedness, with an accordion provision to permit increases to the total facility amount up to $500 million, subject to the satisfaction of certain conditions. On April 17, 2023, the Company amended the SMBC Credit Agreement to amend certain provisions of the SMBC Credit Facility to increase the facility size from $115 million to $165 million. On December 14, 2023, the Company amended the SMBC Credit Agreement to amend certain provisions of the SMBC Credit Facility to increase the facility size from $165 million to $215 million, including an initial term commitment of $25 million and converted a portion of the existing revolver availability into a term loan availability.

Advances under the SMBC Credit Facility initially bear interest at a per annum rate equal to, (i) in the case of U.S. dollar advances, 1.00% per annum plus an "alternate base rate" (as described in the SMBC Credit Agreement) in the case of any ABR Loan and 2.00% per annum plus term SOFR, (ii) in the case of foreign currency advances (other than Sterling), 1.00% per annum plus an "alternate base rate" (as described in the SMBC Credit Agreement) in the case of any ABR Loan and 2.00% plus the applicable benchmark in effect for such currency, and (iii) in the case of Sterling advances, 2.00% per annum plus Daily Simple RFR, in each case, depending on the nature of the advances being requested under the SMBC Credit Facility. Commencing on September 6, 2023, the Company will pay an unused fee of 0.50% per annum if the unused facility amount is equal to or exceeds 67%, or 0.375% per annum if the unused facility amount is less than 67%, based on the average daily unused amount of the financing commitments, in addition to certain other fees as agreed between the Company and SMBC.

Advances under the SMBC Credit Facility are subject to compliance with borrowing base requirements, pursuant to which the amount of funds advanced by the lenders to the Company varies depending upon the types of assets in the Company's portfolio. Assets must meet certain criteria in order to be included in the borrowing base, and the borrowing base is subject to certain portfolio restrictions including investment size, sector concentrations and investment type.

Proceeds of the SMBC Credit Facility may be used for general corporate purposes, including, without limitation, repaying outstanding indebtedness, making distributions, contributions and investments, and acquisition and funding, and such other uses as permitted under the SMBC Credit Agreement. The period during which the Company may borrow under the SMBC Credit Facility expires on March 5, 2027, and the SMBC Credit Facility will mature and all amounts outstanding thereunder must be repaid by March 6, 2028.

The SMBC Credit Facility is secured by a perfected first-priority interest in substantially all of the portfolio investments held by the Company and the subsidiary guarantors under the SMBC Credit Facility, subject to certain exceptions.

In connection with the SMBC Credit Facility, the Company has made certain customary representations and warranties and is required to comply with various covenants, reporting requirements and other customary requirements for similar facilities. The SMBC Credit Facility contains customary events of default for similar financing transactions, including if a change in control of the Company occurs. Upon the occurrence and during the continuation of certain event of defaults, SMBC may declare the outstanding advances and all other obligations under the SMBC Credit Facility immediately due and payable.

2023 Debt Securitization

On August 23, 2023 (the "Closing Date"), the Company completed a $496.5 million term debt securitization (the "2023 Debt Securitization"). Term debt securitizations are also known as a collateralized loan obligations and are a form of secured financing incurred by one of the Company's subsidiaries, which is consolidated by the Company and subject to its overall asset coverage requirements.

On the Closing Date and in connection with the 2023 Debt Securitization, Barings Private Credit Corporation CLO 2023-1 Ltd. (the "CLO Issuer") and Barings Private Credit CLO 2023-1, LLC (the "CLO Co-Issuer" and together with the CLO Issuer, the "Issuers"), both indirect, wholly-owned, consolidated subsidiaries of the Company, entered into a Note Purchase Agreement with BNP Paribas Securities Corp., as the initial purchaser (the "Initial Purchaser"), pursuant to which the Issuers agreed to sell certain of the notes and loans to the Initial Purchaser to be issued as part of the 2023 Debt Securitization pursuant an indenture by and among the CLO Issuer, the Co-Issuer, and State Street Bank and Trust Company, as collateral trustee (the "CLO Indenture").

The notes and loans offered in the 2023 Debt Securitization consist of $300.0 million of AAA(sf) Class A Senior Secured Floating Rate Notes due 2031, which bear interest at the three-month SOFR plus 2.40% (the "Class A-1 Notes"); $35.0 million of AA(sf) Class A-2 Senior Secured Floating Rate Notes due 2031, which bear interest at the three-month SOFR plus 3.35% (the "Class A-2 Notes"); $25.0 million of A(sf) Class B Secured Deferrable Floating Rate Notes due 2031, which bear interest at the three-month SOFR plus 4.15% (the "Class B Notes"); $22.5 million of BBB(sf) Class C Secured Deferrable Floating Rate Notes due 2031, which bear interest at the three month SOFR plus 6.35% (the "Class C Notes" and together with the Class A-1 Notes, the Class A-2 Notes and the Class B Notes, the "Secured Notes"); and $20.0 million of AA(sf) Class A Senior Floating Rate Loans maturing 2031, which bear interest at the three-month SOFR plus 3.35% (the "Class A-2 Loans" and together with the Secured Notes, the "Secured Debt"). Additionally, on the Closing Date, the Issuers issued $94.0 million of Subordinated Notes due 2031 (the "Subordinated Notes"), which do not bear interest. The Secured Debt together with the Subordinated Notes are collectively referred to herein a the "Notes", and the Secured Debt together with the Subordinated Notes are collectively referred to herein as the "Debt".

The Class A-2 Loans were incurred under a credit agreement (the "Class A-2 Credit Agreement"), dated as of the Closing Date, by and among the CLO Issuer, as borrower, the CLO Co-Issuer, as co-borrower, various financial institutions and other persons as lenders, and State Street Bank and Trust Company, as loan agent and as collateral trustee. The 2023 Debt Securitization is backed by a diversified portfolio of middle-market commercial loans. The Debt is scheduled to mature on July 15, 2031; however the Debt may be redeemed by the Issuers, at the Company's direction as holder of the Subordinated Notes, on any business day after July 15, 2024. The Company acts as retention holder in connection with the 2023 Debt Securitization for the purposes of satisfying certain U.S., U.K. and European Union regulations requiring sponsors of securitization transactions to retain exposure to the performance of the securitized assets and as such is required to retain a portion of the Subordinated Notes. We have retained all of the Subordinated Notes issued in the 2023 Debt Securitization.

The CLO Issuer used the proceeds from the 2023 Debt Securitization to, among other things, purchase certain loans (the "Collateral Obligations") on the Closing Date (1) from the Company pursuant to a master loan sale agreement entered into on the Closing Date (the "Loan Sale Agreement"), and (2) from BPC Funding pursuant to the master participation and assignment agreement entered into on the Closing Date (the "Participation Agreement"), each as described below. Following the closing of the 2023 Debt Securitization, BPC Funding used proceeds from the 2023 Debt Securitization to reduce certain outstanding indebtedness under the documents governing the Revolving Credit Facility.

Under the terms of the Loan Sale Agreement that provided for the sale of Collateral Obligations to the CLO Issuer, the Company transferred to the CLO Issuer a portion of its ownership interest in the Collateral Obligations securing the 2023 Debt Securitization for the purchase price and other consideration set forth in the Loan Sale Agreement. Under the terms of the Participation Agreement, pending the settlement of the Collateral Obligations transferred to the CLO Issuer under the Loan Sale Agreement, BPC Funding granted participation interests therein to the CLO Issuer until such loans were elevated to assignment. Following these transfers, CLO Issuer, and not BPC Funding or the Company, holds all of the ownership interest in such loans and participations. The Company made customary representations, warranties and covenants in the Loan Sale Agreement.

The Secured Debt is the secured obligation of the Issuers, the Subordinated Notes are the unsecured obligations of the CLO Issuer, and the CLO Indenture and Class A-2 Credit Agreement governing the Debt include customary covenants and events of default. The Debt has not been, and will not be, registered under the Securities Act or any state securities or "blue sky" laws and may not be offered or sold in the United States absent registration with the SEC or an applicable exemption from registration.

The Company serves as collateral manager to the CLO Issuer under the Collateral Management Agreement entered into on the Closing Date and has agreed to irrevocably waive all collateral management fees payable pursuant to the Collateral Management Agreement.

July 2026 Notes

On July 29, 2021, the Company entered into a Note Purchase Agreement (the "July 2021 NPA") governing the issuance of (1) $75.0 million in aggregate principal amount of Series A senior unsecured notes due July 29, 2026 (the "Series A Notes"), (2) $38.0 million in aggregate principal amount of Series B senior unsecured notes due July 29, 2026 (the "Series B Notes"), and (3) $37.0 million in aggregate principal amount of Series C senior unsecured notes due July 29, 2026 (the "Series C Notes," and collectively with the Series A Notes and the Series B Notes, the "July 2026 Notes"), in each case, to qualified institutional investors in a private placement. The Series A Notes, Series B Notes and Series C Notes were delivered and paid for on July 29, 2021, September 15, 2021, and October 28, 2021, respectively. The Investment Adviser's parent company, MassMutual, and/or its affiliates or subsidiaries hold approximately $46.0 million in aggregate principal amount of the July 2026 Notes. The Investment Adviser also serves as investment adviser to additional holders of the July 2026 Notes.

The July 2026 Notes have a fixed interest rate of 3.5% per year, subject to a step up of (1) (x) 1.25% per year, to the extent that the initial rating for the July 2026 Notes does not satisfy certain investment grade rating conditions, and (y) at any time after the Company has received an investment grade rating for the July 2026 Notes, 0.75% per year, to the extent the July 2026 Notes thereafter fail to satisfy certain investment grade rating conditions and/or (2) 1.50% per year, to the extent the ratio of the Company's secured debt to total assets exceeds specified thresholds, measured as of each fiscal quarter-end.

The July 2026 Notes will mature on July 29, 2026 unless redeemed, purchased or prepaid prior to such date by the Company in accordance with the terms of the July 2021 NPA. Interest on the July 2026 Notes is due semiannually in January and July of each year. In addition, the Company is obligated to offer to repay the July 2026 Notes at par (plus accrued and unpaid interest to, but not including, the date of prepayment) if certain change in control events occur. Subject to the terms of the July 2021 NPA, the Company may redeem the July 2026 Notes in whole or in part at any time or from time to time at the Company's option at par plus accrued interest to the prepayment date and, if redeemed on or before January 29, 2026, a make-whole premium.

The July 2021 NPA contains certain representations and warranties, and various covenants and reporting requirements customary for agreements of this type, including, without limitation, information reporting, maintenance of the Company's status as a BDC within the meaning of the 1940 Act and certain restrictions with respect to transactions with affiliates, fundamental changes, changes of line of business, permitted liens, and restricted payments. In addition, the July 2021 NPA contains the following financial covenants: (a) maintaining a minimum obligors' net worth, measured as of each fiscal quarter-end; (b) not permitting the Company's asset coverage ratio, as of the date of the incurrence of any debt for borrowed money or the making of any cash dividend to shareholders, to be less than the statutory minimum then applicable to the Company under the 1940 Act; and (c) not permitting the Company's net debt to equity ratio to exceed 2.0x, measured as of each fiscal quarter-end.

The July 2021 NPA also contains customary events of default with customary cure and notice periods, including, without limitation, nonpayment, incorrect representation in any material respect, breach of covenant, cross-default under other indebtedness or that of the Company's subsidiary guarantors, if any, certain judgements and orders, and certain events of bankruptcy. Upon the occurrence of certain events of default, the holders of at least 66-2/3% in principal amount of the July 2026 Notes at the time outstanding may declare all July 2026 Notes then outstanding to be immediately due and payable, subject to certain additional conditions in the event that then-outstanding July 2026 Notes are held by persons affiliated with the Company and certain of its affiliates.

The Company's obligations under the July 2021 NPA are general unsecured obligations that rank pari passu with all outstanding and future unsecured unsubordinated indebtedness issued by the Company. The July 2026 Notes were offered in reliance on Section 4(a)(2) of the Securities Act.

May 2027 Notes

On May 10, 2022, the Company entered into a Note Purchase Agreement (the "May 2022 NPA") governing the issuance of (1) $100.0 million in aggregate principal amount of Series D senior unsecured notes due May 10, 2027 (the "Series D Notes") and (2) $55.0 million in aggregate principal amount of Series E senior unsecured notes due May 10, 2027 (the "Series E Notes," and collectively with the Series D Notes, the "May 2027 Notes"), in each case, to qualified institutional investors in a private placement. The Series D Notes were delivered and paid for on May 10, 2022, and the Series E Notes were delivered and paid for on July 6, 2022.

The May 2027 Notes have a fixed interest rate of 6.0% per year, subject to a step up of (1) 0.75% per year, to the extent the May 2027 Notes fail to satisfy certain investment grade rating conditions and/or (2) 1.50% per year, to the extent the ratio of the Company's secured debt to total assets exceeds specified thresholds, measured as of each fiscal quarter-end.

The May 2027 Notes will mature on May 10, 2027 unless redeemed, purchased or prepaid prior to such date by the Company in accordance with the terms of the May 2022 NPA. Interest on the May 2027 Notes will be due semiannually in May and November of each year, beginning in November 2022. In addition, the Company is obligated to offer to repay the May 2027 Notes at par (plus accrued and unpaid interest to, but not including, the date of prepayment) if certain change in control events occur. Subject to the terms of the May 2022 NPA, the Company may redeem the May 2027 Notes in whole or in part at any time or from time to time at the Company's option at par plus accrued interest to the prepayment date and, if redeemed on or before November 10, 2026, a make-whole premium.

The May 2022 NPA contains certain representations and warranties, and various covenants and reporting requirements customary for agreements of this type, including, without limitation, information reporting, maintenance of the Company's status as a BDC within the meaning of the 1940 Act, and certain restrictions with respect to transactions with affiliates, fundamental changes, changes of line of business, permitted liens, and restricted payments. In addition, the May 2022 NPA contains the following financial covenants: (a) maintaining a minimum obligors' net worth, measured as of each fiscal quarter-end; (b) not permitting the Company's asset coverage ratio, as of the date of the incurrence of any debt for borrowed money or the making of any cash dividend to shareholders, to be less than the statutory minimum then applicable to the Company under the 1940 Act; and (c) not permitting the Company's net debt to equity ratio to exceed 2.0x, measured as of each fiscal quarter-end.

The May 2022 NPA also contains customary events of default with customary cure and notice periods, including, without limitation, nonpayment, incorrect representation in any material respect, breach of covenant, cross-default under other indebtedness or that of the Company's subsidiary guarantors, if any, certain judgements and orders, and certain events of bankruptcy. Upon the occurrence of certain events of default, the holders of at least 66-2/3% in principal amount of the May 2027 Notes at the time outstanding may declare all May 2027 Notes then outstanding to be immediately due and payable, subject to (i) certain additional requirements prior to the issuance of the Series E Notes and (ii) certain additional conditions in the event that then-outstanding May 2027 Notes are held by persons affiliated with the Company and certain of its affiliates.

The Company's obligations under the May 2022 NPA are general unsecured obligations that rank pari passu with all outstanding and future unsecured unsubordinated indebtedness issued by the Company. The May 2027 Notes were offered in reliance on Section 4(a)(2) of the Securities Act.

In connection with the offering of the Series D Notes, on May 10, 2022, the Company entered into a $100.0 million notional value interest rate swap. The Company receives a fixed rate interest at 6.00% paid semi-annually and pays quarterly based on a compounded daily rate of SOFR plus 3.24500%. The swap transaction matures on May 10, 2027. The interest expense related to the Series D Notes will be equally offset by proceeds received from the interest rate swap. In connection with the offering of the Series E Notes, on July 6, 2022, the Company entered into a $55.0 million notional value interest rate swap. The Company receives a fixed rate interest at 6.00% paid semi-annually and pays quarterly based on a compounded daily rate of SOFR plus 3.38200%. The swap transaction matures on May 10, 2027. The interest expense related to the Series E Notes will be equally offset by proceeds received from the interest rate swap.

Investment Objective

We seek to generate current income by primarily investing directly in privately-held middle-market companies to help these companies fund acquisitions, growth or refinancing. We also have investments in middle-market companies located outside the United States. Our strategy includes the following components:

- *Leveraging Barings GPFG's Origination and Portfolio Management Resources.* As of March 31, 2024 Barings GPFG has over 85 investment professionals located in seven different offices in the U.S., Europe, Australia/New Zealand and Asia. These regional investment teams have been working together in their respective regions for a number of years and have extensive experience advising, investing in and lending to companies across changing market cycles. In addition, the individual members of these teams have diverse investment backgrounds, with prior experience at investment banks, commercial banks, and privately and publicly held companies. We believe this diverse experience provides an in-depth understanding of the strategic, financial and operational challenges and opportunities of middle-market companies.

- *Utilizing Long-Standing Relationships to Source Investments.* Barings GPFG has worked diligently over decades to build strategic relationships with private equity firms globally. Based on Barings GPFG's long history of providing consistent, predictable capital to middle-market sponsors, even in periods of market dislocation, Barings believes it has a reputation as a reliable partner. Barings also maintains extensive personal relationships with entrepreneurs, financial sponsors, attorneys, accountants, investment bankers, commercial bankers and other non-bank providers of capital who refer prospective portfolio companies to it. These relationships historically have generated significant investment opportunities. We believe that this network of relationships will continue to produce attractive investment opportunities.

- *Focusing on the Middle-Market.* We primarily invest in middle-market companies. These companies tend to be privately owned, often by a private equity sponsor, and are companies that typically generate annual adjusted EBITDA (earnings before interest, taxes, depreciation and amortization) of $10.0 million to $75.0 million.

- *Providing One-Stop Customized Financing Solutions.* Barings believes that Barings GPFG's ability to commit to and originate larger hold positions (in excess of $200 million) in a given transaction is a differentiator to middle-market private equity sponsors. In today's market, it has become increasingly important to have the ability to underwrite an entire transaction, providing financial sponsors with certainty of close. Barings GPFG offers a variety of financing structures and has the flexibility to structure investments to meet the needs of our portfolio companies.

- *Applying Consistent Underwriting Policies and Active Portfolio Management.* We believe robust due diligence on each investment is paramount due to the illiquid nature of a significant portion of our assets. With limited ability to liquidate holdings, private credit investors must take a longer-term, "originate-to-hold" investment approach. Barings has implemented underwriting policies and procedures that are followed for each potential transaction. This consistent and proven fundamental underwriting process includes a thorough analysis of each potential portfolio company's competitive position, financial performance, management team operating discipline, and growth potential and industry attractiveness, which Barings believes allows them to better assess the company's prospects. After closing, Barings maintains ongoing access to both the sponsor and portfolio company management in order to closely monitor investments and suggest or require remedial actions as needed to avoid a default.

- *Maintaining Portfolio Diversification.* While we focus our investments in middle-market companies, we seek to invest across various industries and both in United States-based and foreign-based companies. Barings monitors our investment portfolio to ensure we have acceptable industry balance, using industry and market metrics as key indicators. By monitoring our investment portfolio for industry balance, we seek to reduce the effects of economic downturns associated with any particular industry or market sector. Notwithstanding our intent to invest across a variety of industries, we may from time to time hold securities of a single portfolio company that comprise more than 5.0% of our total assets and/or more than 10.0% of the outstanding voting securities of the portfolio company. For that reason, we are classified as a non-diversified management investment company under the 1940 Act.

- *Other Investments.* To a lesser extent, we will invest opportunistically in assets such as, without limitation, equity, special situations, structured credit (e.g., private asset-backed securities), syndicated loan opportunities, high yield investments and/or mortgage securities. Our special situation investments generally comprise of investments in stressed and distressed corporate debt instruments which are expected to include (but which are not limited to) senior secured loans (including assignments and participations), second lien loans and subordinated debt (including mezzanine and payment-in-kind ("PIK") securities), secured floating rate notes and secured fixed rated notes, unsecured loans, unsecured senior and subordinated corporate bonds, debentures, notes, commercial paper, convertible debt obligations, equity investments (including preferred stock and common equity instruments), hedging arrangements, other forms of subordinated debt, structured credit (e.g., asset-backed securities) and equity instruments.

Investments

Debt Investments

The terms of our directly originated debt investments in middle-market companies are tailored to the facts and circumstances of each transaction and prospective portfolio company, negotiating a structure that seeks to protect lender rights and manage risk while creating incentives for the portfolio company to achieve its business plan. We also seek to limit the downside risks of our investments by negotiating covenants that are designed to protect our investments while affording our portfolio companies as much flexibility in managing their businesses as possible. Such restrictions may include affirmative and negative covenants, default penalties, lien protections, change of control provisions, put rights and a pledge of the operating companies' stock which provides us with additional exit options in downside scenarios. Other lending protections may include term loan amortization, excess cash flow sweeps (effectively additional term loan amortization), limitations on a company's ability to make acquisitions, maximums on capital expenditures and limits on allowable dividends and distributions. Further, up-front closing fees of typically 1-3% of the loan amount act effectively as pre-payment protection given the cost to a company to refinance early. Additionally, we will typically include call protection provisions effective for the first six to twelve months of an investment to enhance our potential total return.

We focus on investing primarily in senior secured private debt investments in well-established middle-market businesses that operate across a wide range of industries. Senior secured private debt investments are negotiated directly with the borrower, rather than marketed by a third party or bought and sold in the secondary market. We believe senior secured private debt investments may offer higher returns and certain more favorable protections than syndicated senior secured loans. Fees generated in connection with our debt investments are recognized over the life of the loan using the effective interest method or, in some cases, recognized as earned. Terms of our senior secured private debt investments are generally between five and seven years and bear interest between SOFR (or an applicable currency rate for investments in foreign currencies) plus 475 basis points and SOFR plus 675 basis points per annum.

Equity Investments

On a limited basis, we may acquire equity interests in portfolio companies. In such cases, we generally seek to structure our equity investments as non-control investments that provide us with minority rights.

Investment Criteria

We utilize the following criteria and guidelines in evaluating investment opportunities in middle market companies. However, not all of these criteria and guidelines have been, or will be, met in connection with each of our investments.

- *Established Companies with Positive Cash Flow.* We seek to invest in later-stage or mature companies with a proven history of generating positive cash flows. We typically focus on companies with a history of profitability and trailing twelve-month adjusted EBITDA ranging from $10.0 million to $75.0 million.

- *Experienced Management Teams.* Based on our prior investment experience, we believe that a management team with significant experience with a portfolio company or relevant industry experience is essential to the long-term success of the portfolio company. We believe management teams with these attributes are more likely to manage the companies in a manner that protects our debt investment.

- *Strong Competitive Position.* We seek to invest in companies that have developed strong positions within their respective markets, are well positioned to capitalize on growth opportunities and compete in industries with barriers to entry. We also seek to invest in companies that exhibit a competitive advantage, which may help to protect their market position and profitability.

- *Varied Customer and Supplier Bases.* We prefer to invest in companies that have varied customer and supplier bases. Companies with varied customer and supplier bases are generally better able to endure economic downturns, industry consolidation and shifting customer preferences.

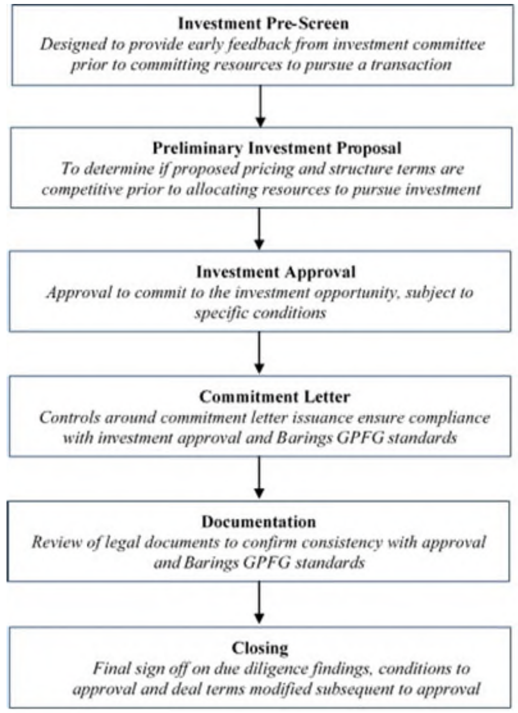
- *Significant Invested Capital.* We believe the existence of significant underlying equity value provides important support to investments. We seek to identify portfolio companies that we believe have well-structured capital beyond the layer of the capital structure in which we invest.

Investment Process

Our investment origination and portfolio monitoring activities for middle-market companies are performed by Barings GPFG. The Investment Committee at Barings GPFG is responsible for all aspects of our investment process for investments in middle-market companies; however, other investment committees within Barings are primarily responsible for the investment process for our opportunistic investments in special situations, structured credit (e.g., private asset-backed securities), high-yield investments and mortgage securities. Each of Barings' investment processes is designed to maximize risk-adjusted returns, minimize non-performing assets and avoid investment losses. In addition, the investment process is also designed to provide sponsors and/or prospective portfolio companies with efficient and predictable deal execution.

Origination

Barings GPFG's typical origination process for investments in middle-market companies is summarized in the following chart:



Investment Pre-Screen

The investment pre-screen process typically begins with a review of an offering memorandum or other high-level prospect information by an investment originator. A fundamental bottoms-up credit analysis is prepared and independent third-party research is gathered in addition to the information received from the sponsor. The investment group focuses on a prospective investment's fundamentals, sponsor/source and proposed investment structure. This review may be followed by a discussion between the investment originator and an investment group head to identify investment opportunities that should be passed on, either because they fall outside of Barings GPFG's stated investment strategy or offer an unacceptable risk-adjusted return. If the originator and investment group head agree that an investment opportunity is worth pursuing, a credit analyst assists the originator with preparation of a screening memorandum. The screening memorandum is typically discussed internally with the investment group head and other senior members of the investment group, and in certain instances, the investment group head may elect to review the screening memorandum with the Investment Committee prior to the preliminary investment proposal.

Preliminary Investment Proposal

Following the screening memorandum discussion, if the decision is made by the investment group head to pursue an investment opportunity, key pricing and structure terms may be communicated to the prospective borrower verbally or via a non-binding standard preliminary term sheet in order to determine whether the proposed terms are competitive.

Investment Approval

Upon acceptance by a sponsor/prospective borrower of preliminary key pricing and structure terms, the investment process continues with formal due diligence. The investment team typically attends meetings with the prospective portfolio company's management, reviews historical and forecasted financial information and third-party diligence reports, conducts research to support preparation of proprietary financial models including both base case and downside scenarios, valuation analyses, and ultimately, an underwriting memorandum for review by the Investment Committee. A majority of the votes cast at a meeting at which a majority of the members of the Investment Committee is present is required to approve all investments in new middle-market portfolio companies.

Commitment Letter

For investments that require written confirmation of commitment, commitment letters are typically reviewed by Barings GPFG's internal legal team or outside counsel. Commitment letters typically include customary conditions as well as any conditions specified by the Investment Committee. Such conditions could include, but are not limited to, specific confirmatory due diligence, minimum pre-close adjusted EBITDA, minimum capitalization, satisfactory documentation, satisfactory legal due diligence and absence of material adverse change. Unless specified by the Investment Committee as a condition to approval, commitment letters need not include final Investment Committee approval as a condition precedent.

Documentation

Once an investment opportunity has been approved, negotiation of definitive legal documents occurs, usually simultaneously with completion of any third-party confirmatory due diligence. Typically, legal documentation will be reviewed by Barings GPFG's internal legal team or by outside legal counsel to ensure that our security interest can be perfected and that all other terms of the definitive loan documents are consistent with the terms approved by the Investment Committee.

Closing

A closing memorandum is provided to the Investment Committee. The closing memorandum addresses final investment structure and pricing terms, the sources and uses of funds, any variances from the original approved terms, an update related to the prospect's financial performance and, if warranted, updates to internal financial models. The closing memorandum also addresses each of the specific conditions to the approval of the investment by the Investment Committee, including results of confirmatory due diligence with any exceptions or abnormalities highlighted, and includes an analysis of financial covenants with a comparison to the financial forecast prepared by management.

Portfolio Management and Investment Monitoring

Our portfolio management and investment monitoring processes are overseen by Barings. Barings' portfolio management process is designed to maximize risk-adjusted returns and identify non-performing assets well in advance of potentially adverse events in order to mitigate investment losses. Key aspects of the Barings investment and portfolio management process include:

- *Culture of Risk Management*. The investment team that approves an investment monitors the investment's performance through repayment. We believe this practice encourages accountability by connecting investment team members with the long-term performance of the investment. This also allows us to leverage the underwriting process, namely the comprehensive understanding of the risk factors associated with the investment that an investment team develops during underwriting. In addition, we seek to foster continuous interaction between investment teams and the Investment Committee. This frequent communication encourages the early escalation of issues to members of the Investment Committee to leverage their experience and expertise well in advance of potentially adverse events.

- *Ongoing Monitoring.* Each portfolio company is assigned to an analyst who is responsible for the ongoing monitoring of the investment. Upon receipt of information (financial or otherwise) relating to an investment, a preliminary review is performed by the analyst in order to assess whether the information raises any issues that require increased attention. Particular consideration is given to information which may impact the value of an asset. In the event that something material is identified, the analyst is responsible for notifying the relevant members of the deal team and Investment Committee.

- *Quarterly Portfolio Reviews.* All investments are reviewed on at least a quarterly basis. The quarterly portfolio reviews provide a forum to evaluate the current status of each asset and identify any recent or long-term performance trends, either positive or negative, that may affect its current valuation.

- *Focus Credit List Reviews.* Certain credits are deemed to be on the "*Focus Credit List*," or a list of similar meaning, and are typically reviewed on a more frequent basis. During these reviews, the investment team provides an update on the situation and discusses potential courses of action with the Investment Committee to ensure any mitigating steps are taken in a timely manner.

- *Sponsor Relationships.* For middle-market loans, we invest primarily in transactions backed by a private equity sponsor and when evaluating investment opportunities, we take into account the strength of the sponsor (e.g., track record, sector expertise, strategy, governance, follow-on investment capacity, relationship with Barings GPFG). Having a strong relationship and staying in close contact with sponsors and management during not only the underwriting process but also throughout the life of the investment allows us to engage the sponsor and management early to address potential covenant breaks or other issues.

- *Robust Investment and Portfolio Management System.* Barings' investment and portfolio management system serves as the central repository of data used for investment management, including both company-level metrics (e.g., probability of default, adjusted EBITDA, geography) and asset-level metrics (e.g., price, spread/coupon, seniority). Barings portfolio management has established a set of data that analysts must update quarterly, or more frequently when appropriate, in order to produce a one-page summary for each company, which are used during quarterly portfolio reviews.

Competition

We compete for investments with a number of investment funds including public funds, private debt funds and private equity funds, other BDCs, as well as traditional financial services companies such as commercial banks and other sources of financing. Some of these entities have greater financial and managerial resources than we do. In addition, some of our competitors may have higher risk tolerances or different risk assessments, which could allow them to consider more investments and establish more relationships than we do. Furthermore, many of our competitors are not subject to the regulatory restrictions that the 1940 Act imposes on us as a BDC.

We use the expertise of the investment professionals of Barings to assess investment risks and determine appropriate pricing for our investments in portfolio companies. We believe the relationship we have with Barings enables us to learn about, and compete for financing opportunities with companies in middle-market businesses that operate across a wide range of industries. For additional information concerning the competitive risks we face, see "*Section VI—Risk Factors—Risks Relating to Our Business and Structure—We operate in a highly competitive market for investment opportunities, which could reduce returns and result in losses*."

Investment Advisory Agreement; Administration Agreement

Our day-to-day investment operations are managed by Barings. Barings may hire additional investment professionals to provide services to us, based upon its needs. See "*Section IX—Investment Advisory Agreement; Administration Agreement; Expense Support*".

We have entered into the Investment Advisory Agreement with the Investment Adviser, pursuant to which we pay the Investment Adviser a base management fee and an incentive fee for its services. See "*Section IX—Investment Advisory Agreement; Administration Agreement; Expense Support*," for a discussion of the base management fee and incentive fee payable by us to the Investment Adviser. Our base management fee is based on the value of our gross assets and, therefore, this fee will be higher when we incur debt or use leverage.

We have also entered into the Administration Agreement with the Administrator, pursuant to which the Administrator performs or provides (or oversees, or arranges for, the performance or provision of) the administrative services necessary for the operation of the Company, including, but not limited to, office facilities, equipment, clerical, bookkeeping and record-keeping services at such office facilities and such other services as the Administrator, subject to review by the Board, from time to time, determines to be necessary or useful to perform its obligations under the Administration Agreement. The Administrator also, on behalf of the Company and subject to oversight by the Board, arranges for the services of, and oversees, custodians, depositories, transfer agents, dividend disbursing agents, other stockholder servicing agents, accountants, attorneys, valuation experts, underwriters, brokers and dealers, corporate fiduciaries, insurers, banks and such other persons in any such other capacity deemed to be necessary or desirable.

Expenses

We do not currently have any employees and do not expect to have any employees. The Company's day-to-day investment operations are managed by Barings, and services necessary for the Company's business, including the origination and administration of its investment portfolio, are provided by individuals who are employees of Barings, as our Investment Adviser and Administrator, pursuant to the terms of the Investment Advisory Agreement and the Administration Agreement. All investment professionals of Barings and its staff, when and to the extent engaged in providing investment advisory and management services under the Investment Advisory Agreement, and the compensation and routine overhead expenses of such personnel allocable to such services, are provided and paid for by Barings and not by the Company. The Company bears all other costs and expenses of its operations and transactions, including those listed in the Investment Advisory Agreement. See "*Section IX—Investment Advisory Agreement; Administration Agreement; Expense Support*" for more information.

The Company reimburses Barings for the costs and expenses incurred by it in performing its obligations and providing personnel and facilities under the Administration Agreement in an amount negotiated and mutually agreed to by the Company and Barings quarterly in arrears. In no event will the agreed-upon quarterly expense amount exceed the amount of expenses that would otherwise be reimbursable by the Company under the Administration Agreement for the applicable quarterly period, and Barings will not be entitled to the recoupment of any amounts in excess of the agreed-upon quarterly expense amount. See "*Section IX—Investment Advisory Agreement; Administration Agreement; Expense Support*" for more information.

We entered into an Expense Support and Conditional Reimbursement Agreement (the "Expense Support Agreement"), dated May 13, 2021, with Barings, pursuant to which Barings may elect to pay certain of our expenses on our behalf ("Expense Payment"), including organization and offering expenses, provided that no portion of the payment will be used to pay any interest expense or any distribution and/or shareholder servicing fees of the Company. Any Expense Payment that Barings commits to pay must be paid by Barings to us in any combination of cash or other immediately available funds no later than forty-five days after such commitment is made in writing, and/or offset against amounts due from us to Barings or its affiliates. If Barings elects to pay certain of our expenses, Barings will be entitled to reimbursement of such expenses from us if Available Operating Funds (as defined below in "*Section IX—Investment Advisory Agreement; Administration Agreement; Expense Support—Expense Support and Conditional Reimbursement Agreement"*) exceed the cumulative distributions accrued to our stockholders, subject to the terms of the Expense Support Agreement. See "*Section IX—Investment Advisory Agreement; Administration Agreement; Expense Support*" for additional information regarding the Expense Support Agreement.

From time to time, Barings or its affiliates may pay third-party providers of goods or services. We will reimburse Barings or such affiliates thereof for any such amounts paid on our behalf. All of the foregoing expenses will ultimately be borne by our stockholders.

Distribution Policy

We intend to make distributions to our stockholders of substantially all of our income, as determined by the Board in its discretion considering factors such as our earnings, cash flow, capital needs and general financial condition and the requirements of Maryland law. As a result, our distribution rates and payment frequency may vary from time to time. We generally intend to declare regular monthly dividends on a quarterly basis, although the frequency of such distributions may vary.

We have elected to be treated, and intend to qualify annually, as a RIC under the Code and intend to make the required distributions to our stockholders as specified therein. In order to qualify and maintain our tax treatment as a RIC, we must meet certain minimum distribution, source-of-income and asset diversification requirements. If such requirements are met, then we will generally be required to pay income taxes only on the portion of our taxable income and gains we do not distribute (actually or constructively). We can offer no assurance that we will achieve results that will permit the payment of any cash distributions and our ability to make distributions will be limited by the asset coverage requirement and related provisions under the 1940 Act and contained in any applicable indenture or financing arrangement and related supplements to any debt we may issue in the future.

The minimum distribution requirements applicable to RICs require us to distribute to our stockholders each year at least 90% of our investment company taxable income ("ICTI"), as defined by the Code. Depending on the level of ICTI earned in a tax year, we may choose to carry forward ICTI in excess of current year distributions into the next tax year and pay a 4% U.S. federal excise tax on such excess. Any such carryover ICTI must be distributed before the end of the next tax year through a dividend declared prior to filing the final tax return related to the year which generated such ICTI.

ICTI generally differs from net investment income for financial reporting purposes due to temporary and permanent differences in the recognition of income and expenses. We may be required to recognize ICTI in certain circumstances in which we do not receive cash. For example, if we hold debt obligations that are treated under applicable tax rules as having original issue discount (such as debt instruments issued with warrants), we must include in ICTI 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. We may also have to include in ICTI other amounts that we have not yet received in cash, such as interest income from investments that have been classified as non-accrual for financial reporting purposes. Interest income on non-accrual investments is not recognized for financial reporting purposes, but generally is recognized in ICTI. Because any original issue discount or other amounts accrued will be included in our ICTI for the year of accrual, we may be required to make a distribution to our stockholders in order to satisfy the minimum distribution requirements, even though we will not have received and may not ever receive any corresponding cash amount. ICTI also excludes net unrealized appreciation or depreciation, as investment gains or losses are not included in taxable income until they are realized.

Dividend Reinvestment Plan

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

No action is required on the part of a registered common stockholder to have his or her cash dividend reinvested in shares of our common stock. A registered common stockholder may elect to receive an entire dividend in cash by notifying our investor relations department to request a change form, as described below. Such change form must be received by SS&C GIDS, Inc., the "Plan Administrator" and our transfer agent and registrar, no later than 10 business days prior to the distribution date fixed by the Board for such dividend. If such change form is received less than 10 business days prior to the distribution date fixed by the Board, then that dividend will be reinvested pursuant to the terms of the plan. The Plan Administrator will set up an account for shares acquired through the plan for each common stockholder who has not elected to receive dividends in cash and hold such shares in non-certificated form. Those common stockholders whose shares are held by a broker or other financial intermediary may receive dividends in cash by notifying their broker or other financial intermediary of their election so long as their broker or other financial intermediary notifies the Plan Administrator of the same by submitting the change form.

The number of shares to be issued to a stockholder under the dividend reinvestment plan will be determined by dividing the total dollar amount of the distribution payable to such stockholder by the most recent available net asset value per share for such shares at the time the distribution is payable.

There will be no charges to common stockholders who participate in the plan. We will pay the Plan Administrator's fees under the plan.

Common stockholders who receive dividends in the form of stock generally are subject to the same federal, state and local tax consequences as are common stockholders who elect to receive their dividends in cash. However, since a participating stockholder's cash dividends will be reinvested, such stockholder will not receive cash with which to pay any applicable taxes on reinvested dividends. A common stockholder's basis for determining gain or loss upon the sale of stock received in a dividend from us will be equal to the total dollar amount of the dividend payable to the common stockholder. Any stock received in a dividend will have a holding period for tax purposes commencing on the day following the day on which the shares are credited to the U.S. common stockholder's account. Stock received in a dividend may generate a wash sale if a common stockholder sold our stock at a realized loss within 30 days either before or after such dividend.

Participants may elect to receive their entire dividend in cash or to terminate their accounts under the plan by filling out a change form. To request a change form or for more information, please contact our investor relations department at 1-888-401-1088 or bdcinvestorrelations@barings.com.

We may terminate the dividend reinvestment plan upon notice in writing mailed to each participant at least 30 days prior to any record date for the payment of any dividend by us. All correspondence concerning the plan should be directed to the Plan Administrator by mail at SS&C GIDS, Inc., 1055 Broadway Blvd. Ste 300, Kansas City, Missouri 64105.

Operating and Regulatory Structure

Regulation as a Business Development Company

The following is a general summary of the material regulatory provisions affecting BDCs. It does not purport to be a complete description of all of the laws and regulations affecting BDCs. See "*Section XII—Certain BDC Regulatory Considerations*" for more information.

We have elected to be regulated as a BDC under the 1940 Act. The 1940 Act contains prohibitions and restrictions relating to transactions between BDCs and their affiliates, principal underwriters and affiliates of those affiliates or underwriters. The 1940 Act requires that a majority of the directors on a BDC's board of directors be persons other than "interested persons," as that term is defined in the 1940 Act, of the BDC or its investment adviser. In addition, the 1940 Act provides that we may not change the nature of our business so as to cease to be, or to withdraw our election as, a BDC unless approved by a majority of our outstanding voting securities.

The 1940 Act defines "a majority of the outstanding voting securities" as the lesser of (i) 67.0% or more of the voting securities present at a meeting if the holders of more than 50.0% of our outstanding voting securities are present or represented by proxy, or (ii) more than 50.0% of our outstanding voting securities.

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 70.0% of the company's total assets. "Qualifying assets" principally include investments in eligible portfolio companies as defined in the 1940 Act. An eligible portfolio company is generally any issuer which is (i) organized under the laws of, and has its principal place of business in, the United States; (ii) is not an investment company or a company that would be an investment company but for certain exclusions under the 1940 Act; and (iii) satisfies any of the following: (a) does not have any class of securities with respect to which a broker or dealer may extend margin credit, (b) is controlled by a BDC, either alone or as part of a group acting together, and such BDC has an affiliated person who is a director of the company, (c) is a small and solvent company having total assets of not more than $4 million and capital and surplus of not more than $2 million, (d) does not have any class of securities that is traded on a national securities exchange or (e) 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.

Managerial Assistance to Portfolio Companies

In order to count portfolio securities as qualifying assets for the purpose of the 70.0% test, we 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) significant managerial assistance; except that, where we purchase 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 "significant managerial assistance" means, among other things, any arrangement whereby we offer to provide, and, if accepted, do so provide, significant guidance and counsel concerning the management, operations or business objectives and policies of a portfolio company. Barings provides such managerial assistance on our behalf to portfolio companies that request this assistance. We may receive fees for these services.

Co-Investment Transactions

As a BDC, we are required to comply with certain regulatory requirements. For example, we are also not permitted to make certain negotiated co-investments with Barings or its affiliates (including any fund managed by Barings or an investment adviser controlling, controlled by or under common control with Barings) without exemptive relief from the SEC, subject to certain exceptions. Barings' existing SEC order for exemptive relief under Sections 17(d) and 57(i) of the 1940 Act and Rule 17d-1 thereunder, granted on October 19, 2017, as amended by the SEC order for exemptive relief granted on March 20, 2024 (the "Exemptive Relief") permits certain present and future funds, including us, advised by Barings (or an investment adviser controlling, controlled by or under common control with Barings) to co-invest in suitable negotiated investments. Co-investments made under the Exemptive Relief are subject to compliance with the conditions and other requirements contained in the Exemptive Relief, which could limit our ability to participate in a co-investment transaction.

Temporary Investments

Pending investment in other types of "qualifying assets," 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 70.0% of our assets are qualifying assets. We may 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 that 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 25.0% of our total assets constitute repurchase agreements from a single counterparty, we would not meet the asset diversification tests required to maintain our tax treatment as a RIC for U.S. federal income tax purposes. Thus, we do not intend to enter into repurchase agreements with a single counterparty in excess of this limit. Our management team will monitor the creditworthiness of the counterparties with which we enter into repurchase agreement transactions.

Senior Securities

As a BDC, we are permitted, under specified conditions, to issue multiple classes of debt and one class of stock senior to our common stock if our asset coverage, as defined in the 1940 Act, is at least equal to 150% immediately after each such issuance.

In addition, while any senior securities remain outstanding (other than senior securities representing indebtedness issued in consideration of a privately arranged loan which is not intended to be publicly distributed), 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 5.0% of the value of our total assets for temporary purposes without regard to asset coverage. For a discussion of the risks associated with leverage, see "*Section VI—Risk Factors—Risks Relating to Our Business and Structure—Incurring additional leverage may magnify our exposure to risks associated with leverage, including fluctuations in interest rates that could adversely affect our profitability*."

Valuation Process and Determination of Net Asset Value

Investment Valuation

The most significant estimate inherent in the preparation of our financial statements is the valuation of investments and the related amounts of unrealized appreciation and depreciation of investments recorded. The Company has a valuation policy, as well as established and documented processes and methodologies for determining the fair values of portfolio company investments on a recurring (at least quarterly) basis in accordance with the 1940 Act and FASB ASC Topic 820, Fair Value Measurements and Disclosures, or ASC Topic 820. Barings' current valuation policy and processes were established by Barings and have been approved by the Board.

Under ASC Topic 820, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between a willing buyer and a willing seller at the measurement date. For our portfolio securities, fair value is generally the amount that we might reasonably expect to receive upon the current sale of the security. The fair value measurement assumes that the sale occurs in the principal market for the security, or in the absence of a principal market, in the most advantageous market for the security. If no market for the security exists or if we do not have access to the principal market, the security should be valued based on the sale occurring in a hypothetical market.

Under ASC Topic 820, there are three levels of valuation inputs, as follows:

- *Level 1 Inputs* **-** *include quoted prices (unadjusted) in active markets for identical assets or liabilities.*
- *Level 2 Inputs* **-** *include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.*
- *Level 3 Inputs* **-** *include inputs that are unobservable and significant to the fair value measurement.*

A financial instrument is categorized within the ASC Topic 820 valuation hierarchy based upon the lowest level of input to the valuation process that is significant to the fair value measurement. For example, a Level 3 fair value measurement may include inputs that are observable (Levels 1 and 2) and unobservable (Level 3). Therefore, unrealized appreciation and depreciation related to such investments categorized as Level 3 investments may include changes in fair value that are attributable to both observable inputs (Levels 1 and 2) and unobservable inputs (Level 3).

Our investment portfolio includes certain debt and equity instruments of privately held companies for which quoted prices or other observable inputs falling within the categories of Level 1 and Level 2 are generally not available. In such cases, Barings determines the fair value of our investments in good faith primarily using Level 3 inputs. In certain cases, quoted prices or other observable inputs exist, and if so, Barings assesses the appropriateness of the use of these third-party quotes in determining fair value based on (i) its understanding of the level of actual transactions used by the broker to develop the quote and whether the quote was an indicative price or binding offer and (ii) the depth and consistency of broker quotes and the correlation of changes in broker quotes with the underlying performance of the portfolio company.

There is no single approach for determining fair value in good faith, as fair value depends upon the specific circumstances of each individual investment. The recorded fair values of our Level 3 investments may differ significantly from fair values that would have been used had an active market for the securities existed. In addition, changes in the market environment and other events that may occur over the life of the investments may cause the gains or losses ultimately realized on these investments to be different than the valuations currently assigned. For a discussion of the risks inherent in determining the value of securities for which readily available market values do not exist, see "*Section VI—Risk Factors—Our investment portfolio is and will continue to be recorded at fair value as determined in accordance with the Investment Adviser's valuation policies and procedures and, as a result, there is and will continue to be uncertainty as to the value of our portfolio investments.*"

Investment Valuation Process

The Board must determine fair value in good faith for any or all of our investments for which market quotations are not readily available. The Board has designated Barings as valuation designee to perform the fair value determinations relating to the value of the assets held by us for which market quotations are not readily available. Barings has established a pricing committee that is, subject to the oversight of the Board, responsible for the approval, implementation and oversight of the processes and methodologies that relate to the pricing and valuation of assets held by us. Barings uses independent third-party providers to price the portfolio, but in the event an acceptable price cannot be obtained from an approved external source, Barings will utilize alternative methods in accordance with internal pricing procedures established by its pricing committee.

At least annually, Barings conducts reviews of the primary pricing vendors to validate that the inputs used in the vendors' pricing process are deemed to be market observable. While Barings is not provided access to proprietary models of the vendors, the reviews have included on-site walkthroughs of the pricing process, methodologies and control procedures for each asset class and level for which prices are provided. The review also includes an examination of the underlying inputs and assumptions for a sample of individual securities across asset classes, credit rating levels and various durations, a process Barings continues to perform annually. In addition, the pricing vendors have an established challenge process in place for all security valuations, which facilitates identification and resolution of prices that fall outside expected ranges. Barings believes that the prices received from the pricing vendors are representative of prices that would be received to sell the assets at the measurement date (i.e., exit prices).

Our money market fund investments are generally valued using Level 1 inputs and our equity investments listed on an exchange or on the NASDAQ National Market System are valued using Level 1 inputs, using the last quoted sale price of that day. Our syndicated senior secured loans and structured product investments are generally valued using Level 2 inputs, which are generally valued at the bid quotation obtained from dealers in loans by an independent pricing service. Our middle-market, private debt and equity investments are generally valued using Level 3 inputs.

Independent Valuation

The fair value of loans and equity investments that are not syndicated or for which market quotations are not readily available, including middle-market loans, are generally submitted to independent providers to perform an independent valuation on those loans and equity investments as of the end of each quarter. Such loans and equity investments are initially held at cost, as that is a reasonable approximation of fair value on the acquisition date, and monitored for material changes that could affect the valuation (for example, changes in interest rates or the credit quality of the borrower). At the quarter end following that of the initial acquisition, such loans and equity investments are generally sent to a valuation provider which will determine the fair value of each investment. The independent valuation providers apply various methods (synthetic rating analysis, discounting cash flows, and re-underwriting analysis) to establish the rate of return a market participant would require (the "discount rate") as of the valuation date, given market conditions, prevailing lending standards and the perceived credit quality of the issuer. Future expected cash flows for each investment are discounted back to present value using these discount rates in the discounted cash flow analysis. A range of values will be provided by the valuation provider, and Barings will determine the point within that range that it will use. If Barings' pricing committee disagrees with the price range provided, it may make a fair value recommendation to Barings that is outside of the range provided by the independent valuation provider and the reasons therefore. In certain instances, we may determine that it is not cost-effective, and as a result is not in the stockholders' best interests, to request an independent valuation firm to perform an independent valuation on certain investments. Such instances include, but are not limited to, situations where the fair value of the investment in the portfolio company is determined to be insignificant relative to the total investment portfolio. Pursuant to these procedures, Barings determines in good faith whether our investments were valued at fair value in accordance with our valuation policies and procedures and the 1940 Act based on, among other things, the Board's Audit Committee and the independent valuation firm.

Valuation Inputs

Barings' valuation techniques are based upon both observable and unobservable pricing inputs. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect Barings' market assumptions. Barings' assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the financial instrument. An independent pricing service provider is the preferred source of pricing a loan, however, to the extent the independent pricing service provider price is unavailable or not relevant and reliable, Barings will utilize alternative approaches such as broker quotes or manual prices. Barings attempts to maximize the use of observable inputs and minimize the use of unobservable inputs. The availability of observable inputs can vary from investment to investment and is affected by a wide variety of factors, including the type of security, whether the security is new and not yet established in the marketplace, the liquidity of markets and other characteristics particular to the security.

Net Asset Value Determination

We generally determine the net asset value per share of our common stock each month as of the last day of each calendar month. The net asset value per share is equal to the value of our total assets minus total liabilities and any preferred stock outstanding divided by the total number of shares of common stock outstanding at the date as of which the determination is made.

When we determine the net asset value in connection with the Private Offering as of the last day of a month that is not also the last day of a calendar quarter, we intend to update the value of securities with reliable market quotations to the most recent market quotation. For securities without reliable market quotations, Barings will generally value such assets at the most recent quarterly valuation unless Barings determines that a significant observable change has occurred since the most recent quarter-end with respect to the investment (which determination may be as a result of a material event at a portfolio company, material change in market spreads, secondary market transaction in the securities of an investment or otherwise). If Barings determines such a change has occurred with respect to one or more investments, Barings will determine whether to update the value for each relevant investment using a range of values from an independent valuation firm, where applicable, in accordance with Barings' valuation policy, pursuant to authority delegated by our Board. Additionally, Barings may otherwise determine to update the most recent quarter-end valuation of an investment without reliable market quotations that Barings considers to be material to the Company using a range of values from an independent valuation firm.

IV. MANAGEMENT AND INVESTMENT PROFESSIONALS

Management

Board of Directors and Executive Officers

Our business and affairs are managed under the direction of our Board. Our Board consists of four directors. The Board appoints our officers, who serve at the discretion of our Board. The responsibilities of the Board include oversight of the application of the valuation policies used for determining the fair value of our assets, corporate governance activities, oversight of our financing arrangements and oversight of our investment activities.

The Board's role in management of the Company is one of oversight. Oversight of the Company's investment activities extends to oversight of the risk management processes employed by Barings as part of its day-to-day management of our investment activities. The Board anticipates reviewing risk management processes at board meetings throughout the year, consulting with appropriate representatives of the Investment Adviser as necessary and periodically requesting the production of risk management reports or presentations and receiving reports from vendors and service providers regarding cybersecurity threats and incidents. The goal of the Board's risk oversight function is to ensure that the risks associated with our investment activities are accurately identified, thoroughly investigated and responsibly addressed. Investors should note, however, that the Board's oversight function cannot eliminate all risks or ensure that particular events do not adversely affect the value of the Company's investments.

Our Board has established an Audit Committee and Nominating and Corporate Governance Committee, and the Board may establish additional committees from time to time as necessary. The scope of each committee is discussed in greater detail below.

Under our Articles of Incorporation, our Board is divided into three classes of directors serving staggered three-year terms, with the term of office of only one of the three classes expiring each year. At each annual meeting of stockholders, directors of the class of directors whose term expires at such meeting will be elected to hold office for a term expiring at the third succeeding annual meeting of stockholders following the meeting at which they were elected. In all cases, each director's term will extend until his or her successor is elected and qualifies or until his or her earlier resignation, removal from office, death or incapacity. To the extent possible, each class shall have the same number of directors.

Directors

The following information regarding our Board is as of June 2024:

Name	Age	Position(s) Held	Director Since	Director Class
Interested Directors (1)				
Eric Lloyd	55	Chairman of the Board	2021	Class II
Independent Directors				
Mark F. Mulhern	64	Director	2021	Class II
Thomas W. Okel	61	Director	2021	Class I
Jill Olmstead	60	Director	2021	Class I

(1) *Interested Directors due to affiliations with Barings LLC.*

The address for each of our directors is 300 South Tryon Street, Suite 2500, Charlotte, North Carolina 28202.

Executive Officers

The following information regarding our executive officers and chief compliance officer is as of June 2024.

Name	Age	Position(s) Held
Bryan High	44	Chief Executive Officer
Matthew Freund	36	President
Elizabeth Murray	47	Chief Operating Officer and Chief Financial Officer
Ashlee Steinnerd	42	Chief Legal Officer
Gerald Cummins	69	Chief Compliance Officer

The address for each of our officers is 300 South Tryon Street, Suite 2500, Charlotte, North Carolina 28202.

Biographical Information

Directors

Our directors have been divided into two groups – Interested Directors and Independent Directors. An Interested Director is an "interested person," as defined in Section 2(a)(19) of the 1940 Act, of the Company or the Investment Adviser.

Interested Directors

Eric Lloyd – Mr. Lloyd brings over 30 years of experience in investment management, investment banking, leveraged finance and risk management to the Board. Mr. Lloyd is President of Barings LLC where he leads and manages cross-asset investment teams, corporate strategy, business development, product management, investment business management, research analytics and quant, permanent capital, special situations, marketing and communication. Mr. Lloyd also works closely with all the investment teams at Barings LLC. Prior to his current role, Mr. Lloyd served as Head of Private Assets. Mr. Lloyd has worked in the industry since 1990 and his experience has encompassed leadership positions in investment management, investment banking, leveraged finance and risk management. Prior to joining Barings in 2013, Mr. Lloyd served as Head of Market and Institutional Risk for Wells Fargo, was on Wells Fargo's Management Committee and was a member of the Board of Directors of Wells Fargo Securities. Before the acquisition of Wachovia, Mr. Lloyd worked in Wachovia's Global Markets Investment Banking division and served on the division's Operating Committee where he had various leadership positions, including Head of Wachovia's Global Leveraged Finance Group. Mr. Lloyd serves as the Executive Chairman of the Board of Directors and CEO to BBDC and Chairman of the Board of Directors to BCIC, each of which is an affiliate of the Company. Mr. Lloyd holds a B.S. in Finance from the University of Virginia's McIntire School of Commerce.

Independent Directors

Mark F. Mulhern – Mr. Mulhern brings significant public company experience, both as a senior executive and as a board member. From September 2014 until his retirement on January 1, 2022, he served as Executive Vice President and Chief Financial Officer of Highwoods Properties, Inc., a Raleigh, North Carolina based publicly traded real estate investment trust. Prior to joining Highwoods, Mr. Mulhern served as Executive Vice President and Chief Financial Officer of Exco Resources, Inc. Prior to Exco, he served as Senior Vice President and Chief Financial Officer of Progress Energy, Inc. from 2008 until its merger with Duke Energy Corporation in 2012. He joined Progress Energy in 1996 as Vice President and Controller and served in a number of leadership roles at Progress Energy, including Vice President of Strategic Planning, Senior Vice President of Finance and President of Progress Ventures. He also spent eight years at Price Waterhouse, now known as PwC. Mr. Mulhern previously served on the Highwoods Board of Directors and Audit Committee from January 2012 through August 2014. He currently serves on the boards of BBDC and BCIC, as well as Barings Global Short Duration High Yield Fund (a closed-end investment company advised by Barings). Additionally, Mr. Mulhern serves on the board of the Intercontinental Exchange, a Fortune 500 company and provider of marketplace infrastructure, data service and technology solutions to a broad range of customers. He also serves on the board of Ellie Mae, Inc., the operating company of ICE Mortgage Technology, both of which are subsidiaries of Intercontinental Exchange. Mr. Mulhern also currently serves on the board of McKim and Creed, a North Carolina based professional engineering services firm. Mr. Mulhern is a Certified Public Accountant and is a graduate of St. Bonaventure University.

Thomas W. Okel – Mr. Okel brings over 20 years of experience in the underwriting, structuring, distribution and trading of debt used for corporate acquisitions, leveraged buyouts, recapitalizations and refinancings. He previously served from 2011 to 2019 as Executive Director of Catawba Lands Conservancy, a non-profit land trust. Prior to joining Catawba Lands Conservancy, he served as Global Head of Syndicated Capital Markets at Bank of America Merrill Lynch, where he managed capital markets, sales, trading and research for the United States, Europe, Asia and Latin America from 1989 to 2010. He currently serves as trustee or director of several public companies and non-profit organizations, including BBDC and BCIC; Barings Global Short Duration High Yield Fund, a closed-end investment company advised by Barings; and is Chairman of the Board of Directors of Horizon Funds, a mutual fund complex. Mr. Okel holds a Bachelor of Arts in Economics from Davidson College and a Masters of Management, Finance, Accounting and Marketing from Kellogg School of Management, Northwestern University.

Jill Olmstead – Ms. Olmstead brings over 21 years of senior leadership experience in Human Resources in the financial services industry. She has served as Chief Human Resources Officer at LendingTree, Inc. since 2018 and was a Founding Partner of Spivey & Olmstead, LLC, a Talent and Leadership Consulting firm with expertise in the fields of executive development and talent management founded in June 2010. She also currently serves on the boards of BBDC, BCIC and Barings Global Short Duration High Yield Fund, a closed-end investment company advised by Barings. The Board benefits from her experience with C-suite executives in helping lead companies' efforts on talent strategies, including succession planning, building strong performance cultures, and diversity and inclusion work. She has a strategic and pragmatic approach to talent management with an eye toward bottom line results. In her capacity as Managing Director (2006 to 2009) and Executive Vice President (2000 to 2006) at Wachovia Corporation (now Wells Fargo) she was both the Head of Human Resources for the Corporate and Investment Bank and the Head of Human Resources for the International Businesses. Prior to this, she formed and led the Leadership Practices Group at Wachovia to create and implement a company-wide talent management process that identified, developed, tracked and promoted high potential leaders throughout their careers. Ms. Olmstead received a Bachelor of Science at Clemson University and a Masters in Organization Behavior and Development at Fielding University, Santa Barbara, CA.

Executive Officers and Chief Compliance Officer

The biographical information of each of the Company’s executive officers who is not a director, as well as the Company’s Chief Compliance Officer, who is not an executive officer of the Company, is as follows:

Bryan High – Mr. High has served as the Company’s Chief Executive Officer since May 2023. He is also the Chief Executive Officer of BCIC and Co-Portfolio Manager of BBDC. Mr. High previously served as Vice President of the Company, from February 2022 until his appointment as Chief Executive Officer. Mr. High also serves as the Head of Capital Solutions and a co-Portfolio Manager for Capital Solutions funds. He joined the firm in 2007, and has extensive experience in public and private credit, distressed debt / special situations and private equity. Prior to joining Barings, Mr. High was an investment banker at a boutique M&A firm where he advised on middle market transactions. He also worked at Banc of America Securities LLC in the restructuring advisory group. Mr. High currently serves on the investment committees for Capital Solutions, U.S. High Yield and Global Private Structured Finance. Mr. High is a member of the Board of Directors for Eclipse Business Capital, LLC and Coastal Marina Holdings, LLC. He graduated with distinction from the University of North Carolina at Chapel Hill with a B.S. in Business Administration.

Matthew Freund – Mr. Freund has served as the Company’s President since May 2023. He is also the President of BBDC and BCIC. Mr. Freund served as a Senior Investment Manager within Barings’ Global Private Finance Group, where he was responsible for structuring, underwriting, and monitoring North American private finance investments supporting Barings sponsor clients. Mr. Freund is also a board member for Eclipse Business Credit, a specialty lender focused on providing asset backed loans. He has worked in the industry since 2009. Prior to joining Barings in 2015, Mr. Freund worked for US Bank structuring secured loans to support leveraged buyouts for private equity sponsors. Prior to joining US Bank, Mr. Freund worked in underwriting and analytical roles at Bank of America as part of corporate and middle market coverage. He has a B.S. in Business Administration degree from Saint Louis University and is a member of the CFA Institute.

Elizabeth Murray – Ms. Murray has served as the Company's Chief Operating Officer since May 2023 and as its Chief Financial Officer since April 2023. Ms. Murray also serves as the Chief Operating Officer and Chief Financial Officer of each of BBDC and BCIC. Ms. Murray is also a board member for Rocade LLC, a specialty finance company focused on litigation finance. Ms. Murray previously was the Director of External Reporting for BBDC and previously served as the Vice President of Financial Reporting at

Triangle Capital Corporation prior to the externalization of the investment management of BBDC to Barings LLC. Prior to joining Triangle Capital Corporation in 2012, she worked in Financial Planning and Analysis for RBC Bank, the U.S. retail banking division for Royal Bank of Canada. Prior to RBC Bank, Ms. Murray spent seven years at Progress Energy, Inc. and held various positions in finance, accounting, and tax, most recently in Strategy and Financial Planning. Ms. Murray began her career as a Tax Consultant with PricewaterhouseCoopers. Ms. Murray is a graduate of North Carolina State University where she obtained a B.S. degree in Accounting and a Master of Accounting degree. She is also a North Carolina Certified Public Accountant.

Gerald Cummins – Mr. Cummins serves as the Company's Chief Compliance Officer and is a Director at ACA Group ("ACA"). Mr. Cummins also serves as the chief compliance officer for an internally managed business development company and a fund complex with affiliated registered entities that manage two structured credit private funds, an exchange listed business development company and an exchange listed structured credit closed-end fund. He also provides compliance program monitoring and testing support to advisers and registered funds who primarily invest in private equity and private credit. Mr. Cummins has supported registered advisers and registered funds as an outsourced chief compliance officer since 2015. Prior to working as an outsourced chief compliance officer, Mr. Cummins was a consultant for Barclays Capital Inc., where he participated in numerous compliance projects on pricing and valuation. Prior to that, he was the Chief Operating Officer and Chief Compliance Officer for BroadArch Capital and the Chief Financial Officer and Chief Operating Officer to its predecessor New Castle Funds, a long-short equity asset manager with over $1 billion in AUM. Mr. Cummins also spent 25 years at Bear Stearns Asset Management ("BSAM"), an asset manager with over $25 billion in AUM, where he was a Managing Director and held senior compliance, controller and operations risk positions. Mr. Cummins served as a member of the risk, best execution and valuation committees that oversaw 25 hedge and private equity funds. At BSAM, he also served as the head of the hedge fund business controllers unit, and participated in the structuring and launch of numerous hedge funds and fund of funds across multiple equity, fixed income and derivatives strategies. Mr. Cummins holds a B.A. in Mathematics from Fordham University.

Ashlee Steinnerd – Ms. Steinnerd serves as the Company's Chief Legal Officer. Ms. Steinnerd also serves as the Head of Regulatory at Barings and as Chief Legal Officer of BBDC, BCIC, Barings Global Short Duration High Yield Fund, Barings Corporate Investors, and Barings Participation Investors. Ms. Steinnerd has been a member of the Barings legal team since 2019, advising Barings on a variety of regulatory issues. Prior to joining Barings, Ms. Steinnerd was Senior Counsel in the Securities and Exchange Commission's Office of the Investor Advocate. Ms. Steinnerd held several roles during her tenure at the Securities and Exchange Commission between 2011 and 2019. Ms. Steinnerd holds a B.S. in Applied International Finance and Applied International Economics from the American University of Paris, France and a J.D. from Rutgers School of Law.

Board Responsibilities

Our Board is the ultimate decision-making body of the Company except with respect to those matters reserved to the stockholders. Our Board has delegated the day-to-day management of the business and affairs of the Company to Barings pursuant to the Investment Advisory Agreement and the Administration Agreement. Our Board represents the stockholders' interest in obtaining meaningful financial returns on their investment and oversees Barings' management of the Company's assets consistent with the investment objective and strategy approved by the Board. Our Board reviews and approves Barings' services and fees and evaluates whether Barings is capably executing its responsibilities. In performing its duties, the primary responsibility of our Board is to exercise its business judgment in the best interests of the Company's stockholders. These major responsibilities include:

- reviewing and affirming general policies and goals of the Company;
- providing general oversight of the business;
- approving corporate strategy and major management initiatives;
- providing oversight of legal, financial and ethical conduct;
- electing and, when necessary, replacing the Chief Executive Officer and other officers of the Company as necessary; and
- evaluating Board processes and performance.

The 1940 Act requires that at least a majority of the Company's directors not be "interested persons" (as defined in the 1940 Act) of the Company. Currently, three of the Company's four directors are independent directors (and are not "interested persons"). However, Mr. Lloyd, the President of Barings LLC, and therefore an interested person of the Company, serves as Chairman of the Board. The Board believes that it is in the best interests of investors for Mr. Lloyd to lead the Board because of his role as President of Barings LLC and his broad experience with the day-to-day management and operation of fixed income, public equity and multi-asset investment teams and his extensive experience in the private asset business, including real estate debt and equity, multi-asset, middle market lending, infrastructure debt, corporate private placements, private asset-backed securities, whole loan residential mortgages, private equity funds and co-investments and private equity real assets. In addition, Mr. Okel, as Chair of the Nominating and Corporate Governance Committee, serves as lead independent director to preside over all executive sessions of independent directors. The Board believes that its leadership structure is appropriate in light of the Company's characteristics and circumstances because the structure allocates areas of responsibility among the individual directors and the committees in a manner that enhances effective oversight. The Board also believes that its small size creates a highly efficient governance structure that provides ample opportunity for direct communication and interaction between the Board and the Company's management. We recognize that different board leadership structures are appropriate for companies in different situations. We intend to re-examine our corporate governance policies on an ongoing basis to ensure that they continue to meet our needs.

Our Board has established an Audit Committee and Nominating and Corporate Governance Committee, and the Board may establish additional committees from time to time as necessary. All directors are expected to attend at least 75% of the aggregate number of meetings of our Board and of the respective committees on which they serve. We require each director to make a diligent effort to attend all Board and committee meetings as well as each annual meeting of our stockholders.

Audit Committee

The members of the Audit Committee consist of Mark Mulhern, Jill Olmstead and Thomas Okel, each of whom is financially literate and meets the independence standards established by the SEC for audit committees and is independent for purposes of the 1940 Act. Mr. Mulhern serves as Chairman of the Audit Committee. The Board has designated Mr. Mulhern as an "audit committee financial expert" as that term is defined under Item 407 of Regulation S-K.

The purpose of the Audit Committee is to assist the Board with its oversight responsibilities regarding: (i) the integrity of the Company's financial statements; (ii) the integrity of the accounting and financial reporting processes of the Company and the audits of the financial statements; (iii) the Company's compliance with legal and regulatory requirements; (iv) the independent registered public accounting firm's qualifications and independence; and (v) the performance of the Company's internal audit function and independent registered public accounting firm. The Audit Committee also assists the Board in establishing and monitoring the application of the valuation policies used for determining the fair value of the Company's investments that are not publicly traded or for which current market values are not readily available.

The function of the Audit Committee is oversight. The independent accountants are accountable to the Board and the Audit Committee, as representatives of our stockholders. The Board and the Audit Committee have the ultimate authority and responsibility to select, evaluate and, where appropriate, replace our independent accountants (subject, if applicable, to stockholder ratification).

Nominating and Corporate Governance Committee

The members of the Nominating and Corporate Governance Committee consist of Mark Mulhern, Jill Olmstead and Thomas Okel, each of whom is independent for purposes of the 1940 Act. Mr. Okel serves as Chairman of the Nominating and Corporate Governance Committee.

The Nominating and Corporate Governance Committee is responsible for identifying, researching and recommending for nomination directors for election by the Company's stockholders, recommending for appointment nominees to fill vacancies on the Board or a committee of the Board, developing and recommending to the Board a set of corporate governance principles and overseeing the evaluation of the Board. The Nominating and Corporate Governance Committee's policy is to consider nominees properly recommended by the Company's stockholders in accordance with the Company's Articles of Incorporation, Bylaws and applicable law.

In addition, any stockholder who wishes to propose a nominee to the Board of Directors or propose any other business to be considered by the stockholders (other than a stockholder proposal to be included in the Company's proxy materials pursuant to Rule 14a-8 of the Exchange Act) must comply with the advance notice provisions and other requirements of the Company's Bylaws, a copy of which has been filed with the SEC as an exhibit to the Form 10 Registration Statement and may be obtained from the Company's Secretary upon request. Proposals must be sent to the Company's Secretary at Barings Private Credit Corporation, 300 South Tryon Street, Suite 2500, Charlotte, North Carolina 28202.

Compensation of Executive Officers

We do not currently have any employees and do not expect to have any employees. Our executive officers are employees of Barings and do not receive any direct compensation from us. Barings serves as our external investment adviser and manages our investment portfolio under the terms of the Investment Advisory Agreement, in connection with which we pay Barings a base management fee and an incentive fee, the details of which are set forth in "*Section IX—Investment Advisory Agreement; Administration Agreement; Expense Support*." Our day-to-day investment operations are managed by Barings and services necessary for its business, including the origination and administration of its investment portfolio are provided by individuals who are employees of Barings, as investment adviser and administrator, pursuant to the terms of the Investment Advisory Agreement and the Administration Agreement. The Company reimburses Barings, in its capacity as administrator, for the cost and expenses incurred by it in performing its obligations and providing personnel and facilities under the Administration Agreement in an amount negotiated and mutually agreed to by the Company and Barings quarterly in arrears. In no event will the agreed-upon quarterly expense amount exceed the amount of expenses that would otherwise be reimbursable by the Company under the Administration Agreement for the applicable quarterly period, and Barings will not be entitled to the recoupment of any amounts in excess of the agreed-upon quarterly expense amount.

Director Fees

Each Independent Director of the Board is paid an annual board retainer of $60,000, payable in quarterly installments. In addition, the Company reimburses Independent Directors for any out-of-pocket expenses related to their service as members of the Board of Directors. The Independent Directors of the Board do not receive any stock-based compensation for their service as members of the Board. The Company's directors who are employed by Barings do not receive any compensation for their service as members of the Board.

V. SUMMARY OF PROPOSED TERMS

The following is a summary of certain provisions of our Articles of Incorporation, our Bylaws, the Subscription Agreement, the Investment Advisory Agreement, the Administration Agreement and other related documents. This summary does not purport to be complete. It is subject to, and qualified in its entirety by reference to, our Articles of Incorporation, our Bylaws, the Subscription Agreement, the Investment Advisory Agreement, the Administration Agreement and the other documents to which it refers.

The Company

We are an externally managed, non-diversified, closed-end management investment company, operating as a Maryland corporation that has elected to be regulated as a BDC under the 1940 Act. In addition, we have elected to be treated, and expect to qualify annually thereafter, as a RIC under Subchapter M of the Code. See "*Section XIII—Certain U.S. Federal Income Tax Considerations*" for more information.

Form of Investment

The Company is offering shares of its common stock in the Private Offering.

Investment Objective

The Company's primary investment objective is to generate current income by investing directly in privately-held middle-market companies to help these companies fund acquisitions, growth or refinancing. To a lesser extent, we will invest in equity, special situations, structured credit (e.g., private asset-backed securities), syndicated loan opportunities, high-yield investments and/or mortgage securities.

Investment Adviser; Administrator

The Company is externally managed by Barings, an investment adviser that is registered with the SEC under the Advisers Act. Barings, a wholly-owned subsidiary of MassMutual, is a leading global asset management firm, with $406.0 billion in assets under management as of March 31, 2024. In its capacity as Administrator, Barings provides the administrative services necessary for the Company's operations. Barings may enter into one or more agreements with third parties for them to provide certain administrative services to the Company.

Common Stock

Holders of common stock are entitled to one vote for each share held on all matters submitted to a vote of stockholders, and to receive dividends declared by the Board. Dividends will be reinvested in common stock on behalf of common stockholders unless a common stockholder elects to receive cash (see "*Reinvestment of Dividends,*" below.) The rights of common stockholders are subject to our Articles of Incorporation and Bylaws.

All shares of our common stock will have equal rights as to voting and will vote together as a single class on all matters submitted to a vote of stockholders, including the election of directors, subject to the rights of holders of any other class or series of stock. Dividends and distributions may be paid upon shares of our common stock if, as and when authorized by the Board and declared by us out of funds legally available therefore.

Private Offering and How to Subscribe

The Company is conducting this Private Offering using this Memorandum and the accompanying Subscription Agreement. We intend to issue shares of our common stock in the Private Offering on a continuous monthly basis at a price per share generally equal to the then-current net asset value per share for our common stock; provided that the Company shall retain the right, if determined by the Company in its sole discretion, to accept subscriptions and issue shares of common stock, in amounts to be determined by the Company, more or less frequently to one or more investors for regulatory, tax or other reasons as may be determined to be appropriate by the Company.

You may buy shares of our common stock directly from the Company or through your financial advisor or other financial intermediary that has an agreement with the Company. Because an investment in our shares of common stock involves many considerations, your financial advisor or other financial intermediary may help you with this decision. Due to the illiquid nature of investments in directly originated senior secured private debt investments, our shares of common stock are only suitable as a long-term investment. Because there is no public market for our shares, stockholders may have difficulty selling their shares if we choose to repurchase only some, or even none, of the shares in a particular quarter, or if the Board modifies, suspends or terminates share repurchase program.

See "*Section I—Executive Summary—The Private Offering*" for more information.

Expense Support and Conditional Reimbursement Agreement

We have entered into the Expense Support Agreement with Barings, pursuant to which Barings may elect to make Expense Payments on the Company's behalf, including organization and offering expenses, provided that no portion of the payment will be used to pay any interest expense or any distribution and/or shareholder servicing fees of the Company. Any Expense Payment that Barings commits to pay must be paid by Barings to us in any combination of cash or other immediately available funds no later than forty-five days after such commitment is made in writing, and/or offset against amounts due from us to Barings or its affiliates. If Barings elects to pay certain of our expenses, Barings will be entitled to reimbursement of such expenses from us if Available Operating Funds (as defined below in "*Section IX—Investment Advisory Agreement; Administration Agreement; Expense Support—Expense Support and Conditional Reimbursement Agreement*") exceed the cumulative distributions accrued to our stockholders, subject to the terms of the Expense Support Agreement. See "*Section IX—Investment Advisory Agreement; Administration Agreement; Expense Support*" for additional information regarding the Expense Support Agreement.

BDC Requirements; Concentration Limits

In order to maintain its status as a BDC, the Company will need to satisfy certain requirements, including, but not limited to:

> (i) the Company will not acquire any assets other than "qualifying assets" as defined in the 1940 Act (and summarized in "*Section XII—Certain BDC Regulatory Considerations*") unless, at the time of and after giving effect to such acquisition, at least 70% of the Company's total assets are qualifying assets;
>
> (ii) the Company will offer, and must provide upon request, significant managerial assistance to its portfolio companies that constitute qualifying assets (as described in greater detail in "*Section XII—Certain BDC Regulatory Considerations*");
>
> (iii) the Company generally must have 150% asset coverage for its debt after incurring any new indebtedness; and
>
> (iv) except for shares of registered money market funds, the Company generally cannot acquire more than 3% of the voting stock of any registered investment company or BDC (either, an "<u>Investment Company</u>"), invest more than 5% of the value of its total assets in the securities of one Investment Company or invest more than 10% of the value of its total assets in the securities of Investment Companies in the aggregate.

For a summary of the BDC regulatory framework, see "*Section XII—Certain BDC Regulatory Considerations.*"

RIC Requirements

In order to maintain its tax treatment as a RIC for U.S. federal income tax purposes, the Company will need to ensure that (among other things) it satisfies certain sources of income and asset diversification requirements and distributes to its stockholders annually an amount equal to at least 90% of its "investment company taxable income." For more information, see "*Section XIII—Certain U.S. Federal Income Tax Considerations.*"

Distributions

The Company intends to make distributions to stockholders of substantially all of the Company's income, as determined by the Board in its discretion considering factors such as the Company's earnings, cash flow, capital needs and general financial condition and the requirements of Maryland law. As a result, the Company's distribution rates and payment frequency may vary from time to time. The Company generally intends to declare regular monthly dividends on a quarterly basis, although the frequency of such distributions may vary. See "*Section III—Company Overview—Distribution Policy*" for more information.

Reinvestment of Dividends

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

Stockholders can elect to "opt out" of the Company's dividend reinvestment plan in their Subscription Agreements. See "*Section III—Company Overview—Dividend Reinvestment Plan*" for more information.

Share Repurchase Program

We have commenced a discretionary share repurchase program in which we may, subject to market conditions and the discretion of the Board, offer to repurchase, in each quarter, up to 5% of our shares of common stock outstanding as of the close of the previous calendar quarter. The Board may amend, suspend or terminate the share repurchase program at any time if in its reasonable judgement it deems such action to be in our best interest and the best interest of our stockholders. As a result, share repurchases may not be available each quarter, such as when a repurchase offer would place an undue burden on our liquidity, adversely affect our operations or risk having an adverse impact on us that would outweigh the benefit of the repurchase offer. We intend to conduct such repurchase offers in accordance with the requirements of Rule 13e-4 promulgated under the Exchange Act and the 1940 Act and subject to compliance with applicable covenants and restrictions under our financing arrangements. All shares purchased by us pursuant to the terms of each tender offer will be redeemed and thereafter will be authorized and unissued shares. See "*Section VII—Share Repurchase Program*" for more information.

Share Liquidity Strategy

The Board does not expect to complete a liquidity event within any specific time period, if at all. A liquidity event could include a merger or another transaction approved by the Board in which stockholders will receive cash or shares of a publicly traded company, or a sale of all or substantially all of its assets either on a complete portfolio basis or individually followed by a liquidation and distribution of cash to our stockholders. A liquidity event also may include a sale, merger or other transaction with one or more affiliated investment companies managed by Barings. A liquidity event involving a merger or sale of all or substantially all of our assets would require the approval of our stockholders in accordance with our Articles of Incorporation. We do not intend to list our shares on a national securities exchange. See "*Section VIII—Share Liquidity Strategy*" for more information.

Use of Proceeds

We used the proceeds from the Initial Closing, along with borrowings under the Revolving Credit Facility, to acquire the Initial Portfolio from MassMutual and CM Life.

Thereafter, we intend to use the net proceeds from the Private Offering to (1) make investments in accordance with our investment strategy and policies, (2) reduce borrowings and repay indebtedness incurred under various financing agreements we may enter into, (3) fund repurchases under our share repurchase program and (4) for general working capital purposes. Generally, our policy will be to pay distributions and operating expenses from cash flow from operations, however, we are not restricted from funding these items from proceeds from this offering or other sources and may choose to do so, particularly in the earlier part of this offering. The precise timing of new investments will depend on the availability of investment opportunities that are consistent with our investment objective and strategies.

Management and Incentive Fees

Under the terms of the Investment Advisory Agreement, we pay Barings a base management fee and an incentive fee.

The Base Management Fee. The base management fee is calculated at an annual rate of 0.75% of our average gross assets, including assets purchased with borrowed funds or other forms of leverage but excluding (i) cash and cash equivalents and (ii) net unsettled purchases and sales of investments. For services rendered under the Investment Advisory Agreement, the base management fee is payable quarterly in arrears on a calendar quarter basis.

The Incentive Fee. The incentive fee is based on our pre-incentive fee net investment income, subject to a "hurdle rate," a "catch-up" feature and an incentive fee cap.

See "*Section IX—Investment Advisory Agreement; Administration Agreement; Expense Support*" for a detailed description of the management and incentive fees.

Transaction Fees

The Investment Adviser will generally pay to the Company the amount of any transaction, advisory or similar fees received by the Investment Adviser or its affiliates in connection with the Company's investment activities or the Investment Adviser's activities on behalf of the Company. If the Company engages in co-investment transactions with certain of its affiliates, the Company generally will share any such fees with such affiliates on a pro rata basis (and vice versa).

Board of Directors

A majority of the Board consists of persons who are not "interested persons" of the Company or the Investment Adviser as defined in Section 2(a)(19) of the 1940 Act.

Valuations

The fair value of our assets is determined on at least a quarterly basis, in accordance with the terms of FASB Accounting Standards Codification Topic 820, *Fair Value Measurement and Disclosures.* See "*Section III—Company Overview—Valuation Process and Determination of Net Asset Value*" for more information regarding the valuation process.

Limitations on Transfer of Common Stock

The shares of common stock sold in the Private Offering may not be sold or transferred (i) except as permitted under the Subscription Agreement, including in connection with transfers to the Company in connection with the Company's share repurchase program and (ii) unless they are registered under the Securities Act and under any other applicable securities laws or an exemption from such registration thereunder is available. No transfer will be effectuated except by registration of the transfer on the Company's books. Each transferee must agree to be bound by these restrictions and all other obligations as an investor in the Company.

Reports

The Company will file annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K with the SEC.

Leverage

We expect to borrow funds in order to make additional investments, including under the Revolving Credit Facility, SMBC Credit Facility and other financing arrangements, such as the 2023 Debt Securitization, July 2026 Notes and the May 2027 Notes. We expect to use this practice, which is known as "leverage," when the terms and conditions are favorable to long-term investing and well aligned with our investment strategy and portfolio composition in an effort to increase returns to our stockholders, but this strategy involves significant risks. See "*Section VI—Risk Factors*." With certain limited exceptions, we are only allowed to borrow amounts such that our asset coverage, as defined in the 1940 Act, is at least 150% immediately after each such borrowing. The amount of leverage that we employ will depend on our Investment Adviser's and our Board's assessment of market and other factors at the time of any proposed borrowing.

See "*Section III—Company Overview—Revolving Credit Facility*" and "*—SMBC Credit Facility*" and "*—2023 Debt Securitization*" and "*—July 2026 Notes*" and "*—May 2027 Notes*" for more information.

We may enter into agreements providing for additional credit facilities or borrowings, each of which will provide for borrowings to make additional investments and for other general corporate purposes. It is anticipated that any credit facility will bear interest at floating rates at to be determined spreads over SOFR or the then-prevailing market rate and will be secured by the Company's assets. We cannot assure stockholders that we or any of our subsidiaries will be able to enter into additional credit facilities or otherwise borrow additional funds. See "*Section VI—Risk Factors—Risks Relating to Our Business and Structure—We may default under the Revolving Credit Facility, SMBC Credit Facility or our other borrowing arrangements.*" Our stockholders will indirectly bear the costs associated with any borrowings under any credit facility or otherwise, including under the Revolving Credit Facility, SMBC Credit Facility, the 2023 Debt Securitization, the July 2026 Notes, and the May 2027 Notes, including increased management fees payable to the Investment Adviser as a result of such borrowings.

ERISA Considerations

Investment in the Company is generally open to institutions including pension and other funds subject to the Employee Retirement Income Security Act of 1974, as amended ("ERISA") and Section 4975 of the Code, although investment by such funds will be limited as described below. The Company requires certain representations and assurances from investors to determine compliance with ERISA.

Until such time as shares of common stock of the Company are considered "publicly-offered securities" within the meaning of Section 3(42) of ERISA and certain Department of Labor regulations (together, the "Plan Assets Regulation"), the Company intends to operate so that "Benefit Plan Investors" (as defined below) hold less than 25% of the value of each class of equity interests in the Company as calculated in accordance with the Plan Assets Regulation, based upon assurances provided by investors, with the intent that investment by Benefit Plan Investors will not be significant and the assets of the Company will not be considered "plan assets" under ERISA (the "25% Test"). In order to satisfy the 25% Test, the Company may prohibit or limit investment in the Company by Benefit Plan Investors so as to attempt to avoid the Company holding "plan assets" within the meaning of ERISA.

Co-Investment Transactions

As a BDC, we are required to comply with certain regulatory requirements. For example, we are also not permitted to make certain negotiated co-investments with Barings or its affiliates (including any fund managed by Barings or an investment adviser controlling, controlled by or under common control with Barings) without exemptive relief from the SEC, subject to certain exceptions. Barings' Exemptive Relief permits certain present and future funds, including us, advised by Barings (or an investment adviser controlling, controlled by or under common control with Barings) to co-invest in suitable negotiated investments. Co-investments made under the Exemptive Relief are subject to compliance with the conditions and other requirements contained in the Exemptive Relief, which could limit our ability to participate in a co-investment transaction.

Custodian, Transfer Agent, Distribution Payment Agent and Registrar

The Company has entered into a custody agreement with State Street Bank and Trust Company. SS&C GIDS, Inc. serves as the Company's transfer agent and registrar and as distribution payment agent.

Counsel to the Company

Dechert LLP

Auditors to the Company

KPMG LLP

VI. RISK FACTORS

Investing in our common stock involves a number of significant risks. Before you invest in our common stock, you should be aware of various risks, including those described below. You should carefully consider these risk factors, together with all of the other information included or incorporated by reference in this Memorandum, before you decide whether to make an investment in our common stock. The risks set out below are not the only risks we face. Additional risks and uncertainties not presently known to us or not presently deemed material by us may also impair our operations and performance. If any of the following events occur, our business, financial condition, results of operations and cash flows could be materially and adversely affected. In such case, the net asset value of our common stock could decline, and you may lose all or part of your investment.

Risks Relating to our Business and Structure

We are dependent upon Barings' access to its investment professionals for our success.

We depend on the diligence, skill and network of business contacts of Barings' investment professionals to source appropriate investments for us. We depend on members of Barings' investment team to appropriately analyze our investments and the relevant investment committee to approve and monitor our portfolio investments. Barings' investment teams evaluate, negotiate, structure, close and monitor our investments. Our future success may depend on the continued availability of the members of Barings' Investment Committee and the other investment professionals available to Barings. The Company does not have employment agreements with these individuals or other key personnel of Barings, and we cannot provide any assurance that unforeseen business, medical, personal or other circumstances would not lead any such individual to terminate his or her relationship with Barings. If these individuals do not maintain their existing relationships with Barings and its affiliates or do not develop new relationships with other sources of investment opportunities, we may not be able to identify appropriate replacements or grow our investment portfolio. The loss of any member of Barings' Investment Committee or of other investment professionals of Barings and its affiliates may limit our ability to achieve our investment objectives and operate as we anticipate, which could have a material adverse effect on our financial condition, results of operations and cash flows. Barings evaluates, negotiates, structures, closes and monitors our investments in accordance with the terms of the Investment Advisory Agreement. We can offer no assurance, however, that the investment professionals of Barings will continue to provide investment advice to us or that we will continue to have access to Barings' investment professionals or its information and deal flow. Further, there can be no assurance that Barings will replicate its own historical success, and we caution you that our investment returns could be substantially lower than the returns achieved by other funds managed by Barings.

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

We depend upon Barings and its affiliates' relationships with sponsors, and we intend to rely to a significant extent upon these relationships to provide us with potential investment opportunities. If Barings or its affiliates fail to maintain such relationships, or to develop new relationships with other sponsors or sources of investment opportunities, we will not be able to grow our investment portfolio. In addition, individuals with whom the principals of Barings have relationships are not obligated to provide us with investment opportunities, and, therefore, we can offer no assurance that these relationships will generate investment opportunities for us in the future.

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

Our ability to continue to achieve our investment objectives will depend on our ability to effectively manage and deploy our capital, which will depend, in turn, on Barings' ability to continue to identify, evaluate, invest in and monitor companies that meet our investment criteria. We cannot assure you that we will continue to achieve our investment objectives.

Accomplishing this result on a cost-effective basis will be largely a function of Barings' handling of the investment process, their 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, Barings' investment professionals may also be called upon to provide managerial assistance to 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 operations in a manner commensurate with any capital made available to us as a result of our operating activities, financing activities and/or offerings of our securities, any failure to manage our growth effectively could have a material adverse effect on our business, financial condition, results of operations and prospects. The results of our operations will depend on many factors, including the availability of opportunities for investment, readily accessible short- and long-term funding alternatives in the financial markets and general economic conditions. Furthermore, if we cannot successfully operate our business or implement our investment policies and strategies as described in this Memorandum, it could negatively impact our ability to pay distributions and cause you to lose part or all of your investment.

Our investment portfolio is and will continue to be recorded at fair value as determined in accordance with the Investment Adviser's valuation policies and procedures and, as a result, there is and will continue to be 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 in good faith by the Board. The Board has designated Barings as valuation designee to perform our fair value determinations relating to the value of our assets for which market quotations are not readily available.

Typically there is not a public market for the securities of the privately held middle-market companies in which we have invested and will generally continue to invest. The Investment Adviser conducts the valuation of such investments, upon which the Company's net asset value is primarily based, in accordance with its valuation policy, as well as established and documented processes and methodologies for determining the fair values of portfolio company investments on a recurring (at least quarterly) basis in accordance with the 1940 Act and ASC Topic 820. Our current valuation policy and processes were established by the Investment Adviser and have been approved by the Board. The Investment Adviser has established a pricing committee that is, subject to the oversight of the Board, responsible for the approval, implementation and oversight of the processes and methodologies that relate to the pricing and valuation of assets held by us. The Investment Adviser uses independent third-party providers to price the portfolio, but in the event an acceptable price cannot be obtained from an approved external source, the Investment Adviser will utilize alternative methods in accordance with internal pricing procedures established by the Investment Adviser's pricing committee. See "*Section III – Company Overview* **-** *Valuation Process and Determination of Net Asset Value*" included in this Memorandum for a detailed description of our valuation process.

The determination of fair value and consequently, the amount of unrealized appreciation and depreciation in our portfolio, is to a certain degree subjective and dependent on the judgment of Barings. Certain factors that may be considered in determining the fair value of our investments include the nature and realizable value of any collateral, the portfolio company's earnings and its ability to make payments on its indebtedness, the markets in which the portfolio company does business, comparison to comparable publicly-traded companies, discounted cash flows and other relevant factors. Because such valuations, and particularly valuations of private securities 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. Due to this uncertainty, the Investment Adviser's 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 upon the sale or disposition of one or more of our investments. As a result, investors purchasing our securities based on an overstated net asset value would pay a higher price than the value of our investments might warrant. Conversely, investors selling shares during a period in which the net asset value understates the value of our investments will receive a lower price for their shares than the value of our investments might warrant.

We operate in a highly competitive market for investment opportunities, which could reduce returns and result in losses.

A number of entities compete with us to make the types of investments that we make. We compete with public and private funds, commercial and investment 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 some have considerably greater financial, technical and marketing resources than we do. For example, we believe some of our 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 the source of income, asset diversification and distribution requirements we must satisfy to maintain our qualification as a RIC. The competitive pressures we face may have a material adverse effect on our business, financial condition, results of operations and cash flows. 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.

With respect to the investments we make, we do not seek to compete based primarily on the interest rates we offer, and we believe that some of our competitors may make loans with interest rates that will be lower than the rates we offer. In the secondary market for acquiring existing loans, we compete generally on the basis of pricing terms. With respect to all investments, 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.

There are potential conflicts of interest, including the management of other investment funds and accounts by Barings, which could impact our investment returns.

Our executive officers and the members of Barings' Investment Committee, as well as the other principals of Barings, manage other funds affiliated with Barings, including other closed-end investment companies. In addition, Barings' investment team has responsibilities for managing U.S. and global middle-market debt investments for certain other investment funds and accounts. Accordingly, they have obligations to investors in those entities, the fulfillment of which may not be in the best interests of, or may be adverse to our and our stockholders' interests. In addition, certain of the other funds and accounts managed by Barings may provide for higher management or incentive fees, greater expense reimbursements or overhead allocations, or permit Barings and its affiliates to receive higher origination and other transaction fees, all of which may contribute to this conflict of interest and create an incentive for Barings to favor such other funds or accounts. Although the professional staff of Barings devote as much time to our management as appropriate to enable Barings to perform its duties in accordance with the Investment Advisory Agreement, the investment professionals of Barings may have conflicts in allocating their time and services among us, on the one hand, and the other investment vehicles managed by Barings or one or more of its affiliates on the other hand.

Barings may face conflicts in allocating investment opportunities between us and affiliated investment vehicles that have overlapping investment objectives with ours. Although Barings will endeavor to allocate investment opportunities in a fair and equitable manner in accordance with its allocation policies and procedures, it is possible that, in the future, we may not be given the opportunity to participate in investments made by investment funds managed by Barings or an investment manager affiliated with Barings if such investment is prohibited by the 1940 Act, and there can be no assurance that we will be able to participate in all investment opportunities that are suitable to us.

Conflicts may also arise because portfolio decisions regarding our portfolio may benefit Barings' affiliates. Barings' affiliates may pursue or enforce rights with respect to one of our portfolio companies on behalf of other funds or accounts managed by it, and those activities may have an adverse effect on us.

Barings', its Investment Committee, or its affiliates may, from time to time, possess material non-public information, limiting our investment discretion.

Principals of Barings and its affiliates and members of Barings' Investment Committee may serve as directors of, or in a similar capacity with, companies in which we invest, the securities of which are purchased or sold on our behalf. In the event that material nonpublic information is obtained with respect to such companies, or we become subject to trading restrictions under the internal trading policies of those companies or as a result of applicable law or regulations, we could be prohibited for a period of time from purchasing or selling the securities of such companies, and this prohibition may have an adverse effect on us.

Our ability to enter into transactions with Barings and its affiliates is restricted.

BDCs generally are prohibited under the 1940 Act from knowingly participating in certain transactions with their affiliates without the prior approval of their independent directors and, in some cases, of the SEC. Those transactions include purchases and sales, and so-called "joint" transactions, in which a BDC and one or more of its affiliates engage in certain types of profit-making activities.

Any person that owns, directly or indirectly, 5.0% or more of a BDC's outstanding voting securities will be considered an affiliate of the BDC for purposes of the 1940 Act, and a BDC generally is prohibited from engaging in purchases or sales of assets or joint transactions with such affiliates, absent the prior approval of the BDC's independent directors. Additionally, without the approval of the SEC, a BDC is prohibited from engaging in purchases or sales of assets or joint transactions with the BDC's officers and directors, and investment adviser, including funds managed by the investment adviser and its affiliates.

BDCs may, however, invest alongside certain related parties or their respective other clients in certain circumstances where doing so is consistent with current law and SEC staff interpretations. For example, a BDC may invest alongside such accounts consistent with guidance promulgated by the SEC staff permitting the BDC and such other accounts to purchase interests in a single class of privately placed securities so long as certain conditions are met, including that the BDC's investment adviser, acting on the BDC's behalf and on behalf of other clients, negotiates no term other than price.

The 1940 Act generally prohibits BDCs from making certain negotiated co-investments with certain affiliates absent an order from the SEC permitting the BDC to do so. Pursuant to the Exemptive Relief, we are generally permitted to co-invest with funds affiliated with Barings if a "required majority" (as defined in Section 57(o) of the 1940 Act) of our independent directors make certain conclusions in connection with a co-investment transaction, including that (1) the terms of the transaction, including the consideration to be paid, are reasonable and fair to us and our stockholders and do not involve overreaching in respect of us or our stockholders on the part of any person concerned and (2) the transaction is consistent with the interests of our stockholders and is consistent with our investment objective and strategies. Co-investments made under the Exemptive Relief are subject to compliance with the conditions and other requirements contained in the Exemptive Relief, which could limit our ability to participate in a co-investment transaction.

In situations where co-investment with other affiliated funds or accounts is not permitted or appropriate, Barings will need to decide which account will proceed with the investment in accordance with its allocation policies and procedures. Although Barings will endeavor to allocate investment opportunities in a fair and equitable manner in accordance with its allocation policies and procedures, it is possible that, in the future, we may not be given the opportunity to participate in investments made by investment funds managed by Barings or an investment manager affiliated with Barings if such investment is prohibited by the 1940 Act. These restrictions, and similar restrictions that limit our ability to transact business with our officers or directors or their affiliates, including funds managed by Barings, may limit the scope of investment opportunities that would otherwise be available to us.

We are subject to risks associated with investing alongside other third parties.

We have invested and may in the future invest alongside third parties through partnerships, joint ventures or other entities. Such investments may involve risks not present in investments where a third party is not involved, including the possibility that such third party may at any time have economic or business interests or goals which are inconsistent with ours, or may be in a position to take action contrary to our investment objectives. In addition, we may in certain circumstances be liable for actions of such third party.

More specifically, joint ventures involve a third party that has approval rights over certain activities of the joint venture. The third party may take actions that are inconsistent with our interests. For example, the third party may decline to approve an investment for the joint venture that we otherwise want the joint venture to make. A joint venture may also use investment leverage which magnifies the potential for gain or loss on amounts invested. Generally, the amount of borrowings by the joint venture is not included when calculating our total borrowings and related leverage ratios and is not subject to asset coverage requirements imposed by the 1940 Act. If the activities of the joint venture were required to be consolidated with our activities because of a change in GAAP rules or SEC staff interpretations, it is likely that we would have to reorganize any such joint venture.

The fee structure under the Investment Advisory Agreement may induce Barings to pursue speculative investments and incur leverage, which may not be in the best interests of our stockholders.

The base management fee is calculated based on our gross assets, including assets purchased with borrowed funds or other forms of leverage (but excluding cash or cash equivalents and net unsettled purchases and sales of investments). Accordingly, the base management fee is payable regardless of whether the value of our gross assets and/or your investment has decreased during the then-current quarter and creates an incentive for Barings to incur leverage, which may not be consistent with our stockholders' interests.

The incentive fee payable to Barings is calculated based on a percentage of our return on invested capital. The incentive fee payable to Barings may create an incentive for Barings to make investments on our behalf that are risky or more speculative than would be the case in the absence of such a compensation arrangement. Unlike the base management fee, the incentive fee is payable only if the hurdle rate is achieved. Because the portfolio earns investment income on gross assets while the hurdle rate is based on invested capital, and because the use of leverage increases gross assets without any corresponding increase in invested capital, Barings may be incentivized to incur leverage to grow the portfolio, which will tend to enhance returns where our portfolio has positive returns and increase the chances that such hurdle rate is achieved. Conversely, the use of leverage may increase losses where our portfolio has negative returns, which would impair the value of our common stock.

In addition, the incentive fee Barings may receive under the Investment Advisory Agreement is subject to a cap that adjusts based, in part, on our net capital gains and losses during the relevant measurement period. This may incentivize Barings 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 may not be in the best interests of our stockholders and could result in higher investment losses, particularly during economic downturns.

Barings' liability is limited under the Investment Advisory Agreement, and we are required to indemnify Barings against certain liabilities, which may lead Barings to act in a riskier manner on our behalf than it would when acting for its own account.

Pursuant to the Investment Advisory Agreement, Barings and its officers, managers, partners, agents, employees, controlling persons, members and any other person or entity affiliated with Barings will not be liable to us, and we have agreed to indemnify them, for their acts under the Investment Advisory Agreement, absent fraud, willful misfeasance, bad faith, gross negligence or reckless disregard in the performance of their duties. These protections may lead Barings to act in a riskier manner when acting on our behalf than it would when acting for its own account.

Barings is able to resign as our investment adviser and/or our administrator upon 90 days' notice, and we may not be able to find a suitable replacement 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.

Pursuant to the Investment Advisory Agreement, Barings has the right to resign as our investment adviser upon 90 days' written notice, whether a replacement has been found or not. Similarly, Barings has the right under the Administration Agreement to resign upon 90 days' written notice, whether a replacement has been found or not. If Barings resigns, it may be difficult to find a replacement investment adviser or administrator, as applicable, or hire internal management with similar expertise and ability to provide the same or equivalent services on acceptable terms within 90 days, or at all. If a replacement is not found quickly, our business, results of operations and financial condition as well as our ability to pay distributions are likely to be adversely affected and the value of our shares may decline. In addition, the coordination of our internal management and investment or administrative activities is 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 Barings. Even if a comparable service provider or individuals performing such services are retained, whether internal or external, their integration into our business and lack of familiarity with our investment objective may result in additional costs and time delays that may materially adversely affect our business, results of operations and financial condition.

Our long-term ability to fund new investments and make distributions to our stockholders could be limited if we are unable to renew, extend, replace or expand our current borrowing arrangements, or if financing becomes more expensive or less available.

There can be no guarantee that we will be able to renew, extend, replace or expand our current borrowing arrangements on terms that are favorable to us, if at all. Our ability to obtain replacement financing will be constrained by then-current economic conditions affecting the credit markets. Our inability to renew, extend, replace or expand these borrowing arrangements could have a material adverse effect on our liquidity and ability to fund new investments, our ability to make distributions to our stockholders and our ability to qualify for tax treatment as a RIC under the Code.

Although we have commenced a share repurchase program, we have discretion to not repurchase your shares, to suspend the program, and to cease repurchases.

The Board may amend, suspend or terminate the share repurchase program at any time in its discretion. You may not be able to sell your shares at all in the event the Board amends, suspends or terminates the share repurchase program, absent a liquidity event, and we currently do not intend to undertake a liquidity event, and we are not obligated by our Articles of Incorporation or otherwise to effect a liquidity event at any time. If less than the full amount of the shares of common stock requested to be repurchased in any given repurchase offer are repurchased, funds will be allocated pro rata based on the total number of shares being repurchased. The share repurchase program has many limitations, and will be subject to compliance with applicable covenants and restrictions under our financing arrangements and regulatory restrictions, and should not be relied upon as a method to sell shares promptly or at a desired price.

The timing of our repurchase offers pursuant to our share repurchase program may be at a time that is disadvantageous to our stockholders.

In the event a stockholder chooses to participate in our share repurchase program, the stockholder will be required to provide us with notice of intent to participate prior to knowing what the net asset value per share of our common stock will be on the repurchase date. Although a stockholder will have the ability to withdraw a repurchase request prior to the repurchase date, to the extent a stockholder seeks to sell shares to us as part of our periodic share repurchase program, the stockholder will be required to do so without knowledge of what the repurchase price of our shares will be on the repurchase date.

When we make repurchase offers pursuant to the share repurchase program, we may offer to repurchase shares of our common stock at a price that is lower than the price that you paid for the shares. As a result, to the extent you have the ability to sell your shares pursuant to our share repurchase program, the price at which you may sell shares, which will generally be at a price equal to the net asset value per share as of the last calendar day of the applicable quarter (subject to the Early Repurchase Deduction (as defined in "*Section VII—Share Repurchase Program*"), as applicable), may be lower than the amount you paid in connection with the purchase of shares in the Private Offering.

The price at which we may repurchase shares pursuant to our share repurchase program will be determined in accordance with the Investment Adviser's valuation policy and, as a result, there may be uncertainty as to the value of our shares.

Since our shares of common stock are not publicly traded, and we do not intend to list our shares on a national securities exchange, the fair value of our shares may not be readily determinable. Any repurchase of shares of our common stock pursuant to our share repurchase program will generally be at a price equal to the net asset per share as of the last calendar day of the applicable quarter, except that shares of common stock purchased on or after March 1, 2024 that have not been outstanding for at least one year may be repurchased at 98% of such net asset value. Inputs into the determination of fair value of our shares require significant management judgment or estimation.

In connection with the determination of the fair value of our shares, investment professionals from the Investment Adviser may use valuations based upon our most recent financial statements and projected financial results. The participation of the Investment Adviser's investment professionals in our valuation process could result in a conflict of interest as the Investment Adviser's base management fee is based on our average gross assets.

Economic events that may cause our stockholders to request that we repurchase their shares may materially adversely affect our cash flow and our results of operations and financial condition.

Events affecting economic conditions in the United States and/or elsewhere or globally, including as a result of inflation or higher interest rates, actual or perceived instability in the U.S. banking system or market volatility, could cause our stockholders to seek to sell their shares to us pursuant to our discretionary share repurchase program at a time when such events are adversely affecting the performance of our assets. Even if we decide to satisfy all resulting repurchase requests, our cash flow and liquidity could be materially adversely affected, and we may incur additional leverage. In addition, if we determine to sell assets to satisfy repurchase requests, we may not be able to realize the return on such assets that we may have been able to achieve had we sold at a more favorable time, and our results of operations and financial condition could be materially adversely affected.

A significant volume of repurchase requests in a given period may in the future cause requests to exceed the planned 5% quarterly limit under our discretionary share repurchase program, resulting in less than the full amount of repurchase requests being satisfied in such period.

We may be subject to PIK interest payments.

Certain of our debt investments may contain provisions providing for the payment of PIK interest. Because PIK interest results in an increase in the size of the loan balance of the underlying loan, the receipt by us of PIK interest will have the effect of increasing our assets under management. As a result, because the base management fee that we pay to the Investment Adviser is based on the value of our gross assets, the receipt by us of PIK interest will result in an increase in the amount of the base management fee payable by us. In addition, any such increase in a loan balance due to the receipt of PIK interest will cause such loan to accrue interest on the higher loan balance, which will result in an increase in our pre-incentive fee net investment income and, as a result, an increase in incentive fees that are payable by us to the Investment Adviser.

To the extent original issue discount instruments, such as zero coupon bonds and PIK loans, constitute a significant portion of the Company's income, investors will be 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: (a) the higher interest rates of PIK loans reflect the payment deferral and increased credit risk associated with these instruments, and PIK instruments generally represent a significantly higher credit risk than coupon loans; (b) PIK loans 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; (c) market prices of zero-coupon or PIK securities are affected to a greater extent by interest rate changes and may be more volatile than securities that pay interest periodically and in cash, and PIKs are usually less volatile than zero-coupon bonds, but more volatile than cash pay securities; (d) because original issue discount income is accrued without any cash being received by the Company, required cash distributions may have to be paid from offering proceeds or the sale of Company assets without investors being given any notice of this fact; (e) the deferral of PIK interest increases the loan-to-value ratio, which is a measure of the riskiness of a loan; (f) even if the accounting conditions for income accrual are met, the borrower could still default when the Company's actual payment is due at the maturity of the loan; and (g) original issue discount creates risk of non-refundable cash payments to our Investment Adviser based on non-cash accruals that may never be realized.

Regulations governing our operation as a BDC will affect our ability to, and the way in which we raise additional capital.

Our business requires capital to operate and grow. In the future, 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." As a result of issuing senior securities, we will be exposed to additional risks, including, but not limited to, the following:

- Under the provisions of the 1940 Act, we are permitted, as a BDC, to issue senior securities only in amounts such that our asset coverage, as defined in the 1940 Act, equals at least 150% after each issuance of senior securities. If the value of our assets declines, we may be unable to satisfy this test. If that happens, we may be prohibited from declaring a dividend or making any distribution to stockholders or repurchasing our shares until such time as we satisfy this test.

- Any amounts that we use to service our debt or make payments on preferred stock will not be available for distributions to our common stockholders.

- Our current indebtedness is, and it is likely that any securities or other indebtedness we may issue will be, governed by an indenture or other instrument containing covenants restricting our operating flexibility. Additionally, some of these securities or other indebtedness may be rated by rating agencies, and in obtaining a rating for such securities and other indebtedness, we may be required to abide by operating and investment guidelines that further restrict operating and financial flexibility.

- We and, indirectly, our stockholders, will bear the cost of issuing and servicing such securities and other indebtedness.

- Preferred stock or any convertible or exchangeable securities that we issue in the future may have rights, preferences and privileges more favorable than those of our common stock, including separate voting rights and could delay or prevent a transaction or a change in control to the detriment of the holders of our common stock.

Our financing agreements contain various covenants, which, if not complied with, could accelerate our repayment obligations thereunder, thereby materially and adversely affecting our liquidity, financial condition, results of operations and ability to pay distributions.

We will have a continuing need for capital to finance our investments. We are party to various financing agreements from time to time which contain customary terms and conditions, including, without limitation, affirmative and negative covenants such as information reporting requirements, minimum stockholders' equity, minimum obligators' net worth, minimum asset coverage, maximum net debt to equity, minimum liquidity and maintenance of RIC and BDC status. These financing arrangements also contain customary events of default with customary cure and notice provisions, including, without limitation, nonpayment, misrepresentation of representations and warranties in a material respect, breach of covenant, cross-default to other indebtedness, bankruptcy, change of control, and material adverse effect.

Our continued compliance with the covenants under these financing agreements depends on many factors, some of which are beyond our control, and there can be no assurance that we will continue to comply with such covenants. Our failure to satisfy the respective covenants or otherwise default under one of our financing arrangements could result in foreclosure by the lenders thereunder, which would accelerate our repayment obligations under the financing arrangement and thereby have a material adverse effect on our business, liquidity, financial condition, results of operations and ability to pay distributions to our stockholders.

We are exposed to risks associated with changes in interest rates.

To the extent we borrow money or issue debt securities or preferred stock to make investments, our net investment income will depend, in part, upon the difference between the rate at which we borrow funds or pay interest or dividends on such debt securities or preferred stock and the rate at which we invest these funds. The recent increases in the general level of interest rates have led to higher interest rates applicable to our debt investments, which may result in an increase of the amount of incentive fees payable to Barings. Also, the recent increases in interest rates available to investors could make an investment in our common stock less attractive if we are not able to increase our distribution rate, which could reduce the value of our common stock.

As of the end of June 2023, no settings of the London Interbank Offered Rate ("LIBOR") continue to be published on a representative basis and publication of many non-U.S. dollar LIBOR settings has been entirely discontinued. On March 15, 2022, the U.S. enacted federal legislation that is intended to minimize legal and economic uncertainty following U.S. dollar LIBOR's cessation by replacing LIBOR references in certain U.S. law-governed contracts under certain circumstances with a SOFR-based rate identified in a Federal Reserve rule plus a statutory spread adjustment. In addition, the U.K. Financial Conduct Authority, which regulates the publisher of LIBOR (ICE Benchmark Administration), has announced that it will require the continued publication of the one-, three- and six-month tenors of U.S. dollar LIBOR on a non-representative synthetic basis until the end of September 2024, which may result in certain non-U.S. law-governed contracts and U.S. law-governed contracts not covered by the federal legislation remaining on synthetic U.S. dollar LIBOR until the end of this period.

Our loan agreements with our portfolio companies that referenced LIBOR included fallback language in the event that LIBOR was discontinued, became unrepresentative or in the event that the method for determining LIBOR has changed. As a result of this language or through other bi-lateral amendments, all of these loan agreements have transitioned to an alternative reference rate.

The transition away from LIBOR and reform, modification, or adjustments of other reference rate benchmarks to alternative reference rates is complex and could have a material adverse effect on our business, financial condition and results of operations, including as a result of any changes in the pricing of our investments, changes to the documentation for certain of our investments and the pace of such changes, disputes and other actions regarding the interpretation of current and prospective loan documentation or modifications to processes and systems.

Alteration of the terms of a debt instrument or a modification of the terms of other types of contracts to replace an interbank offered rate with a new reference rate could result in a taxable exchange and the realization of income and gain/loss for U.S. federal income tax purposes. The Internal Revenue Service ("IRS") has issued final regulations regarding the tax consequences of the transition from interbank offered rates to new reference rates in debt instruments and non-debt contracts. Under the final regulations, alteration or modification of the terms of a debt instrument to replace an operative rate that uses a discontinued interbank offered rate with a qualified rate (as defined in the final regulations), add a qualified rate as a fallback rate to a contract whose operative rate uses a discontinued interbank offered rate or replace a fallback rate that uses a discontinued interbank offered rate with a qualified rate would not be taxable. The IRS may provide additional guidance, with potential retroactive effect.

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

The Revolving Credit Facility, the SMBC Credit Facility and any other credit facilities we may enter into may have, potential limits.

The Revolving Credit Facility and SMBC Credit Facility are each backed by, and any future borrowing facility may be backed by, all or a portion of our or our subsidiaries' loans and securities on which the lenders may have a security interest. We may pledge up to 100% of our assets and may grant a security interest in all of our assets under the terms of any debt instrument we enter into with lenders. We expect that any security interests we grant will be set forth in a pledge and security agreement and evidenced by the filing of financing statements by the agent for the lenders. In addition, we expect that the custodian for our securities serving as collateral for such loan would include in its electronic systems notices indicating the existence of such security interests and, following notice of occurrence of an event of default, if any, and during its continuance, will only accept transfer instructions with respect to any such securities from the lender or its designee. If we were to default under the terms of any debt instrument, the agent for the applicable lenders would be able to assume control of the timing of disposition of any or all of our assets securing such debt, which would have a material adverse effect on our business, financial condition, results of operations and cash flows.

In addition, any security interests as well as negative covenants that the Revolving Credit Facility or the SMBC Credit Facility includes, or any other borrowing facility may include, may limit our ability to create liens on assets to secure additional debt and may make it difficult for us to restructure or refinance indebtedness at or prior to maturity or obtain additional debt or equity financing. In addition, if the borrowing base under the Revolving Credit Facility, SMBC Credit Facility or any other borrowing facility were to decrease, we would be required to secure additional assets in an amount equal to any borrowing base deficiency. In the event that all of our assets are secured at the time of such a borrowing base deficiency or any remaining assets are not eligible to be included in the borrowing base under the relevant financing agreement, we could be required to repay advances under the relevant borrowing facility or make deposits to a collection account, either of which could have a material adverse impact on our ability to fund future investments and to pay dividends.

In addition, we and our financing subsidiary are subject to limitations as to how borrowed funds may be used under the Revolving Credit Facility and SMBC Credit Facility and any future credit facility may include similar limitations, which may include restrictions on geographic and industry concentrations, loan size, payment frequency and status, average life, collateral interests and investment ratings, as well as regulatory restrictions on leverage which may affect the amount of funding that may be obtained. There may also be certain requirements relating to portfolio performance, including required minimum portfolio yield and limitations on delinquencies and charge offs, a violation of which could limit further advances and, in some cases, result in an event of default. An event of default under the Revolving Credit Facility, SMBC Credit Facility or any other borrowing facility could result in an accelerated maturity date for all amounts outstanding thereunder, which could have a material adverse effect on our business and financial condition. This could reduce our revenues and, by delaying any cash payment allowed to us under the relevant borrowing facility until the lenders have been paid in full, reduce our liquidity and cash flow and impair our ability to grow our business and maintain our qualification as a RIC.

We may default under the Revolving Credit Facility, the SMBC Credit Facility, the July 2021 NPA, the May 2022 NPA or our other borrowing arrangements.

We and our wholly-owned subsidiary, BPC Funding, have entered into the Revolving Credit Facility, and we have entered into the SMBC Credit Facility. We have also issued the July 2026 Notes pursuant to the terms of the July 2021 NPA, the May 2027 Notes pursuant to the terms of the May 2022 NPA, and may enter into one or more additional credit facilities or other borrowing arrangements. We intend to use borrowings under the Revolving Credit Facility, SMBC Credit Facility and any future credit facility or other financing arrangement to make additional investments and for other general corporate purposes. However, there can be no assurance that we will be able to close any additional credit facilities, increase amounts available under the Revolving Credit Facility or SMBC Credit Facility or otherwise obtain other financing.

In the event we or our relevant subsidiary defaults under the Revolving Credit Facility, the SMBC Credit Facility, the July 2021 NPA, or the May 2022 NPA or any other future borrowing facility or financing arrangement, our business could be adversely affected as we may be forced to sell a portion of our investments quickly and prematurely at what may be disadvantageous prices to us in order to meet our outstanding payment obligations and/or support working capital requirements under the Revolving Credit Facility, the SMBC Credit Facility, the July 2021 NPA, the May 2022 NPA or such future borrowing facility, any of which would have a material adverse effect on our business, financial condition, results of operations and cash flows. In addition, following any such default, the agent for the lenders under the Revolving Credit Facility, the SMBC Credit Facility or such future borrowing facility could assume control of the disposition of any or all of our assets, including the selection of such assets to be disposed and the timing of such disposition, which would have a material adverse effect on our business, financial condition, results of operations and cash flows.

We are subject to risks associated with the 2023 Debt Securitization.

As a result of our 2023 Debt Securitization, we are subject to a variety of risks, including those set forth below. We use the term "debt securitization" to describe a form of secured borrowing under which an operating company (sometimes referred to as an "originator" or "sponsor") acquires or originates loans or other assets that earn income, whether on a one-time or recurring basis (collectively, "income producing assets"), and borrows money on a non-recourse basis against a legally separate pool of loans or other income producing assets. In a typical debt securitization, the originator transfers the loans or income producing assets to a single-purpose, bankruptcy-remote subsidiary (also referred to as a "special purpose entity"), which is established solely for the purpose of holding loans and income producing assets and issuing debt secured by these income producing assets. The special purpose entity completes the borrowing through the issuance of notes secured by the loans or other assets. The special purpose entity may issue the notes in the capital markets to a variety of investors, including banks, non-bank financial institutions and other investors. In our 2023 Debt Securitization, institutional investors purchase certain notes issued by our indirect, wholly-owned subsidiary, in private placements. Pursuant to a collateral management agreement governing our debt securitization, we may incur liability as the collateral manager to our indirect, wholly-owned subsidiary. Additionally, as collateral manager to our indirect, wholly-owned subsidiary, we manage multiple tranches of debt associated with the debt securitization. We also hold equity in the debt securitization, and this first loss position may create a more concentrated risk of loss compared to our overall portfolio.

We invest in revolving credit facilities or may make other similar financial commitments.

We have acquired and expect to continue to acquire or originate revolving credit facilities. As a result, there is a risk that we may not have sufficient liquidity to fund all or a portion of the amounts due and there can be no assurance that we will be able to meet our funding obligations under a revolving credit facility and that such failure will not have an adverse effect on us. Furthermore, there can be no assurance that a borrower will fully draw down on its available line of credit under a revolving credit line and, as a result, our returns could be adversely affected.

Furthermore, the unfunded portion of our investments in revolving credit facilities and other financial commitments may represent a substantial portion of our assets. As a result, in certain circumstances, we may need to retain investment income, borrow funds or liquidate certain investments prematurely at potentially significant discounts to market value if we do not have sufficient liquid assets to meet these commitments; however, we will not borrow in excess of applicable limitations under the 1940 Act.

We may invest in derivatives or other assets that expose us to certain risks, including market risk, liquidity risk and other risks similar to those associated with the use of leverage.

We may invest in derivatives and other assets that are subject to many of the same types of risks related to the use of leverage. In October 2020, the SEC adopted Rule 18f-4 under the 1940 Act regarding the ability of a BDC to use derivatives and other transactions that create future payment or delivery obligations. Under Rule 18f-4, BDCs that use derivatives are subject to a value-at-risk leverage limit, a derivatives risk management program and testing requirements and requirements related to board reporting. These requirements apply unless the BDC qualifies as a "limited derivatives user," as defined under Rule 18f-4. Under Rule 18f-4, a BDC may enter into an unfunded commitment agreement (which may include delayed draw and revolving loans) that will not be deemed to be a derivatives transaction, such as an agreement to provide financing to a portfolio company, if the BDC has, among other things, a reasonable belief, at the time it enters into such an agreement, that it will have sufficient cash and cash equivalents to meet its obligations with respect to all of its unfunded commitment agreements, in each case as it becomes due. Collectively, these requirements may limit our ability to use derivatives and/or enter into certain other financial contracts.

We have adopted updated policies and procedures in compliance with Rule 18f-4. We expect to qualify as a "limited derivatives user" under Rule 18f-4. Future legislation or rules may modify how we treat derivatives and other financial arrangements for purposes of our compliance with the leverage limitations of the 1940 Act. Future legislation or rules may modify how leverage is calculated under the 1940 Act and, therefore, may increase or decrease the amount of leverage currently available to us under the 1940 Act, which may be materially adverse to us and our stockholders.

Incurring additional leverage may magnify our exposure to risks associated with changes in leverage, including fluctuations in interest rates that could adversely affect our profitability.

As part of our business strategy, we borrow under financing agreements with certain banks and issue debt securities, and in the future may borrow money and issue debt securities to banks, insurance companies and other lenders. Our obligations under these arrangements are or may be secured by a material portion of our assets. As a result, these lenders are or may have claims that are superior to the claims of our common stockholders, and have or may have fixed-dollar claims on our assets that are superior to the claims of our stockholders. Also, if the value of our assets decreases, leverage will cause our net asset value to decline more sharply than it otherwise would have without leverage. Similarly, any decrease in our income would cause our net income to decline more sharply than it would have if we had not borrowed. This decline could negatively affect our ability to make dividend payments on our common stock.

Because we incur additional leverage, general interest rate fluctuations may have a more significant negative impact on our investments than they would have absent such additional leverage and, accordingly, may have a material adverse effect on our operating results. A portion of our income will depend upon the difference between the rate at which we borrow funds and the interest rate on the debt securities in which we invest. Because we borrow money to make investments and may issue debt securities, preferred stock or other securities, our net investment income is dependent upon the difference between the rate at which we borrow funds or pay interest or dividends on such debt securities, preferred stock or other securities and the rate at which we invest these funds. Typically, our interest earning investments accrue and pay interest at variable rates, and our interest-bearing liabilities accrue interest at variable or potentially fixed rates. As a result, 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.

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

The Board has the authority to modify or waive our current investment objectives, operating policies and strategies without prior notice and without stockholder approval (except as required by the 1940 Act). 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 distributions and cause you to lose all or part of your investment. Moreover, we have significant flexibility in investing the net proceeds from this continuous Private Offering and any future offering and may use the net proceeds from such offerings in ways with which investors may not agree or for purposes other than those contemplated at the time of the offering.

We will be subject to corporate-level U.S. federal income tax if we are unable to maintain our tax treatment as a RIC under Subchapter M of the Code, which will adversely affect our results of operations and financial condition.

We have elected to be treated as a RIC under the Code, which generally allows us to avoid being subject to corporate-level U.S. federal income tax. To maintain RIC tax treatment under the Code, we must meet the following annual distribution, income source and asset diversification requirements:

- The Annual Distribution Requirement (as defined in "*Section XIII—Certain U.S. Federal Income Tax Considerations*") for a RIC will be satisfied if we distribute to our stockholders on an annual basis at least 90.0% of our net ordinary income and net short-term capital gain in excess of net long-term capital loss, or ICTI, if any. We will be subject to a 4.0%

nondeductible U.S. federal excise tax, however, to the extent that we do not satisfy certain additional minimum distribution requirements on a calendar year basis. Because we use debt financing, we are subject to certain asset coverage ratio requirements under the 1940 Act and are currently, and may in the future become, subject to certain financial covenants under loan and credit agreements that could, under certain circumstances, restrict us from making distributions necessary to satisfy the Annual Distribution Requirement. If we are unable to obtain cash from other sources, we could fail to qualify for RIC tax treatment and thus become subject to corporate-level U.S. federal income tax.

- The income source requirement will be satisfied if we obtain at least 90.0% of our income for each year from distributions, interest, gains from the sale of stock or securities 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. To satisfy this requirement, at least 50.0% of the value of our assets must consist of cash, cash equivalents, U.S. government securities, securities of other RICs, and other acceptable securities, provided such other securities of any one issuer do not represent more than 5.0% of the value of our assets or more than 10.0% of the outstanding voting securities of the issuer; and no more than 25.0% of the value of our assets can be invested in the securities, other than U.S. government securities or securities of other RICs, of one issuer, of two or more issuers that are controlled, as determined under applicable Code rules, by us and that are engaged in the same or similar or related trades or businesses or of certain "qualified publicly traded partnerships." Failure to meet these requirements may result in our having to dispose of certain investments quickly in order to prevent the loss of RIC tax treatment. Because most of our investments are in private companies, and therefore are relatively illiquid, any such dispositions could be made at disadvantageous prices and could result in substantial losses.

If we fail to maintain RIC tax treatment for any reason and are subject to corporate-level U.S. federal 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. We may also be subject to certain U.S. federal excise taxes, as well as state, local and foreign taxes.

There may be a possibility of the need to raise additional capital.

We may need additional capital to fund new investments and grow our portfolio of investments. In addition to the continuous Private Offering, we intend to access the capital markets periodically to issue debt securities or borrow from financial institutions in order to obtain such additional capital. Unfavorable economic conditions could increase our funding costs, limit our access to the capital markets or result in a decision by lenders not to extend credit to us. A reduction in the availability of new capital could limit our ability to grow. In addition, we will be required to distribute at least 90% of our net ordinary income and net short-term capital gains in excess of net long-term capital losses, if any, to our stockholders to maintain our qualification as a RIC. As a result, these earnings will not be available to fund new investments. An inability on our part to access the capital markets successfully could limit our ability to grow our business and execute our business strategy fully and could decrease our earnings, if any, which would have an adverse effect on the value of our securities.

We may not be able to pay distributions to our stockholders, our distributions may not grow over time and a portion of distributions paid to our stockholders may be a return of capital and investors in any debt securities we may issue may not receive all of the interest income to which they are entitled.

We intend to pay distributions 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. Our ability to pay distributions might be harmed by, among other things, the risk factors described in this Memorandum. In addition, the inability to satisfy the asset coverage test applicable to us as a BDC could, in the future, limit our ability to pay distributions. All distributions will be paid at the discretion of the Board and will depend on our earnings, our financial condition, maintenance of our RIC tax treatment, compliance with applicable BDC regulations, compliance with the covenants under our financing agreements and any debt securities we may issue and such other factors as the Board may deem relevant from time to time. We cannot assure you that we will pay distributions to our stockholders in the future.

Some of the above-described risks may also inhibit our ability to make required interest payments to holders of any debt securities we may issue, which may cause a default under the terms of our debt agreements. Such a default could materially increase our cost of raising capital, as well as cause us to incur penalties or trigger cross-default provisions under the terms of our debt agreements.

When we make distributions, we will be required to determine the extent to which such distributions are paid out of current or accumulated earnings and profits. Distributions in excess of our current and accumulated earnings and profits would be treated first as a return of capital. To the extent there is a return of capital, investors will be required to reduce their basis in our stock for U.S. federal income tax purposes, which may result in a higher tax liability when the shares are sold, even if they have not increased in value or have lost value.

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 may be required to recognize taxable income in circumstances in which we do not receive a corresponding payment in cash. For example, if we hold debt obligations that are treated under applicable tax rules as having original issue discount (such as debt instruments with contractual PIK interest or debt instruments that were issued with warrants), we must include in 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. Investments structured with these features may represent a higher level of credit risk compared to investments generating income which must be paid in cash on a current basis. We may also have to include in income other amounts that we have not yet received in cash, such as deferred loan origination fees that are paid after origination of the loan or are paid in non-cash compensation such as PIK interest. We anticipate that a portion of our income may constitute original issue discount or other income required to be included in taxable income prior to receipt of cash. Further, we may elect to amortize market discounts and include such amounts in our taxable income in the current year, instead of upon disposition, as an election not to do so would limit our ability to deduct interest expenses for U.S. federal income tax purposes.

Because any original issue discount or other amounts accrued will be included in our ICTI for the year of the accrual, we may be required to make a distribution to our stockholders in order to satisfy the Annual Distribution Requirement, even though we will not have received any corresponding cash amount. As a result, we may have difficulty meeting the annual distribution requirement necessary to maintain RIC tax treatment under the Code. We may have to sell some of our investments at times and/or at prices we would not consider advantageous, raise debt or additional equity capital or forego new investment opportunities for this purpose. If we are not able to obtain cash from other sources, we may fail to qualify for RIC tax treatment and thus become subject to corporate-level U.S. federal income tax.

Because we intend to distribute substantially all of our income to our stockholders to maintain our tax treatment as a RIC, we will continue to need additional capital to finance our growth, and regulations governing our operation as a BDC will affect our ability to, and the way in which we, raise additional capital and make distributions.

In order to satisfy the requirements applicable to a RIC, and to avoid payment of U.S. federal excise tax, we intend to distribute to our stockholders substantially all of our net ordinary income and net capital gain income except for certain net long-term capital gains recognized after we became a RIC, some or all of which we may retain, pay applicable U.S. federal income taxes with respect thereto and elect to treat as deemed distributions to our stockholders. As a BDC, we generally are required to meet a coverage ratio of total assets to total senior securities, which includes all of our borrowings and any preferred stock we may issue, of at least 150%. This requirement limits the amount that we may borrow and may prohibit us from making distributions. 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 or sell additional securities and, depending on the nature of our leverage, to repay a portion of our indebtedness at a time when such sales may be disadvantageous. In addition, issuance of additional securities could dilute the percentage ownership of our current stockholders in us.

While we expect to be able to borrow and to issue debt and additional equity securities, we cannot assure you that debt and equity financing will be available to us on favorable terms, or at all. If additional funds are not available to us, we could be forced to curtail or cease new investment activities, and our net asset value could decline. In addition, as a BDC, we generally are not permitted to issue equity securities priced below our then-current net asset value per share without stockholder approval.

There may be potential adverse tax consequences as a result of not being treated as a "publicly offered regulated investment company."

Until and unless we are treated as a "publicly offered regulated investment company" (within the meaning of Section 67 of the Code) as a result of either (i) shares of our common stock and our preferred stock (if any) collectively are held by at least 500 persons at all times during a taxable year, (ii) shares of our common stock are treated as regularly traded on an established securities market or (iii) shares of our common stock are continuously offered pursuant to a public offering (within the meaning of Section 4 of the Securities Act), each U.S. stockholder that is an individual, trust or estate will be treated as having received a dividend from us in the amount of such U.S. stockholder's allocable share of the management and incentive fees paid to our Investment Adviser and certain of our other expenses for the calendar year, and these fees and expenses will be treated as miscellaneous itemized deductions of such U.S. stockholder. For taxable years beginning before 2026, miscellaneous itemized deductions generally are not deductible by a U.S. stockholder that is an individual, trust or estate. For taxable years beginning in 2026 or later, miscellaneous itemized deductions generally are deductible by a U.S. stockholder that is an individual, trust or estate only to the extent that the aggregate of such U.S. stockholder's miscellaneous itemized deductions exceeds 2% of such U.S. stockholder's adjusted gross income for U.S. federal income tax purposes, are not deductible for purposes of the alternative minimum tax and are subject to the overall limitation on itemized deductions under Section 68 of the Code.

There may be withholding of U.S. federal income tax on dividends for non-U.S. stockholders.

Distributions by a BDC generally are treated as dividends for U.S. tax purposes, and will be subject to U.S. income or withholding tax unless the stockholder receiving the dividend qualifies for an exemption from U.S. tax, or the distribution is subject to one of the special look-through rules described below. Distributions paid out of net capital gains can qualify for a reduced rate of taxation in the hands of an individual U.S. stockholder, and an exemption from U.S. tax in the hands of a non-U.S. stockholder.

However, if reported by a RIC, dividend distributions by the RIC derived from certain interest income (such distributions, "interest-related dividends") and certain net short-term capital gains (such distributions, "short-term capital gain dividends") generally are exempt from U.S. withholding tax otherwise imposed on non-U.S. stockholders. Interest-related dividends are dividends that are attributable to "qualified net interest income" (i.e., "qualified interest income," which generally consists of certain interest and original issue discount on obligations "in registered form" as well as interest on bank deposits earned by a RIC, less allocable deductions) from sources within the United States. Short-term capital gain dividends are dividends that are attributable to net short-term capital gains, other than short-term capital gains recognized on the disposition of U.S. real property interests, earned by a RIC. However, no assurance can be given as to whether any of our distributions will be eligible for this exemption from U.S. withholding tax or, if eligible, will be reported as such by us. Furthermore, in the case of shares of our stock held through an intermediary, the intermediary may have withheld U.S. federal income tax even if we reported the payment as an interest-related dividend or short-term capital gain dividend. Since shares of our common stock are subject to significant transfer restrictions, and an investment in our common stock will generally be illiquid, non-U.S. stockholders whose distributions on our common stock are subject to U.S. withholding tax may not be able to transfer their shares of our common stock easily or quickly or at all.

A failure of any portion of our distributions to qualify for the exemption for interest-related dividends or short-term capital gain dividends would not affect the treatment of non-U.S. stockholders that qualify for an exemption from U.S. withholding tax on dividends by reason of their special status (for example, foreign government-related entities and certain pension funds resident in favorable treaty jurisdictions).

We are highly dependent on information systems and systems failures could significantly disrupt our business, which may, in turn, negatively affect our liquidity, financial condition, and results of operations.

Our business depends on the communications and information systems of Barings, its affiliates and our or Barings' third-party service providers. Any failure or interruption of those systems or services, including as a result of the termination or suspension of an agreement with any third-party service providers, could cause delays or other problems in our or Barings' business activities. Our or Barings' financial, accounting, data processing, backup or other operating systems and facilities may fail to operate properly or become disabled or damaged as a result of a number of factors including events that are wholly or partially beyond our control and adversely affect our business. Among other things, there could be sudden electrical or telecommunications outages, natural disasters, disease pandemics, events arising from local or larger scale political or social matters and/or cyber-attacks, any one or more of which could have a material adverse effect on our business, financial condition and operating results and negatively affect the value of our common stock.

Cybersecurity risks and cyber incidents may adversely affect our business or the business of our portfolio companies by causing a disruption to our operations or the operations of our portfolio companies, a compromise or corruption of our confidential information or the confidential information of our portfolio companies and/or damage to our business relationships or the business relationships of our portfolio companies, all of which could negatively impact the business, financial condition and operating results of us or our portfolio companies.

A cyber incident is considered to be any adverse event that threatens the confidentiality, integrity or availability of the information resources of us, Barings or our portfolio companies. These incidents may be an intentional attack or an unintentional event and could involve gaining unauthorized access to our or Barings' information systems or those of our portfolio companies for purposes of misappropriating assets, stealing confidential information, corrupting data or causing operational disruption. Barings' employees may be the target of fraudulent calls, emails and other forms of activities. The result of these incidents may include disrupted operations, misstated or unreliable financial data, liability for stolen assets or information, increased cybersecurity protection and insurance costs, litigation and damage to business relationships. Our business operations rely upon secure information technology systems for data processing, storage and reporting. We depend on the effectiveness of the information and cybersecurity policies, procedures and capabilities maintained by our affiliates and our and their respective third-party service providers to protect their computer and telecommunications systems and the data that reside on or are transmitted through them.

Substantial costs may be incurred in order to prevent any cyber incidents in the future. The costs related to cyber or other security threats or disruptions may not be fully insured or indemnified by other means. As our and our portfolio companies' reliance on technology has increased, so have the risks posed to our information systems, both internal and those provided by Barings and third-party service providers, and the information systems of our portfolio companies. Barings has implemented processes, procedures and internal controls to help mitigate cybersecurity risks and cyber intrusions, but these measures, as well as our increased awareness of the nature and extent of a risk of a cyber incident, do not guarantee that a cyber incident will not occur and/or that our financial results, operations or confidential information will not be negatively impacted by such an incident. In addition, cybersecurity continues to be a key priority for regulators around the world, and some jurisdictions have enacted laws requiring companies to notify individuals or the general investing public of data security breaches involving certain types of personal data, including the SEC, which, on July 26, 2023, adopted amendments requiring the prompt public disclosure of certain cybersecurity breaches. If we fail to comply with the relevant laws and regulations, we could suffer financial losses, a disruption of our business, liability to investors, regulatory intervention or reputational damage.

We are currently operating in a period of capital markets disruption and economic uncertainty.

The success of our activities is affected by general economic and market conditions, including, among others, interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws, and trade barriers. These factors could affect the level and volatility of securities prices and the liquidity of our investments. Volatility or illiquidity could impair our profitability or result in losses. These factors also could adversely affect the availability or cost of our leverage, which would result in lower returns. In addition, the U.S. capital markets have experienced extreme volatility and disruption following the global outbreak of COVID-19 and its variants. Disruptions in the capital markets have increased the spread between the yields realized on risk-free and higher risk securities, resulting in illiquidity in parts of the capital markets. A resurgence of the virus globally could lead to a prolonged period of world-wide economic downturn.

These and future market disruptions and/or illiquidity would be expected to have an adverse effect on our business, financial condition, results of operations and cash flows. Unfavorable economic conditions also would be expected to increase our funding costs, limit our access to the capital markets or result in a decision by lenders not to extend credit to us. These events have limited and could continue to limit our investment originations, limit our ability to grow and have a material negative impact on our operating results and the fair values of our debt and equity investments.

Risks Relating to Our Investments

Inflation could adversely affect the business, results of operations, and financial condition of our portfolio companies.

Certain of our portfolio companies are in industries that could be impacted by inflation. If such portfolio companies are unable to pass any increases in their costs of operations along to their customers, it could adversely affect their operating results and impact their ability to pay interest and principal on our loans, particularly if interest rates rise in response to inflation. In addition, any projected future decreases in our portfolio companies' operating results due to inflation could adversely impact the fair value of those investments. Any decreases in the fair value of our investments could result in future realized or unrealized losses and therefore reduce our net assets resulting from operations.

Our investments in portfolio companies may be risky, and we could lose all or part of our investment.

Our portfolio consists primarily of senior secured private middle-market debt investments. Investing in private, middle-market companies involves a number of significant risks. Among other things, these companies:

- may have limited financial resources to meet future capital needs and thus may be unable to grow or meet their obligations under their debt instruments that we hold, which may be accompanied by a deterioration in the value of any collateral and a reduction in the likelihood of us realizing any guarantees from subsidiaries or affiliates of our portfolio companies that we may have obtained in connection with our investment, as well as a corresponding decrease in the value of the equity components of our investments;

- may have shorter operating histories, narrower product lines, smaller market shares and/or more significant customer concentration than larger businesses, which tend to render them more vulnerable to competitors' actions and market conditions, as well as general economic downturns;

- 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;

- generally have less predictable operating results, 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; and

- generally have less publicly available information about their businesses, operations and financial condition. We rely on the ability of Barings' investment professionals to obtain adequate information to evaluate the potential returns from investing in these companies. If Barings is unable to uncover all material information about these companies, we may not make a fully informed investment decision, and we may lose all or part of our investment.

In addition, in the course of providing significant managerial assistance to certain of our portfolio companies, certain of our officers and directors or certain of Barings' investment professionals may serve as directors on the boards of such companies. We or Barings may in the future be subject to litigation that arises out of our investments in these companies, and our officers and directors or Barings and/or its investment professionals may be named as defendants in such litigation, which could result in an expenditure of funds (through our indemnification of such officers and directors) and the diversion of our officers', directors' and Barings' time and resources.

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

We generally invest in companies whose securities are not publicly traded, and whose securities may be subject to legal and other restrictions on resale, or are otherwise less liquid than publicly traded securities. 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.

Price declines and illiquidity in the corporate debt markets may adversely affect the fair value of our portfolio investments, reducing our net asset value through increased net unrealized depreciation.

As a BDC, we are required to carry our investments at market value or, if no market value is ascertainable, at fair value as determined in good faith by the Board, which has designated Barings as valuation designee to perform our fair value determinations relating to the value of our assets for which market quotations are not readily available.

The Investment Adviser conducts the valuation of such investments, upon which our net asset value is primarily based, in accordance with its valuation policy, as well as established and documented processes and methodologies for determining the fair values of portfolio company investments on a recurring (at least quarterly) basis in accordance with the 1940 Act and ASC Topic 820. Our current valuation policy and processes were established by the Investment Adviser and have been approved by the Board. The Investment Adviser uses independent third-party providers to price the portfolio, but in the event an acceptable price cannot be obtained from an approved external source, the Investment Adviser will utilize alternative methods in accordance with internal pricing procedures established by the Investment Adviser's pricing committee. As part of the valuation process, Barings may take into account the following types of factors, if relevant, in determining the fair value of our investments:

- a comparison of the portfolio company’s securities to publicly traded securities;
- the enterprise value of the portfolio company;
- the nature and realizable value of any collateral;
- the portfolio company’s ability to make payments and its earnings and discounted cash flow;
- the markets in which the portfolio company does business; and
- changes in the interest rate environment and the credit markets generally that may affect the price at which similar investments may be made in the future and other relevant factors.

When an external event such as a purchase transaction, public offering or subsequent equity sale occurs, we use the pricing indicated by the external event to corroborate a valuation. We record decreases in the market values or fair values of our investments as unrealized depreciation. Declines in prices and liquidity in the corporate debt markets may result in significant net unrealized depreciation in our portfolio. The effect of all of these factors on our portfolio may reduce our net asset value by increasing net unrealized depreciation in our portfolio. Depending on market conditions, we could incur substantial realized losses and may suffer additional unrealized losses in future periods, which could have a material adverse effect on our business, financial condition, results of operations and cash flows.

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 seeking to:

- increase or maintain in whole or in part our position as a creditor or equity ownership percentage in a portfolio company;
- exercise warrants, options or convertible securities that were acquired in the original or subsequent financing; or
- preserve or enhance the value of our investment.

We have discretion to make follow-on investments, subject to the availability of capital resources. Failure on our part 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 portfolio company. 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 may not want to increase our level of risk, because we prefer other opportunities or because of regulatory or other considerations.

Our portfolio companies may incur debt that ranks equally with, or senior to, our investments in such companies and such portfolio companies may not generate sufficient cash flow to service their debt obligations to us.

We typically invest in senior debt and first lien notes, however, we have invested, and may invest in the future, a portion of our capital in second lien and subordinated loans issued by our portfolio companies. Our portfolio companies may have, or be permitted to incur, other debt that ranks equally with, or senior to, the debt securities in which we invest. Such subordinated investments are subject to greater risk of default than senior obligations as a result of adverse changes in the financial condition of the obligor or in general economic conditions. If we make a subordinated investment in a portfolio company, the portfolio company may be highly leveraged, and its relatively high debt-to-equity ratio may create increased risks that its operations might not generate sufficient cash flow to service all of its debt obligations. By their terms, such debt instruments may provide that the holders are entitled to receive payment of interest or principal on or before the dates on which we are entitled to receive payments in respect of the securities in which we invest. These debt instruments would usually prohibit the portfolio companies from paying interest on or repaying our investments in the event of and during the continuance of a default under such debt. Also, in the event of insolvency, liquidation, dissolution, reorganization or bankruptcy of a portfolio company, holders of securities ranking senior to our investment in that portfolio company would typically be entitled to receive payment in full before we receive any distribution in respect of our investment. After repaying senior creditors, the portfolio company may not have any remaining assets to use for repaying its obligation to us where we are junior creditor. In the case of debt ranking equally with debt securities in which we invest, we would have to share any distributions on an equal and ratable basis with other creditors holding such debt in the event of an insolvency, liquidation, dissolution, reorganization or bankruptcy of the relevant portfolio company.

Additionally, certain loans that we make to portfolio companies may be secured on a second priority basis by the same collateral securing senior secured debt of such companies. The first priority liens on the collateral will secure the portfolio company's obligations under any outstanding senior debt and may secure certain other future debt that may be permitted to be incurred by the portfolio company under the agreements governing the loans. The holders of obligations secured by first priority liens on the collateral will generally control the liquidation of, and be entitled to receive proceeds from, any realization of the collateral to repay their obligations in full before us. In addition, the value of the collateral in the event of liquidation will depend on market and economic conditions, the availability of buyers and other factors. There can be no assurance that the proceeds, if any, from sales of all of the collateral would be sufficient to satisfy the loan obligations secured by the second priority liens after payment in full of all obligations secured by the first priority liens on the collateral. If such proceeds were not sufficient to repay amounts outstanding under the loan obligations secured by the second priority liens, then we, to the extent not repaid from the proceeds of the sale of the collateral, will only have an unsecured claim against the portfolio company's remaining assets, if any.

We may in the future make unsecured loans to portfolio companies, meaning that such loans will not benefit from any interest in collateral of such companies. Liens on a portfolio company's collateral, if any, will secure the portfolio company's obligations under its outstanding secured debt and may secure certain future debt that is permitted to be incurred by the portfolio company under its secured loan agreements. The holders of obligations secured by such liens will generally control the liquidation of, and be entitled to receive proceeds from, any realization of such collateral to repay their obligations in full before us. In addition, the value of such collateral in the event of liquidation will depend on market and economic conditions, the availability of buyers and other factors. There can be no assurance that the proceeds, if any, from sales of such collateral would be sufficient to satisfy our unsecured loan obligations after payment in full of all loans secured by collateral. If such proceeds were not sufficient to repay the outstanding secured loan obligations, then our unsecured claims would rank equally with the unpaid portion of such secured creditors' claims against the portfolio company's remaining assets, if any.

The rights we may have with respect to the collateral securing any junior priority loans we make to our portfolio companies may also be limited pursuant to the terms of one or more intercreditor agreements that we enter into with the holders of senior debt. Under a typical intercreditor agreement, at any time that obligations that have the benefit of the first priority liens are outstanding, any of the following actions that may be taken in respect of the collateral will be at the direction of the holders of the obligations secured by the first priority liens:

- the ability to cause the commencement of enforcement proceedings against the collateral;
- the ability to control the conduct of such proceedings;
- the approval of amendments to collateral documents;
- releases of liens on the collateral; and
- waivers of past defaults under collateral documents.

We may not have the ability to control or direct such actions, even if our rights as junior lenders are adversely affected.

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

Even if we structure an investment as a senior loan, 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 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 are 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 will 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 are requested to execute expressly subordinate our debt instruments to those held by the senior lender and further provide that the senior lender shall control: (i) the commencement of foreclosure or other proceedings to liquidate and collect on the collateral; (ii) the nature, timing and conduct of foreclosure or other collection proceedings; (iii) the amendment of any collateral document; (iv) the release of the security interests in respect of any collateral and (v) 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.

Finally, the value of the collateral securing our debt investment will ultimately depend on market and economic conditions, the availability of buyers and other factors. Therefore, there can be no assurance that the proceeds, if any, from the sale or sales of all of the collateral would be sufficient to satisfy the loan obligations secured by our second priority liens after payment in full of all obligations secured by the senior lender's first priority liens on the collateral. There is also a risk that such collateral securing our investments 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 portfolio company and market conditions. If such proceeds are not sufficient to repay amounts outstanding under the loan obligations secured by our second priority liens, then we, to the extent not repaid from the proceeds from the sale of the collateral, will only have an unsecured claim against the company's remaining assets, if any.

Covenant-lite loans may expose us to different risks, including with respect to liquidity, price volatility, ability to restructure loans, credit risks and less protective loan documentation, than is the case with loans that contain financial maintenance covenants.

A significant number of high yield loans in the market, in particular the broadly syndicated loan market, may consist of "covenant-lite" loans. A significant portion of the loans in which we may invest or get exposure to through our investments may be deemed to be covenant-lite loans and it is possible that such loans may comprise a majority of our portfolio. Such loans do not require the borrower to maintain debt service or other financial ratios and do not include terms which allow the lender to monitor the performance of the borrower and declare a default if certain criteria are breached. Ownership of covenant-lite loans may expose us to different risks, including with respect to liquidity, price volatility, ability to restructure loans, credit risks and less protective loan documentation, than is the case with loans that contain financial maintenance covenants.

Our investments in foreign companies may involve significant risks in addition to the risks inherent in U.S. investments.

Our investment strategy includes investments in foreign companies. Investing in foreign companies may expose us to additional risk not typically associated with investing in U.S. companies. These risks include changes in exchange control regulations, political and social instability, expropriation, imposition of foreign taxes (potentially at confiscatory levels), less liquid markets, less available information than is generally the case in the United States, higher transaction costs, less government supervision of exchanges, brokers and issuers, less developed bankruptcy laws, difficulty in enforcing contractual obligations, lack of uniform accounting and auditing standards and greater price volatility.

Although the majority of our investments are currently and are expected to be U.S.-dollar denominated, our investments that are denominated in a foreign currency will be subject to the risk that the value of a particular currency will change in relation to one or more other currencies. Among the factors that may affect currency values are trade balances, the level of short-term interest rates, differences in relative values of similar assets in different currencies, long-term opportunities for investment and capital appreciation and political developments. We may employ hedging techniques to minimize these risks, but we cannot assure you that such strategies will be effective or without risk to us.

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

We have and may in the future enter into hedging transactions, which may expose us to risks associated with such transactions. We have and may continue to utilize instruments such as forward contracts, 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. Use of these hedging instruments may include counter-party credit risk. 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 should increase. Moreover, 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. The success of our hedging transactions will depend on our ability to correctly predict movements in currencies and interest rates. Therefore, while we may enter into such transactions to seek to reduce currency exchange rate and interest rate risks, unanticipated changes in currency exchange rates or interest rates may result in poorer overall investment performance than if we had not engaged in any such hedging transactions. In addition, the degree of correlation between price movements of the instruments used in a hedging strategy and price movements in the portfolio positions being hedged may vary. Moreover, for a variety of reasons, we may not seek to (or be able 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.

If we do not invest a sufficient portion of our assets in qualifying assets, we could fail to qualify as a BDC or be precluded from investing according to our current business strategy.

As a BDC, we may not acquire any assets other than "qualifying assets" unless, at the time of and after giving effect to such acquisition, at least 70.0% of our total assets are qualifying assets. For further detail, see "*Section IIII – Company Overview - Regulation as a Business Development Companies*" included in this Memorandum.

We may be precluded from investing in what we believe are attractive investments if such investments are not qualifying assets for purposes of the 1940 Act. If we do not invest a sufficient portion of our assets in qualifying assets, we could lose our status as a BDC. If we fail to maintain our status as a BDC, we might be regulated as a closed-end investment company that is required to register under the 1940 Act, which would subject us to additional regulatory restrictions and significantly decrease our operating flexibility. In addition, any such failure could cause an event of default under our outstanding indebtedness. For these reasons, loss of BDC status likely would have a material adverse effect on our business, financial condition and results of operations. Similarly, these rules could prevent us from making follow-on investments in existing portfolio companies (which could result in the dilution of our position).

We are a non-diversified investment company within the meaning of the 1940 Act, and therefore we are not limited with respect to the proportion of our assets that may be invested in securities of a single issuer.

We are classified as a non-diversified investment company within the meaning of the 1940 Act, which means that we are not limited by the 1940 Act with respect to the proportion of our assets that we may invest in securities of a single issuer. To the extent that we assume large positions in the securities of a small number of issuers, our net asset value may fluctuate to a greater extent than that of a diversified investment company as a result of changes in the financial condition or the market's assessment of the issuer or the industry in which it operates. We may also be more susceptible to any single economic or regulatory occurrence than a diversified investment company. Beyond our RIC asset diversification requirements under the Code and certain investment diversification requirements under our financing agreements, we do not have fixed guidelines for diversification, and our investments could be concentrated in relatively few portfolio companies.

We generally do not control our portfolio companies.

We generally do not expect to control most of our portfolio companies, even though we or Barings may have board representation or board observation rights, and our debt agreements with such portfolio companies may contain certain restrictive covenants. As a result, we are subject to the risk that a portfolio company in which we invest may make business decisions with which we disagree, and the management of such company, as representatives of the holders of their common equity, may take risks or otherwise act in ways that do not serve our interests as debt investors. Due to the lack of liquidity for our investments in non-traded companies, we may not be able to dispose of our interests in our portfolio companies as readily as we would like or at an appropriate valuation. As a result, a portfolio company may make decisions that could decrease the value of our portfolio holdings.

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 their 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, which could result in a decline in the value of our securities.

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 the Board (or its valuation designee pursuant to Rule 2a-5 under the 1940 Act). 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.

Defaults by our portfolio companies may 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.

Changes in interest rates may affect our cost of capital, the value of our investments and results of operations.

An increase in interest rates would make it more expensive to use debt to finance our investments. As a result, a significant increase in market interest rates could both reduce the value of our portfolio investments and increase our cost of capital, which would reduce our net investment income. Also, an increase in interest rates available to investors could make an investment in our common stock less attractive if we are not able to increase our distribution rate, a situation which could reduce the value of our common stock. Conversely, a decrease in interest rates may have an adverse impact on our returns by requiring us to seek lower yields on our debt investments and by increasing the risk that our portfolio companies will prepay our debt investments, resulting in the need to redeploy capital at potentially lower rates.

We may not realize gains from our equity investments.

Certain investments that we have made in the past and may make in the future include equity securities. 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 co-investments in companies in conjunction with private equity sponsors. 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.

Our investments in asset-backed securities are subject to additional risks.

Asset-backed securities often involve risks that are different from or more acute than risks associated with other types of debt instruments. For instance, asset-backed securities may be particularly sensitive to changes in prevailing interest rates. In addition, the underlying assets may be subject to prepayments that shorten the securities' weighted average maturity and may lower their return. Asset-backed securities are also subject to risks associated with their structure and the nature of the assets underlying the security and the servicing of those assets. Payment of interest and repayment of principal on asset-backed securities is largely dependent upon the cash flows generated by the assets backing the securities. Certain asset-backed securities are supported by letters of credit, surety bonds or other credit enhancements. However, if many borrowers on the underlying assets default, losses could exceed the credit enhancement level and result in losses to investors, such as the Company. The values of asset-backed securities may be substantially dependent on the servicing of the underlying asset pools, and are therefore subject to risks associated with the negligence by, or defalcation of, their servicers. Furthermore, debtors may be entitled to the protection of a number of state and federal consumer credit laws with respect to the assets underlying these securities, which may give the debtor the right to avoid or reduce payment.

Our investments in collateralized loan obligation vehicles are subject to additional risks.

We may invest in debt and equity interests of collateralized loan obligation ("CLO") vehicles. Generally, there may be less information available to us regarding the underlying debt investments held by such CLOs than if we had invested directly in the debt of the underlying companies. As a result, we and our stockholders may not know the details of the underlying holdings of the CLO vehicles in which we may invest.

As a BDC, we may not acquire equity and junior debt investments in CLO vehicles unless, at the time of and after giving effect to such acquisition, at least 70% of our total assets are "qualifying assets." CLO vehicles that we expect to invest in are typically very highly leveraged, and therefore, the junior debt and equity tranches that we expect to invest in are subject to a higher degree of risk of total loss. In particular, investors in CLO vehicles indirectly bear risks of the underlying debt investments held by such CLO vehicles. We will generally have the right to receive payments only from the CLO vehicles, and will generally not have direct rights against the underlying borrowers or the entity that sponsored the CLO vehicle. While the CLO vehicles we intend to target generally enable the investor to acquire interests in a pool of leveraged corporate loans without the expenses associated with directly holding the same investments, we will generally pay a proportionate share of the CLO vehicles' administrative and other expenses. Although it is difficult to predict whether the prices of indices and securities underlying CLO vehicles will rise or fall, these prices (and, therefore, the prices of the CLO vehicles) will be influenced by the same types of political and economic events that affect issuers of securities and capital markets generally. The failure by a CLO vehicle in which we invest to satisfy certain financial covenants, specifically those with respect to adequate collateralization and/or interest coverage tests, could lead to a reduction in its payments to us. In the event that a CLO vehicle failed those tests, holders of debt senior to us may be entitled to additional payments that would, in turn, reduce the payments we would otherwise be entitled to receive. If any of these occur, it could materially and adversely affect our operating results and cash flows.

In addition to the general risks associated with investing in debt securities, CLO vehicles carry additional risks, including, but not limited to: (i) the possibility that distributions from collateral securities will not be adequate to make interest or other payments; (ii) the quality of the collateral may decline in value or default; (iii) the fact that our investments in CLO tranches will likely be subordinate to other senior classes of note tranches thereof; and (iv) the complex structure of the security may not be fully understood at the time of investment and may produce disputes with the CLO vehicle or unexpected investment results. Our net asset value may also decline over time if our principal recovery with respect to CLO equity investments is less than the price we paid for those investments.

Investments in structured vehicles, including equity and junior debt instruments issued by CLO vehicles, involve risks, including credit risk and market risk. Changes in interest rates and credit quality may cause significant price fluctuations. Additionally, changes in the underlying leveraged corporate loans held by a CLO vehicle may cause payments on the instruments we hold to be reduced, either temporarily or permanently. Structured investments, particularly the subordinated interests in which we intend to invest, may be less liquid than many other types of securities and may be more volatile than the leveraged corporate loans underlying the CLO vehicles we intend to target. Fluctuations in interest rates may also cause payments on the tranches of CLO vehicles that we hold to be reduced, either temporarily or permanently.

Any interests we acquire in CLO vehicles will likely be thinly traded or have only a limited trading market and may be subject to restrictions on resale. Securities issued by CLO vehicles are generally not listed on any U.S. national securities exchange and no active trading market may exist for the securities of CLO vehicles in which we may invest. Although a secondary market may exist for our investments in CLO vehicles, the market for our investments in CLO vehicles may be subject to irregular trading activity, wide bid/ask spreads and extended trade settlement periods. As a result, these types of investments may be more difficult to value. In addition, our investments in CLO warehouse facilities are short term investments and therefore may be subject to a greater risk relating to market conditions and economic recession or downturns.

We may be subject to risks associated with syndicated loans.

From time to time, we may acquire interests in syndicated loans. Under the documentation for syndicated loans, a financial institution or other entity typically is designated as the administrative agent and/or collateral agent. This agent is granted a lien on any collateral on behalf of the other lenders and distributes payments on the indebtedness as they are received. The agent is the party responsible for administering and enforcing the loan and generally may take actions only in accordance with the instructions of a majority or two-thirds in commitments and/or principal amount of the associated indebtedness. In most cases, we do not expect to hold a sufficient amount of the indebtedness to be able to compel any actions by the agent. Consequently, we would only be able to direct such actions if instructions from us were made in conjunction with other holders of associated indebtedness that together with us compose the requisite percentage of the related indebtedness then entitled to take action. Conversely, if holders of the required amount of the associated indebtedness other than us desire to take certain actions, such actions may be taken even if we did not support such actions. Furthermore, if an investment is subordinated to one or more senior loans made to the applicable obligor, our ability to exercise such rights may be subordinated to the exercise of such rights by the senior lenders. Accordingly, we may be precluded from directing such actions unless we act together with other holders of the indebtedness. If we are unable to direct such actions, we cannot assure you that the actions taken will be in our best interests.

If an investment is a syndicated revolving loan or delayed drawdown loan, other lenders may fail to satisfy their full contractual funding commitments for such loan, which could create a breach of contract, result in a lawsuit by the obligor against the lenders and adversely affect the fair market value of our investment.

There is a risk that a loan agent in respect of one of our loans may become bankrupt or insolvent. Such an event would delay, and possibly impair, any enforcement actions undertaken by holders of the associated indebtedness, including attempts to realize upon the collateral securing the associated indebtedness and/or direct the agent to take actions against the related obligor or the collateral securing the associated indebtedness and actions to realize on proceeds of payments made by obligors that are in the possession or control of any other financial institution. In addition, we may be unable to remove the agent in circumstances in which removal would be in our best interests. Moreover, agented loans typically allow for the agent to resign with certain advance notice.

Our special situations investments involve a high degree of credit and market risk.

Our special situations investments, which consist of investments in the securities and debt of financially troubled issuers or borrowers and operationally troubled issuers or borrowers, involve a high degree of credit and market risk. Although the Company may invest in select companies that, in the view of the Investment Adviser, have the potential over the long-term for capital growth, there can be no assurance that such financially troubled issuers or operationally troubled issuers can be successfully transformed into profitable operating companies. There is a possibility that the Company may incur substantial or total losses on investments or that such investments may not show any return for a considerable period of time. Under such circumstances, the returns generated from the investments may not compensate investors adequately for the risks assumed.

The level of analytical sophistication, both financial and legal, necessary for successful investment in companies experiencing significant business and financial difficulties is unusually high. There can be no assurance that the Investment Adviser will correctly evaluate the value of a company's assets or the prospects for a successful reorganization or similar action. During an economic downturn or recession, securities of financially troubled or operationally troubled issuers and borrowers are more likely to go into default than securities of other issuers. In addition, it may be difficult to obtain information about such issuers and borrowers.

Securities and debt of financially troubled issuers or borrowers and operationally troubled issuers or borrowers are less liquid and more volatile than securities of companies not experiencing financial or operational difficulties. The market prices of such securities are subject to erratic and abrupt market movements, and the spread between bid and asked prices may be greater than normally expected. In addition, it is anticipated that many investments may not be widely traded and that the Company's investment in such securities may be substantial relative to the market for such securities. As a result, the Company may experience delays and incur losses and other costs in connection with the sale of investments.

Troubled company and other asset-based investments require active monitoring and may, at times, require participation in business strategy or reorganization proceedings by the Investment Adviser. To the extent that the Investment Adviser becomes involved in such proceedings, the Company may have a more active participation in the affairs of the issuer than that assumed generally by an investor. In addition, involvement by the Investment Adviser in an issuer's reorganization proceedings could result in the imposition of restrictions limiting the Company's ability to liquidate its position in the issuer or increase the likelihood of the Company being involved in litigation.

Risks Relating to an Investment in Shares of Our Common Stock

Investing in our securities may involve an above average degree of risk.

The investments we make in accordance with our investment objective may result in a higher amount of risk than alternative investment options and a higher risk of volatility or loss of principal. Our investments in portfolio companies may be highly speculative, and therefore, an investment in our shares may not be suitable for someone with lower risk tolerance.

An investment in our shares will have limited liquidity.

Our shares constitute illiquid investments for which there is not, and will likely not be, a secondary market at any time. Investing in the Company is suitable only for sophisticated investors and requires the financial ability and willingness to accept the high risks and lack of liquidity inherent in an investment in the Company. Stockholders must be prepared to bear the economic risk of an investment in our shares for an extended period of time.

The shares of our common stock have not been registered under the Securities Act or any state securities laws and, unless so registered, may not be offered or sold except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws.

There are restrictions on the ability of holders of our common stock to transfer shares in excess of the restrictions typically associated with a private placement of securities under Regulation D, Regulation S and other exemptions from registration under the Securities Act, including restrictions to prevent all or any portions of our assets to constitute "plan assets" under ERISA or Section 4975 of the Code.

We are relying on an exemption from registration under the Securities Act and state securities laws in offering shares of our common stock pursuant to the Subscription Agreements. As such, absent an effective registration statement covering our common stock, such shares may be resold only in transactions that are exempt from the registration requirements of the Securities Act and under any other applicable securities laws and in accordance with the terms of the relevant Subscription Agreement. Our common stock will have limited transferability which could delay, defer or prevent a transaction or change of control of the company that might involve a premium price for our securities or otherwise be in the best interest of our stockholders. In addition, under the Subscription Agreement, no shares may be sold or transferred in the event that such transfer would, among other things, (i) constitute a non-exempt "prohibited transaction" under Section 406 of ERISA, or Section 4975 of the Code, or (ii) cause all or any portion of the assets of the Company to constitute "plan assets" under ERISA or Section 4975 of the Code.

General Risk Factors

Global capital markets could enter a period of severe disruption and instability or an economic recession. These conditions have historically affected and could again materially and adversely affect debt and equity capital markets in the United States and around the world and could impair our portfolio companies and harm our operating results.

The U.S. and global capital markets have from time to time experienced periods of disruption characterized by the freezing of available credit, a lack of liquidity in the debt capital markets, significant losses in the principal value of investments, the re-pricing of credit risk in the broadly syndicated credit market, the failure of major financial institutions and general volatility in the financial markets. During these periods of disruption, general economic conditions deteriorated with material and adverse consequences for the broader financial and credit markets, and the availability of debt and equity capital for the market as a whole, and financial services firms in particular, was reduced significantly. These conditions may reoccur for a prolonged period of time or materially worsen in the future.

Market conditions may in the future make it difficult to extend the maturity of or refinance our existing indebtedness and any failure to do so could have a material adverse effect on our business. If we are unable to raise or refinance debt, then our equity investors may not benefit from the potential for increased returns on equity resulting from leverage and we may be limited in our ability to make new commitments or to fund existing commitments to our portfolio companies.

Given the volatility and dislocation that the capital markets have historically experienced, many BDCs have faced, and may in the future face, a challenging environment in which to raise capital. We may in the future have difficulty accessing debt and equity capital on attractive terms, or at all, and a severe disruption or instability in the global financial markets or deteriorations in credit and financing conditions may cause us to reduce the volume of the loans we originate and/or fund, which may adversely affect the value of our portfolio investments or otherwise have a material adverse effect on our business, financial condition, results of operations and cash flows. In addition, significant changes in the capital markets, including instances of extreme volatility and disruption, have had, and may in the future have, a negative effect on the valuations of our investments and on the potential for liquidity events involving our investments. We monitor developments and seek to manage our investments in a manner consistent with achieving our investment objective, but there can be no assurance that we will be successful in doing so, and we may not timely anticipate or manage existing, new or additional risks, contingencies or developments, including regulatory developments in the current or future market environment.

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. The debt capital that will be available to us in the future, if at all, may be at a higher cost and on less favorable terms and conditions than what we currently experience, including being at a higher cost in rising rate environments. If we are unable to raise or refinance debt, then our equity investors may not benefit from the potential for increased returns on equity resulting from leverage and we may be limited in our ability to make new commitments or to fund existing commitments to our portfolio companies. In addition, equity capital may be difficult to raise during periods of adverse or volatile market conditions because, subject to some limited exceptions, as a BDC, we are generally not 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.

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.

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

Terrorist acts, acts of war, national disasters, outbreaks or pandemics 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. For example, many countries have experienced outbreaks of infectious illnesses in recent decades, including swine flu, avian influenza, SARS and COVID-19.

The Israel-Hamas war and the conflict between Russia and Ukraine, and resulting market volatility, could also adversely affect the Company's business, operating results, and financial condition. The extent and duration or escalation of such conflicts, resulting sanctions and resulting future market disruptions are impossible to predict, but could be significant. Any disruptions resulting from such conflicts and any future conflict (including cyberattacks, espionage or the use or threatened use of nuclear weapons) or resulting from actual or threatened responses to such actions could cause disruptions to any of our portfolio companies located in Europe or the Middle East or that have substantial business relationships with companies in affected regions. It is not possible to predict the duration or extent of longer-term consequences of these conflicts, which could include further sanctions, retaliatory and escalating measures, embargoes, regional instability, geopolitical shifts and adverse effects on or involving macroeconomic conditions, the energy sector, supply chains, inflation, security conditions, currency exchange rates and financial markets around the globe. Any such market disruptions could affect our portfolio companies' operations and, as a result, could have a material adverse effect on our business, financial condition and results of operations.

We are subject to risks related to corporate social responsibility.

Our business faces increasing public scrutiny related to environmental, social and governance ("ESG") activities. We risk damage to our brand and reputation if we fail to act responsibly in a number of areas, such as environmental stewardship, corporate governance and transparency and the consideration of ESG factors in our investment processes. Adverse incidents with respect to

ESG activities could impact the value of our brand, the cost of our operations and relationships with investors, all of which could adversely affect our business and results of operations.

We may experience fluctuations in our quarterly results.

We could experience fluctuations in our quarterly operating results due to a number of factors, including 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 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.

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

Many of our portfolio companies may be susceptible to economic downturns or recessions and may be unable to repay our loans or meet other obligations during these periods. Therefore, during these periods our non-performing assets may increase and the value of these assets may decrease. Adverse economic conditions may also decrease the value of collateral securing some of our loans and the value of our debt and 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 funding costs, limit our access to the capital markets or result in a decision by lenders not to extend credit to us. 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, termination of its loans and foreclosure on its assets, which could trigger cross-defaults under other agreements and jeopardize our portfolio company's ability to meet its obligations under the debt securities that we hold. We may incur 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, even though we may have structured our interest as a senior debt or preferred equity, depending on the facts and the circumstances, including to the extent to which we actually provide managerial assistance to that portfolio company, a bankruptcy court might recharacterize our debt or equity holding and subordinate all or a portion of our claim to those of other creditors.

Changes to U.S. tariff and import/export regulations may have a negative effect on our portfolio companies and, in turn, harm us.

There have been ongoing discussion and commentary regarding potential significant changes to U.S. trade policies, treaties and tariffs, creating significant uncertainty about the future relationship between the United States and other countries with respect to trade policies, treaties and tariffs. These developments, or the perception that more of them could occur, may have a material adverse effect on global economic conditions and the stability of global financial markets, and may significantly reduce global trade and, in particular, trade between the impacted nations and the United States. Any of these factors could depress economic activity and restrict our portfolio companies' access to suppliers or customers and have a material adverse effect on their business, financial condition and results of operations, which in turn would negatively impact us.

Changes in laws or regulations governing our operations may adversely affect our business or cause us to alter our business strategy.

We, our subsidiaries and our portfolio companies are subject to regulation at the local, state and federal level. New legislation may be enacted or new interpretations, rulings or regulations could be adopted, including those governing the types of investments we are permitted to make, any of which could harm us and our stockholders, potentially with retroactive effect. Additionally, new regulatory initiatives related to ESG could 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 in this Memorandum and may result in our investment focus shifting from the areas of expertise of our management team to other types of investments in which our management 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, the Investment Adviser, and our portfolio companies may maintain cash balances at financial institutions that exceed federally insured limits and may otherwise be materially affected by adverse developments affecting the financial services industry, such as actual events or concerns involving liquidity, defaults or non-performance by financial institutions or transactional counterparties.

Our cash and our Investment Adviser's cash is held in accounts at U.S. banking institutions that we believe are of high quality. Cash held by us, our Investment Adviser and by our portfolio companies in non-interest-bearing and interest-bearing operating accounts may exceed the FDIC insurance limits. If such banking institutions were to fail, we, our Investment Adviser, or our portfolio companies could lose all or a portion of those amounts held in excess of such insurance limitations. In addition, actual events involving limited liquidity, defaults, non-performance or other adverse developments that affect financial institutions, transactional counterparties or other companies in the financial services industry or the financial services industry generally, or concerns or rumors about any events of these kinds or other similar risks, have in the past and may in the future lead to market-wide liquidity problems, which could adversely affect our, our Investment Adviser's and our portfolio companies' business, financial condition, results of operations, or prospects.

Although we and our Investment Adviser assess our and our portfolio companies' banking relationships as we believe necessary or appropriate, our and our portfolio companies' access to funding sources and other credit arrangements in amounts adequate to finance or capitalize our respective current and projected future business operations could be significantly impaired by factors that affect us, our Investment Adviser or our portfolio companies, the financial institutions with which we, our Investment Adviser or our portfolio companies have arrangements directly, or the financial services industry or economy in general. These factors could include, among others, events such as liquidity constraints or failures, the ability to perform obligations under various types of financial, credit or liquidity agreements or arrangements, disruptions or instability in the financial services industry or financial markets, or concerns or negative expectations about the prospects for companies in the financial services industry. These factors could involve financial institutions or financial services industry companies with which we, our Investment Adviser or our portfolio companies have financial or business relationships, but could also include factors involving financial markets or the financial services industry generally.

In addition, investor concerns regarding the U.S. or international financial systems could result in less favorable commercial financing terms, including higher interest rates or costs and tighter financial and operating covenants, or systemic limitations on access to credit and liquidity sources, thereby making it more difficult for us, our Investment Adviser, or our portfolio companies to acquire financing on acceptable terms or at all.

VII. SHARE REPURCHASE PROGRAM

We do not intend to list our shares of common stock on a securities exchange and we do not expect there to be a public market for our shares. As a result, if you purchase shares of our common stock, your ability to sell your shares will be limited.

We have commenced a discretionary share repurchase program in which we may, subject to market conditions and the discretion of the Board, offer to repurchase, in each quarter, up to 5% of our shares of common stock outstanding as of the close of the previous calendar quarter. The Board may amend, suspend or terminate the share repurchase program at any time if in its reasonable judgement it deems such action to be in our best interest and the best interest of our stockholders. As a result, share repurchases may not be available each quarter, such as when a repurchase offer would place an undue burden on our liquidity, adversely affect our operations or risk having an adverse impact on us that would outweigh the benefit of the repurchase offer. We intend to conduct such repurchase offers in accordance with the requirements of Rule 13e-4 promulgated under the Exchange Act and the 1940 Act and subject to compliance with applicable covenants and restrictions under our financing arrangements. All shares purchased by us pursuant to the terms of each tender offer will be redeemed and thereafter will be authorized and unissued shares.

Under our discretionary share repurchase program, to the extent we offer to repurchase shares in any particular quarter, we expect to repurchase shares pursuant to quarterly tender offers using a purchase price equal to the net asset value per share as of the last calendar day of the applicable quarter (the "Valuation Date"). Stockholders who purchase shares of our common stock on or after March 1, 2024 should keep in mind that if they tender shares of our common stock in a tender offer with a Valuation Date that is within the 12-month period following the initial issue date of their tendered shares, we may repurchase such shares subject to an "early repurchase deduction" of 2% of the aggregate net asset value of the shares repurchased (an "Early Repurchase Deduction"). The Early Repurchase Deduction will be retained by us for the benefit of remaining holders of our common stock. This Early Repurchase Deduction will also generally apply to minimum account repurchases, discussed below.

We may, from time to time, waive the Early Repurchase Deduction in the following circumstances (subject to the conditions described below):

- repurchases resulting from death, qualifying disability or divorce;
- in the event that a stockholder's shares are repurchased because the stockholder has failed to maintain the $5,000 minimum account balance; or
- due to trade or operational error.

As set forth above, we may waive the Early Repurchase Deduction in respect of a repurchase of shares of common stock resulting from the death, qualifying disability (as such term is defined in Section 72(m)(7) of the Code) or divorce of a stockholder who is a natural person, including shares of common stock held by such stockholder through a trust or an individual retirement account or other retirement or profit-sharing plan, after (i) in the case of death, receiving written notice from the estate of the stockholder, the recipient of the shares of common stock through bequest or inheritance, or, in the case of a trust, the trustee of such trust, who shall have the sole ability to request repurchase on behalf of the trust, (ii) in the case of qualified disability, receiving written notice from such stockholder, provided that the condition causing the qualifying disability was not pre-existing on the date that the stockholder became a stockholder of the Company or (iii) in the case of divorce, receiving written notice from the stockholder of the divorce and the stockholder's instructions to effect a transfer of the shares of common stock (through the repurchase of the shares by us and the subsequent purchase by the stockholder) to a different account held by the stockholder (including trust or an individual retirement account or other retirement or profit-sharing plan). We must receive the written repurchase request within 12 months after the death of the stockholder, the initial determination of the stockholder's disability or divorce in order for the requesting party to rely on any of the special treatment described above that may be afforded in the event of the death, disability or divorce of a stockholder. In the case of death, such a written request must be accompanied by a certified copy of the official death certificate of the stockholder. If spouses are joint registered holders of shares of our common stock, the request to have the shares repurchased may be made if either of the registered holders dies or acquires a qualified disability. If the stockholder is not a natural person, such as certain trusts or a partnership, corporation or other similar entity, the right to waiver of the Early Repurchase Deduction upon death, disability or divorce does not apply.

You may tender all of the shares of common stock that you own in connection with our quarterly tender offers. There is no repurchase priority for a stockholder under the circumstances of death or disability of such stockholder.

In the event the amount of shares tendered exceeds the repurchase offer amount, shares will be repurchased on a pro rata basis. All unsatisfied repurchase requests must be resubmitted in the next quarterly tender offer, or upon the recommencement of the discretionary share repurchase program, as applicable. We will have no obligation to repurchase shares, including if the repurchase would violate the restrictions on distributions under federal law or Maryland law. The limitations and restrictions described above may prevent us from accommodating all repurchase requests made in any quarter. Our discretionary share repurchase program has many limitations, including the limitations described above, and should not in any way be viewed as the equivalent of a secondary market.

We will offer to repurchase shares on such terms as may be determined by the Board in its complete and absolute discretion unless, in the judgment of our Board, such repurchases would not be in the best interests of our stockholders or would violate applicable law. There is no assurance that the Board will exercise its discretion to offer to repurchase shares or that there will be sufficient funds available to accommodate all of our stockholders' requests for repurchase. As a result, we may repurchase less than the full amount of shares that you request to have repurchased. If we do not repurchase the full amount of your shares that you have requested to be repurchased, or we determine not to make repurchases of our shares, you will likely not be able to dispose of your shares, even if we under-perform. Any periodic repurchase offers will be subject in part to our available cash and compliance with the RIC qualification and diversification rules and the 1940 Act.

The Company will repurchase shares from stockholders pursuant to written tenders on terms and conditions that the Board determines to be fair to the Company and to all stockholders. When the Board determines that the Company will repurchase shares, notice will be provided to stockholders describing the terms of the offer, containing information stockholders should consider in deciding whether to participate in the repurchase opportunity and containing information on how to participate. Stockholders deciding whether to tender their shares during the period that a repurchase offer is open may obtain the Company's most recent net asset value per share by viewing the documents we file with the SEC, through its EDGAR page at http://www.sec.gov. However, our repurchase offers will generally use the net asset value on or around the last day of a calendar quarter, which will not be available until after the expiration of the applicable tender offer, so you will not know the exact price of shares in the tender offer when you make your decision whether to tender your shares.

Repurchases of shares from stockholders by the Company will be paid in cash promptly after the determination of the relevant net asset value per share is finalized. Repurchases will be effective after receipt and acceptance by the Company of eligible written tenders of shares from stockholders by the applicable repurchase offer deadline. Other than as stated above, we do not intend to impose any charges in connection with repurchases of shares.

The majority of our assets will consist of instruments that cannot generally be readily liquidated without impacting our ability to realize full value upon their disposition. Therefore, we may not always have sufficient liquid resources to make repurchase offers. In order to provide liquidity for share repurchases, we intend to generally maintain under normal circumstances an allocation to syndicated loans and other liquid investments. We may fund repurchase requests from sources other than cash flow from operations, including, without limitation, the sale of assets, borrowings, return of capital or offering proceeds, and we have no limits on the amounts we may pay from such sources. Should making repurchase offers, in our judgment, place an undue burden on our liquidity, adversely affect our operations or risk having an adverse impact on the company as a whole, or should we otherwise determine that investing our liquid assets in originated loans or other illiquid investments rather than repurchasing our shares is in the best interests of the Company as a whole, then we may choose to offer to repurchase fewer shares than described above, or none at all.

In the event that any stockholder fails to maintain the minimum balance of $5,000 in aggregate net asset value of shares of our common stock, we may repurchase all of the shares held by that stockholder at the repurchase price in effect on the date we determine that the stockholder has failed to meet the minimum balance, less any Early Repurchase Deduction (if applicable). In the alternative, we reserve the right to reduce the number of shares requested to be repurchased from a stockholder so that the required account balance is maintained. Minimum account repurchases will apply even in the event that the failure to meet the minimum balance is caused solely by a decline in our net asset value. Minimum account repurchases are subject to an Early Repurchase Deduction (if applicable).

Payment for repurchased shares may require us to liquidate portfolio holdings earlier than Barings would otherwise have caused these holdings to be liquidated, potentially resulting in losses, and may increase our investment-related expenses as a result of higher portfolio turnover rates. Barings intends to take measures, subject to policies as may be established by the Board, to attempt to avoid or minimize potential losses and expenses resulting from the repurchase of shares.

VIII. SHARE LIQUIDITY STRATEGY

The Board does not expect to complete a liquidity event within any specific time period, if at all. A liquidity event could include a merger or another transaction approved by the Board in which stockholders will receive cash or shares of a publicly traded company, or a sale of all or substantially all of its assets either on a complete portfolio basis or individually followed by a liquidation and distribution of cash to our stockholders. A liquidity event also may include a sale, merger or other transaction with one or more affiliated investment companies managed by Barings. A liquidity event involving a merger or sale of all or substantially all of our assets would require the approval of our stockholders in accordance with our Articles of Incorporation. We do not intend to list our shares on a national securities exchange.

In making a determination of whether and what type of liquidity event is in the best interests of our stockholders, the Board, including the Independent Directors, may consider a variety of criteria, including but not limited to such factors as the trading prices of other comparable vehicles that are publicly traded, portfolio diversification and allocation, portfolio performance, our financial condition, potential access to capital and the potential for stockholder liquidity. At this time, we do not know what circumstances will exist in the future and therefore we do not know what factors the Board will consider in determining whether or when to pursue a liquidity event in the future.

Prior to a liquidity event, our share repurchase program, if implemented, may provide a limited opportunity for you to have your shares of common stock repurchased, subject to certain restrictions and limitations, at a price which may reflect a discount from the purchase price you paid for the shares being repurchased. See "See "*Section VII—Share Repurchase Program*" for more information.

IX. INVESTMENT ADVISORY AGREEMENT; ADMINISTRATION AGREEMENT; EXPENSE SUPPORT

Barings serves as our investment adviser and our administrator. The principal executive offices of Barings are located at 300 South Tryon Street, Suite 2500 Charlotte, North Carolina 28202.

Investment Advisory Agreement

Pursuant to the Investment Advisory Agreement, Barings manages the Company's day-to-day operations and provides the Company with investment advisory services. Among other things, the Investment Adviser (i) determines the composition of the portfolio of the Company, the nature and timing of the changes therein and the manner of implementing such changes; (ii) identifies, evaluates and negotiates the structure of the investments made by the Company; (iii) executes, closes, services and monitors the investments that the Company makes; (iv) determines the securities and other assets that the Company will purchase, retain or sell; (v) performs due diligence on prospective portfolio companies and (vi) provides the Company with such other investment advisory, research and related services as the Company may, from time to time, reasonably require for the investment of its funds.

Under the Investment Advisory Agreement, the Company pays the Investment Adviser (i) a base management fee and (ii) an incentive fee as compensation for the investment advisory and management services it provides the Company thereunder.

Base Management Fee

The base management fee is calculated at an annual rate of 0.75% of our average gross assets, including assets purchased with borrowed funds or other forms of leverage but excluding (i) cash and cash equivalents (as defined below) and (ii) net unsettled purchases and sales of investments. For services rendered under the Investment Advisory Agreement, the base management fee is payable quarterly in arrears on a calendar quarter basis. The base management fee is calculated based on the average value of our gross assets (excluding (i) cash and cash equivalents and (ii) net unsettled purchases and sales of investments) at the end of the two most recently completed calendar quarters prior to the quarter for which such fees are being calculated; provided, that upon the end of the first calendar quarter following the Initial Closing, the base management fee is calculated based on the value of our gross assets (excluding (i) cash and cash equivalents and (ii) net unsettled purchases and sales of investments) as of such calendar quarter-end; provided further, that upon the end of the second calendar quarter following the Initial Closing, the base management fee is calculated based on the average value of our gross assets (excluding (i) cash and cash equivalents and (ii) net unsettled purchases and sales of investments) at the end of each of the first two calendar quarters following the Initial Closing (including the quarter for which such fees are being calculated).

The base management fee for any partial quarter will be appropriately pro-rated. All or any part of the base management fee not taken as to any quarter will be deferred without interest and may be taken in any quarter prior to the occurrence of a liquidity event (if any). For purposes of the Investment Advisory Agreement, "cash equivalents" means U.S. government securities, money market fund investments, commercial paper instruments and other similar cash equivalent investments maturing within one year of purchase.

The Incentive Fee

The incentive fee under the Investment Advisory Agreement is based on the Company's income, as described below.

No portion of the incentive fee will be payable until the completion of the first full calendar quarter following the one-year anniversary of the initial effective date of the Investment Advisory Agreement, May 13, 2021 (the "Initial Effective Date"). Upon the completion of the first full calendar quarter following the one-year anniversary of the Initial Effective Date and thereafter, the incentive fee will be determined and paid quarterly in arrears based on the amount by which (x) the aggregate "Pre-Incentive Fee Net Investment Income" (as defined below) in respect of the then-current calendar quarter and the three preceding calendar quarters (the "Trailing Twelve Months"), exceeds (y) the Hurdle Amount (as defined below) in respect of the Trailing Twelve Months. The Hurdle Amount will be determined on a quarterly basis, and will be calculated by multiplying 8.0% by the average of the Company's net asset value at the beginning of each applicable calendar quarter comprising the relevant Trailing Twelve Months. For this purpose, "Pre-Incentive Fee Net Investment Income" means interest income, dividend income and any other income (including, without limitation, any accrued income that the Company has not yet received in cash and any other fees such as commitment, origination, structuring, diligence and consulting fees or other fees that the Company receives from portfolio companies) accrued during the calendar quarter, minus the Company's operating expenses accrued during the calendar quarter (including, without limitation, the base management fee, administration expenses and any interest expense and dividends paid on any issued and outstanding preferred stock, but excluding the incentive fee). For the avoidance of doubt, Pre-Incentive Fee Net Investment Income does not include any realized capital gains, realized capital losses or unrealized capital appreciation or depreciation.

The calculation of the incentive fee for each quarter will be as follows:

- No incentive fee will be payable to the Investment Adviser in any calendar quarter in which the Company's aggregate Pre-Incentive Fee Net Investment Income for the Trailing Twelve Months does not exceed the Hurdle Amount;

- 100% of the Company's aggregate Pre-Incentive Fee Net Investment Income for the Trailing Twelve Months, if any, that exceeds the Hurdle Amount but is less than or equal to an amount (the "Catch-Up Amount") determined on a quarterly basis by multiplying 8.889% by the average of the Company's net asset value at the beginning of each applicable calendar quarter comprising the relevant Trailing Twelve Months. The Catch-Up Amount is intended to provide the Investment Adviser with an incentive fee of 10% on all of the Company's Pre-Incentive Fee Net Investment Income when the Company's Pre-Incentive Fee Net Investment Income reaches the Catch-Up Amount for the Trailing Twelve Months; and

- For any quarter in which the Company's aggregate Pre-Incentive Fee Net Investment Income for the Trailing Twelve Months exceeds the Catch-Up Amount, the incentive fee will equal 10% of the amount of the Company's Pre-Incentive Fee Net Investment Income for such Trailing Twelve Months, as the Hurdle Amount and Catch-Up Amount will have been achieved.

Subject to the Incentive Fee Cap (discussed below), the amount of the incentive fee that will be paid to Barings for a particular quarter will equal the aggregate incentive fee calculated as set forth above, less the aggregate incentive fees that were paid to Barings in the preceding three calendar quarters (or portion thereof) comprising the relevant Trailing Twelve Months.

The incentive fee is subject to a cap (the "Incentive Fee Cap"). The Incentive Fee Cap in any quarter is an amount equal to (x) 0.50% of the average value of the Company's gross assets (excluding (i) cash and cash equivalents and (ii) net unsettled purchases and sales of investments) at the end of each quarter during the Trailing Twelve Months and appropriately adjusted for any share issuances or repurchases during the period (the "Average TTM Gross Assets"), or (y) that in the event that the Company's Cumulative Pre-Incentive Fee Net Return (as defined below) during the relevant Trailing Twelve Months is less than 9.0%, the Incentive Fee Cap will equal 0.20% of the Average TTM Gross Assets; provided that, if the Incentive Fee Cap as calculated in clause (x) of this paragraph applies in any quarter, in no event will the Company pay any incentive fee (or portion thereof) during such quarter to the extent that it would cause the Cumulative Net Investor Return (as defined below) during the relevant Trailing Twelve Months to be reduced to an amount below what the Cumulative Net Investor Return during such period would have been if the Incentive Fee Cap for such quarter had been calculated in accordance with clause (y) of this paragraph.

For purposes of the Investment Advisory Agreement:

"Cumulative Net Investor Return" during the relevant Trailing Twelve Months means (1) (a) the Company's aggregate interest income, dividend income and any other income (including, without limitation, any accrued income that the Company has not yet received in cash and any other fees such as commitment, origination, structuring, diligence and consulting fees or other fees that the Company receives from portfolio companies, but excluding, for the avoidance of doubt, any realized capital gains, realized capital losses or unrealized capital appreciation or depreciation) accrued during the period, minus the Company's operating expenses accrued during the period (including, without limitation, the base management fee, administration expenses, any interest expense and dividends paid on any issued and outstanding preferred stock and the incentive fee) in respect of the Trailing Twelve Months less (b) any Net Capital Loss (if positive), in respect of the Trailing Twelve Months, divided by (2) the average of the Company's net asset values measured at the beginning of each quarter in the Trailing Twelve Months.

"Cumulative Pre-Incentive Fee Net Return" during the relevant Trailing Twelve Months means (1) (a) the aggregate Pre-Incentive Fee Net Investment Income in respect of the Trailing Twelve Months less (b) any Net Capital Loss (if positive), in respect of the Trailing Twelve Months, divided by (2) the average of the Company's net asset values measured at the beginning of each quarter in the Trailing Twelve Months.

"Net Capital Loss" in respect of a particular period means the difference, if positive, between (i) aggregate capital losses on the Company's assets, whether realized or unrealized, in such period and (ii) aggregate capital gains or other gains on the Company's assets, whether realized or unrealized, in such period.

If, in any quarter, the Incentive Fee Cap is zero or a negative value, we will pay no incentive fee to Barings in that quarter. If, in any quarter, the Incentive Fee Cap is a positive value but is less than the incentive fee as calculated above, we will pay Barings the Incentive Fee Cap for such quarter. If, in any quarter, the Incentive Fee Cap is equal to or greater than the incentive fee as calculated above, we will pay Barings the incentive fee for such quarter without regard to the Incentive Fee Cap.

The fees that are payable under the Investment Advisory Agreement for any partial period will be appropriately prorated. The fees are calculated using detailed policies and procedures approved by Barings and the Board, including a majority of the Independent Directors, and such policies and procedures are consistent with the description of the calculation of the fees set forth above.

Barings may elect to defer or waive all or a portion of the fees that would otherwise be paid to it in its sole discretion. Any portion of a fee not taken as to any period will be deferred without interest and may be taken in any such other period prior to the occurrence of a liquidity event (if any) as Barings may determine in its sole discretion.

Payment of Expenses

All investment professionals of Barings and its staff, when and to the extent engaged in providing investment advisory and management services under the Investment Advisory Agreement, and the compensation and routine overhead expenses of such personnel allocable to such services, are provided and paid for by Barings and not by the Company. The Company bears all other costs and expenses of its operations and transactions, including, without limitation, those relating to:

- organizational and offering expenses;
- investment advisory and management fees payable under the Investment Advisory Agreement;
- all other non-investment advisory expenses incurred by the Company or Barings in connection with administering the Company's business (including payments under the Administration Agreement based upon the Company's allocable portion of Barings' overhead in performing its obligations under the Administration Agreement, including rent and the allocable portion of the cost of the Company's Chief Financial Officer and Chief Compliance Officer and their respective staffs); and
- all other expenses of the Company's operations and transactions, including those listed in the Investment Advisory Agreement.

Sub-Advisory Agreement

The Investment Adviser has retained BIIL, its indirect, wholly-owned subsidiary, as a sub-adviser to manage European investments for the Company, pursuant to the terms of a sub-advisory agreement (the "Sub-Advisory Agreement"). BIIL is an investment adviser registered with the SEC in the United States and the Financial Conduct Authority in the United Kingdom with its principal office located in London, England.

Under the terms of the Sub-Advisory Agreement and except as expressly provided for therein, BIIL provides advisory services with respect to our European investments on terms and conditions that are, as far as possible, identical to the terms and conditions under which Barings itself serves as our investment adviser under the Investment Advisory Agreement. In addition, except as expressly set forth in the Sub-Advisory Agreement, BIIL is entitled to the same rights and protections as Barings is under the terms of the Investment Advisory Agreement. Barings maintains oversight responsibilities for BIIL's activities as they relate to our investment portfolio (including BIIL's compliance with the requirements set out, referred to or contemplated by the Investment Advisory Agreement), but BIIL is not under the day-to-day direction and supervision of Barings with respect to such activities; provided, however, that Barings retains ultimate discretion over the selection, acquisition and disposal of assets to or from our investment portfolio. Barings, and not the Company, is solely responsible for paying compensation to BIIL, which amount shall be a portion of the management fees paid by the Company to Barings under the Investment Advisory Agreement, as agreed to between Barings and BIIL from time to time.

This Sub-Advisory Agreement had an initial term of two years. Thereafter, it continues automatically for successive annual periods, provided that such continuance is specifically approved at least annually by (1) the vote of the Board, or by the vote of a majority of the Company's outstanding voting securities, and (2) the vote of a majority of the Independent Directors. The Sub-Advisory Agreement may be terminated at any time, without the payment of any penalty, upon 60 days' written notice, (1) by the vote of a majority of the outstanding voting securities of the Company, (2) by the vote of the Board, (3) by Barings, or (4) by BIIL. The Sub-Advisory Agreement will automatically terminate in the event of its or the Investment Advisory Agreement's "assignment" (as such term is defined for purposes of Section 15(a)(4) of the 1940 Act) or upon termination of the Investment Advisory Agreement.

Administration Agreement

Barings also serves as our administrator. The Administrator may also enter into one or more agreements with third parties for them to provide certain administrative services to us.

Under the terms of the Administration Agreement, Barings (in its capacity as our administrator) performs (or oversees, or arranges for, the performance of) the administrative services necessary for the operation of the Company, including, but not limited to, providing office facilities, equipment, clerical, bookkeeping and record-keeping services at such office facilities and such other services as Barings, subject to review by the Board, from time to time, determines to be necessary or useful to perform its obligations under the Administration Agreement. Barings also, on behalf of the Company and subject to oversight by the Board, arranges for the services of, and oversees, custodians, depositories, transfer agents, dividend disbursing agents, other stockholder servicing agents, accountants, attorneys, underwriters, brokers and dealers, corporate fiduciaries, insurers, banks and such other persons in any such other capacity deemed to be necessary or desirable.

The Company reimburses Barings for the costs and expenses incurred by it in performing its obligations and providing personnel and facilities under the Administration Agreement in an amount negotiated and mutually agreed to by the Company and Barings quarterly in arrears. In no event will the agreed-upon quarterly expense amount exceed the amount of expenses that would otherwise be reimbursable by the Company under the Administration Agreement for the applicable quarterly period, and Barings will not be entitled to the recoupment of any amounts in excess of the agreed-upon quarterly expense amount. The costs and expenses incurred by Barings on behalf of the Company under the Administration Agreement include, but are not limited to:

- the allocable portion of Barings' rent for the Company's Chief Financial Officer and the Chief Compliance Officer and their respective staffs, which is based upon the allocable portion of the usage thereof by such personnel in connection with their performance of administrative services under the Administration Agreement;
- the allocable portion of the salaries, bonuses, benefits and expenses of the Company's Chief Financial Officer and Chief Compliance Officer and their respective staffs, which is based upon the allocable portion of the time spent by such personnel in connection with performing administrative services for the Company under the Administration Agreement;
- the actual cost of goods and services used for the Company and obtained by Barings from entities not affiliated with the Company, which is reasonably allocated to the Company on the basis of assets, revenues, time records or other methods conforming with generally accepted accounting principles;
- all fees, costs and expenses associated with the engagement of a sub-administrator, if any; and
- costs associated with (a) the monitoring and preparation of regulatory reporting, including filings with the SEC and tax reporting, (b) the coordination and oversight of service provider activities and the direct cost of such contractual matters related thereto and (c) the preparation of all financial statements and the coordination and oversight of audits, regulatory inquiries, certifications and sub-certifications.

The Company bears all costs and expenses that are incurred in its operation and transactions and not specifically assumed by the Barings pursuant to the Investment Advisory Agreement.

Certain Terms of the Investment Advisory Agreement and Administration Agreement

The Investment Advisory Agreement has an initial term of two years from the Initial Effective Date. Thereafter, it shall continue automatically for successive one-year periods, provided that such continuance is specifically approved at least annually by (i) the vote of the Board, or by the vote of a majority of the outstanding voting securities of the Company and (ii) the vote of a majority of the Independent Directors. The Investment Advisory Agreement may be terminated at any time, without the payment of any penalty, upon 60 days' written notice, (i) by the vote of a majority of the outstanding voting securities of the Company or (ii) by the vote of the Board, or (iii) by Barings upon 90 days' written notice. The Investment Advisory Agreement will automatically terminate in the event of its "assignment" (as such term is defined for purposes of Section 15(a)(4) of the 1940 Act).

The Administration Agreement had an initial term of two years. Thereafter, it continues automatically for successive one-year periods so long as such continuance is specifically approved at least annually by the Board, including a majority of the Independent Directors. The Administration Agreement may be terminated at any time, without the payment of any penalty, by vote of the Board, or by Barings, upon 90 days' written notice to the other party. The Administration Agreement may not be assigned by a party without the consent of the other party.

Barings will not be liable for any action taken or omitted to be taken by it in connection with the performance of any of its duties or obligations under the Investment Advisory Agreement and the Administration Agreement, as applicable, provided that Barings will not be protected against any liability to the Company or its stockholders to which Barings would otherwise be subject by reason of fraud, willful misfeasance, bad faith or gross negligence on its part in the performance of its duties or by reason of the reckless disregard of its duties and obligations under the respective agreement. In addition, each of the Investment Advisory Agreement and the Administration Agreement provides that, absent fraud, willful misfeasance, bad faith or gross negligence in the performance of its duties or by reason of the reckless disregard of its duties and obligations under the respective agreement, Barings, and its officers, managers, partners, agents, employees, controlling persons, members and any other person or entity affiliated with Barings (collectively, the "Indemnified Parties"), are entitled to indemnification from the Company for any damages, liabilities, costs, demands, charges, claims and expenses (including reasonable attorneys' fees and amounts reasonably paid in settlement) incurred by the Indemnified Parties in or by reason of any pending, threatened or completed action, suit, investigation or other proceeding (including an action or suit by or in the right of the Company or its security holders) arising out of any actions or omissions or otherwise based upon the performance of any of Barings' duties or obligations under the Investment Advisory Agreement or the Administration Agreement, as applicable, or otherwise as an investment adviser or administrator of the Company. Barings' services under the Investment Advisory Agreement and the Administration Agreement are not exclusive, and Barings is generally free to furnish similar services to other entities so long as its performance under the Investment Advisory Agreement is not adversely affected.

Expense Support and Conditional Reimbursement Agreement

We have entered into the Expense Support Agreement with Barings, pursuant to which Barings may elect to make Expense Payments on the Company's behalf, including organization and offering expenses, provided that no portion of the payment will be used to pay any interest expense or any distribution and/or shareholder servicing fees of the Company. Any Expense Payment that Barings commits to pay must be paid by Barings to us in any combination of cash or other immediately available funds no later than forty-five days after such commitment is made in writing, and/or offset against amounts due from us to Barings or its affiliates.

Following any calendar quarter in which Available Operating Funds (as defined below) exceed the cumulative distributions accrued to the Company's stockholders based on distributions declared with respect to record dates occurring in such calendar quarter (the amount of such excess referred to in this Memorandum as "Excess Operating Funds"), the Company will pay such Excess Operating Funds, or a portion thereof, to Barings until such time as all Expense Payments made by Barings to the Company within three years prior to the last business day of such calendar quarter have been reimbursed. Any payments required to be made by us under the Expense Support Agreement are be referred to in this Memorandum as a "Reimbursement Payment." "Available Operating Funds" means the sum of (i) our net investment company taxable income (including net short-term capital gains reduced by net long-term capital losses), (ii) our net capital gains (including the excess of net long-term capital gains over net short-term capital losses) and

(iii) dividends and other distributions paid to us on account of investments in portfolio companies (to the extent such amounts listed in clause (iii) are not included under clauses (i) and (ii) above).

The amount of the Reimbursement Payment for any calendar quarter will equal the lesser of (i) the Excess Operating Funds in such quarter and (ii) the aggregate amount of all Expense Payments made by Barings to the Company within three years prior to the last business day of such calendar quarter that have not been previously reimbursed by the Company to Barings; provided that Barings may waive its right to receive all or a portion of any Reimbursement Payment in any particular calendar quarter, in which case such waived amount will remain unreimbursed Expense Payments reimbursable in future quarters pursuant to the terms of the Expense Support Agreement.

Our obligation to make a Reimbursement Payment will automatically become a liability of the Company on the last business day of the applicable calendar quarter, except to the extent Barings has waived its right to receive such payment for the applicable quarter. The Reimbursement Payment for any calendar quarter will be paid by us to Barings in any combination of cash or other immediately available funds as promptly as possible following such calendar quarter and in no event later than forty-five days after the end of such calendar quarter.

Either Barings or us may terminate the Expense Support Agreement at any time, with or without notice, without the payment of any penalty, provided that any Expense Payments that have not been reimbursed by us to Barings will remain the obligation of the Company following any such termination, subject to the terms of the Expense Support Agreement.

X. DESCRIPTION OF SHARES AND CERTAIN PROVISIONS OF MARYLAND LAW AND OUR ARTICLES OF INCORPORATION AND BYLAWS

This Memorandum contains a summary of our capital stock and is not meant to be a complete description. However, this Memorandum, the Company's organizational documents, and the accompanying subscription documents contain the material terms and conditions for the shares of common stock being offered hereunder. The following description is based on relevant portions of the MGCL and in our Articles of Incorporation and Bylaws.

General

Our authorized stock consists of 499,950,000 shares of common stock, par value $0.001 per share, and 50,000 shares of preferred stock, $0.001 par value per share. There are no outstanding options or warrants to purchase our stock. No stock has been authorized for issuance under any equity compensation plans. Under Maryland law, our stockholders generally are not personally liable for our debts or obligations.

Our Articles of Incorporation provide that a majority of our Board, without any action by stockholders, may amend the Articles of Incorporation from time to time to increase or decrease the aggregate number of shares of stock or the number of shares of stock of any class or series that we have authority to issue. If shares of one class or series of stock are classified or reclassified into shares of another class or series of stock pursuant to our Articles of Incorporation, the number of authorized shares of the former class or series will be automatically decreased and the number of shares of the latter class or series will be automatically increased, in each case by the number of shares so classified or reclassified, so that the aggregate number of shares of stock of all classes and series that we have authority to issue will not be more than 500,000,000 shares in total.

Common Stock

All shares of our common stock have equal rights as to voting and, when they are issued, will be duly authorized, validly issued, fully paid and non-assessable. Dividends and distributions may be paid to the holders of our common stock if, as and when authorized by our Board and declared by us out of funds legally available therefore. Except as may be provided by the Board in setting the terms of classified or reclassified shares, shares of our common stock have no preemptive, exchange, conversion, or subscription or redemption rights and are freely transferable, except when their transfer is restricted by the Articles of Incorporation, federal and state securities laws or by contract (including any subscription agreement pursuant to which an investor received shares of common stock). In the event of our liquidation, dissolution or winding up, each share of our common stock would be entitled to share ratably in all of our assets that are legally available for distribution after we pay all debts and other liabilities and subject to any preferential rights of holders of our preferred stock, if any preferred stock is outstanding at such time. Subject to the rights of holders of any other class or series of shares, each share of our common stock is entitled to one vote on all matters submitted to a vote of stockholders, including the election of directors, and will vote as a single class. Except as may be provided by the Board in setting the terms of classified or reclassified shares, and subject to the express terms of any class or series of preferred shares, the holders of our common stock will possess exclusive voting power. There is no cumulative voting in the election of directors.

Transfer and Resale Restrictions

Our common stock will not be registered under the Securities Act. The shares of common stock issued in this Private Offering are expected to be exempt from registration requirements pursuant to Section 4(a)(2) of the Securities Act, Regulation D promulgated thereunder and Regulation S under the Securities Act.

Because our shares of common stock are being acquired by investors in one or more transactions "not involving a public offering," they are "restricted securities." The shares of common stock offered hereby may not be sold or transferred (i) except as permitted under the Subscription Agreement, including in connection with transfers to the Company in connection with the Company's share repurchase program and (ii) unless they are registered under the Securities Act and under any other applicable securities laws or an exemption from such registration thereunder is available (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 the common stock until we are liquidated. No sale, transfer, assignment, pledge or other disposition, whether voluntary or involuntary, of the common stock 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 the common stock and to execute such other instruments or certifications as are reasonably required by us.

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

Our Articles of Incorporation contain a provision which eliminates directors' and officers' liability to the Company or our stockholders for money damages to the maximum extent permitted by Maryland law, subject to the requirements of the 1940 Act.

Maryland law requires a Maryland corporation (unless its articles of incorporation provide otherwise, which our Articles of Incorporation do not) to indemnify a director or officer who has been successful in the defense of any proceeding to which he or she is made, or threatened to be made, a party by reason of his or her service in that capacity. Maryland law permits a Maryland corporation to include in its articles of incorporation a provision indemnifying any director or officer made a party to a proceeding by reason of his or her service in such capacity until such time as it is "established" that (i) the act or omission of the director or officer was committed in bad faith or was the result of active and deliberate dishonesty and was material to the matter giving rise to the proceeding; (ii) the individual actually received an improper personal benefit in money, property, or services; or (iii) in the case of any criminal proceeding, the individual had reasonable cause to believe that the act or omission was unlawful.

However, under Maryland law, a Maryland corporation may not indemnify for an adverse judgment in a suit by or in the right of the corporation or for a judgment of liability on the basis that a personal benefit was improperly received unless, in either case, a court orders indemnification, and then only for expenses. In addition, Maryland law permits a corporation to advance reasonable expenses to a director or officer in advance of final disposition of a proceeding upon the corporation's receipt of (a) a written affirmation by the director or officer of his or her good faith belief that he or she has met the standard of conduct necessary for indemnification by the corporation and (b) a written undertaking by him or her or on his or her behalf to repay the amount paid or reimbursed by the corporation if it is ultimately determined that the standard of conduct was not met.

Our Articles of Incorporation require us, to the maximum extent permitted by Maryland law and subject to the requirements of the 1940 Act, to indemnify and pay or reimburse reasonable expenses in advance of final disposition of a proceeding to (a) any individual who is a present or former director or officer of the Company who is made or threatened to be made a party to a proceeding by reason of his or her service in that capacity, or (b) any individual who, while a director or officer of the Company and at the request of the Company, serves or has served as a director, officer, partner, member, manager or trustee of another corporation, real estate investment trust, partnership, joint venture, limited liability company, trust, employee benefit plan or other enterprise and who is made or threatened to be made a party to a proceeding by reason of his or her service in that capacity. The Company has the power, with the approval of our Board, to provide such indemnification and advancement of expenses to a person who served a predecessor of the Company in any of the capacities described in (a) or (b) above and to any employee or agent of the Company or a predecessor of the Company. Our Board may take such actions as necessary to carry out these provisions.

Notwithstanding the foregoing, any advancement of expenses pursuant to the Articles of Incorporation will not be made to any person except upon, and only upon, delivery to the Company of (a) a written affirmation by such person of his or her good faith belief that the standard of conduct necessary for indemnification by the Company under the MGCL has been met and (B) a written undertaking by or on behalf of such person to repay any advancement of expenses if it ultimately is determined by a final, non-appealable judicial decision that such person has not met the applicable standard of conduct necessary for indemnification under the MGCL. Any such undertaking will be an unlimited, non-interest bearing general obligation of such person but need not be secured and will be accepted by the Company without reference to the financial ability of such person to make repayment.

In accordance with the 1940 Act, we will not indemnify any person for any liability to which such person would be subject by reason of such person's willful misfeasance, bad faith, gross negligence or reckless disregard of the duties involved in the conduct of his or her office.

We have entered into indemnification agreements with our directors and executive officers. The indemnification agreements provide our directors and executive officers the maximum indemnification permitted under the MGCL and the 1940 Act.

Maryland Anti-takeover Law

The MGCL and our Articles of Incorporation and Bylaws contain provisions that could make it more difficult for a potential acquirer to acquire us by means of a tender offer, proxy contest or otherwise, the material ones of which are discussed below. These provisions are expected to discourage certain coercive takeover practices and inadequate takeover bids and to encourage persons seeking to acquire control of us to negotiate first with our Board. We expect the benefits of these provisions to outweigh the potential disadvantages of discouraging any such acquisition proposals because, among other things, the negotiation of such proposals may improve their terms.

Classified Board of Directors

Our Board is divided into three classes of directors serving staggered three-year terms, with the term of office of only one of the classes expiring each year. At each annual meeting of stockholders, directors of the class of directors whose term expires at such meeting will be elected to hold office for a term expiring at the third succeeding annual meeting of stockholders following the meeting at which they were elected and until their successors are duly elected and qualified. A classified board may render a change in control of the Company or removal of our incumbent management more difficult. We believe, however, that the longer time required to elect a majority of a classified board of directors helps to ensure the continuity and stability of our management and policies.

Election of Directors

Our Bylaws provide that the affirmative vote of the holders of a plurality of all votes cast at a meeting of stockholders duly called, and at which a quorum is present, will be required to elect a director.

Number of Directors; Vacancies; Removal

Our Articles of Incorporation and Bylaws provide that the number of directors will be set only by the Board. Our Bylaws provide that a majority of our entire Board may at any time increase or decrease the number of directors. However, the number of directors may never be less than the minimum number required by the MGCL nor, unless our Bylaws are amended, more than 15. We have elected to be subject to the provision of Subtitle 8 of Title 3 of the MGCL regarding the filling of vacancies on the Board. Accordingly, except as may be provided by our Board in setting the terms of any class or series of stock, any and all vacancies on the Board, including a vacancy resulting from an enlargement of the Board, may be filled only by the affirmative vote of a majority of the remaining directors in office, even if the remaining directors do not constitute a quorum, and any director elected to fill a vacancy will serve for the remainder of the full term of the directorship in which the vacancy occurred and until a successor is elected and qualifies, subject to any applicable requirements of the 1940 Act. Our Articles of Incorporation provide that a director may be removed only for cause, as defined in our Articles of Incorporation, and then only by the affirmative vote of at least two-thirds of the votes entitled to be cast in the election of directors.

Action by Stockholders

Under the MGCL, stockholder action can be taken only at an annual or special meeting of stockholders or (unless the articles of incorporation provide for stockholder action by less than unanimous written consent, which our Articles of Incorporation do not) by unanimous written consent in lieu of a meeting. These provisions, combined with the requirements of our Bylaws regarding the calling of a stockholder-requested special meeting of stockholders discussed below, may have the effect of delaying consideration of a stockholder proposal indefinitely.

Advance Notice Provisions for Stockholder Nominations and Stockholder Proposals

Our Bylaws provide that with respect to an annual meeting of stockholders, nominations of persons for election to the Board and the proposal of business to be considered by stockholders may be made only (1) pursuant to the Company's notice of meeting, (2) by or at the direction of the Board or (3) by any stockholder of the Company who was a stockholder of record both at the time of giving of notice under the Bylaws and at the time of the annual meeting, who is entitled to vote at the meeting in the election of each individual so nominated or on any such other business and who has complied with the advance notice provisions and informational requirements of the Bylaws. With respect to special meetings of stockholders, only the business specified in our notice of the meeting may be brought before the meeting. Nominations of persons for election to the Board at a special meeting may be made only (1) by or at the direction of the Board or (2) provided that the special meeting has been called in accordance with our Bylaws for the purposes of electing directors, by a stockholder who was a stockholder of record at the time of provision of notice under the Bylaws, at the record date set by the Board for purposes of the meeting and at the time of the meeting, who is entitled to vote at the meeting and who has complied with the advance notice provisions and informational requirements of the Bylaws.

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

Calling of Special Meetings of Stockholders

Our Bylaws provide that special meetings of stockholders may be called by our Board, its chairman and certain of our officers. Additionally, our Bylaws provide that, subject to the satisfaction of certain procedural and informational requirements by the stockholders requesting the meeting, a special meeting of stockholders will be called by the Company’s secretary upon the written request of stockholders entitled to cast not less than a majority of all the votes entitled to be cast at such meeting.

Approval of Extraordinary Corporate Action; Amendment of Articles of Incorporation and Bylaws

Under Maryland law, a Maryland corporation generally cannot dissolve, amend its articles of incorporation, merge, sell all or substantially all of its assets, engage in a share exchange or engage in similar transactions outside the ordinary course of business, unless approved by the affirmative vote of stockholders entitled to cast at least two-thirds of the votes entitled to be cast on the matter. However, a Maryland corporation may provide in its articles of incorporation for approval of these matters by a lesser percentage, but not less than a majority of all of the votes entitled to be cast on the matter. Our Articles of Incorporation provide that, except with respect to removal of directors, approval of certain amendments to the Articles of Incorporation and approval of certain extraordinary actions, any action will be effective and valid if declared advisable by the Board and taken or approved by the affirmative vote of stockholders entitled to cast a majority of all the votes entitled to be cast on the matter.

Under our Articles of Incorporation, the following extraordinary actions and amendments to the Articles of Incorporation generally require the affirmative vote of the stockholders entitled to cast at least 80% of the votes entitled to be cast generally in the election of directors, with holders of each class or series of shares voting as a separate class: (a) any amendment to the Articles of Incorporation to make the shares of common stock “redeemable securities” and any other proposal to convert the Company to an “open-end company” (as defined in the 1940 Act); (b) the liquidation or dissolution of the Company and any amendment to the Articles of Incorporation to effect such liquidation or dissolution; (c) any amendment to, or any amendment inconsistent with the provisions of Section 5.1, 5.2, 5.7, 6.6, 7.1 or 7.2 of the Articles of Incorporation; (d) any merger, consolidation, conversion, share exchange or sale or exchange of all or substantially all of the assets of the Company that the MGCL requires be approved by the stockholders; and (e) any transaction between (1) the Company and (2) a person, or group of persons acting together (including, without limitation, a “group” for purposes of Section 13(d) of the Exchange Act or any successor provision) that is entitled to exercise or direct the exercise, or acquire the right to exercise or direct the exercise, directly or indirectly, other than solely by virtue of a revocable proxy, of one-tenth or more of the voting power in the election of directors generally, or any person controlling, controlled by or under common control with, or employed by or acting as an agent of, any such person or member of such group.

However, if the Continuing Directors (as defined below) of the Company, by a vote of at least a majority of such Continuing Directors, in addition to approval by our Board, approve such proposal, transaction or amendment referred to in clauses (a)-(e) in the preceding paragraph, the affirmative vote of the holders of a majority of the votes entitled to be cast on the matter will be sufficient to approve such proposal, transaction or amendment. In addition, with respect to any transaction referred to in clause (b) of the preceding paragraph, if such transaction is approved by the Continuing Directors, by a vote of at least majority of such Continuing Directors, no stockholder approval of the transaction will be required unless the MGCL, the 1940 Act or another provision of the Articles of Incorporation or Bylaws otherwise requires such approval. "Continuing Directors" means (i) the directors identified in the Articles of Incorporation, (ii) the directors who are nominated for election by the Board to fill vacancies on the Board and approved by a majority of the directors identified in the Articles of Incorporation or (iii) any successor directors nominated for election and approved by a majority of the Continuing Directors or successor Continuing Directors, who are on the Board at the time of the nomination or election, as applicable.

Our Articles of Incorporation provide that the Board has the exclusive power to make, alter, amend or repeal any provision of our Bylaws.

No Appraisal Rights

Except with respect to appraisal rights arising in connection with the Control Share Act discussed below, as permitted by the MGCL, our Articles of Incorporation provide that stockholders will not be entitled to exercise appraisal rights unless a majority of the Board determines such rights apply.

Control Share Acquisitions

The MGCL provides that control shares of a Maryland corporation acquired in a control share acquisition have no voting rights except to the extent approved by a vote of two-thirds of the votes entitled to be cast on the matter, excluding all interested shares (the "Control Share Act"). Shares owned by the acquirer, by officers or by directors who are employees of the corporation are excluded from shares entitled to vote on the matter. Control shares are voting shares of stock which, if aggregated with all other shares of stock owned by the acquirer or in respect of which the acquirer is able to exercise or direct the exercise of voting power (except solely by virtue of a revocable proxy), would entitle the acquirer to exercise voting power in electing directors within one of the following ranges of voting power:

- one-tenth or more but less than one-third;
- one-third or more but less than a majority; or
- a majority or more of all voting power.

The requisite stockholder approval must be obtained each time an acquirer crosses one of the thresholds of voting power set forth above. Control shares do not include shares the acquiring person is then entitled to vote as a result of having previously obtained stockholder approval. A control share acquisition means the acquisition of control shares, subject to certain exceptions.

A person who has made or proposes to make a control share acquisition may compel the Board of the corporation to call a special meeting of stockholders to be held within 50 days of demand to consider the voting rights of the shares. The right to compel the calling of a special meeting is subject to the satisfaction of certain conditions, including an undertaking to pay the expenses of the meeting. If no request for a meeting is made, the corporation may itself present the question at any stockholders meeting.

If voting rights are not approved at the meeting or if the acquiring person does not deliver an acquiring person statement as required by the statute, then the corporation may redeem for fair value any or all of the control shares, except those for which voting rights have previously been approved. The right of the corporation to redeem control shares is subject to certain conditions and limitations, including, as provided in our Bylaws, compliance with the 1940 Act. Fair value is determined, without regard to the absence of voting rights for the control shares, as of the date of the last control share acquisition by the acquirer or of any meeting of stockholders at which the voting rights of the shares are considered and not approved. If voting rights for control shares are approved at a stockholders meeting and the acquirer becomes entitled to vote a majority of the shares entitled to vote, all other stockholders may exercise appraisal rights. The fair value of the shares as determined for purposes of appraisal rights may not be less than the highest price per share paid by the acquirer in the control share acquisition.

The Control Share Act does not apply (a) to shares acquired in a merger, consolidation or share exchange if the corporation is a party to the transaction or (b) to acquisitions approved or exempted by the articles of incorporation or bylaws of the corporation. Our Bylaws contain a provision exempting from the Control Share Act any and all acquisitions by any person of our shares of stock. There can be no assurance that such provision will not be amended or eliminated at any time in the future. However, we will amend our Bylaws to be subject to the Control Share Act only if the Board 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.

Business Combinations

Under subtitle 6 of Title 3 of the MGCL (the "Business Combination Act"), "business combinations" between a Maryland corporation and an interested stockholder or an affiliate of an interested stockholder are prohibited for five years after the most recent date on which the interested stockholder becomes an interested stockholder. These business combinations include a merger, consolidation, share exchange or, in circumstances specified in the statute, an asset transfer or issuance or reclassification of equity securities. An interested stockholder is defined as:

- any person who beneficially owns 10% or more of the voting power of the corporation's shares; or
- any affiliate or associate of the corporation who, at any time within the two-year period prior to the date in question, was the beneficial owner of 10% or more of the voting power of the then outstanding voting stock of the corporation.

A person is not an interested stockholder under this statute if the board of directors approved in advance the transaction by which he otherwise would have become an interested stockholder. However, in approving a transaction, the board of directors may provide that its approval is subject to compliance, at or after the time of approval, with any terms and conditions determined by the board.

After the five-year prohibition, any business combination between the corporation and an interested stockholder generally must be recommended by the board of directors of the corporation and approved by the affirmative vote of at least:

- 80% of all the votes entitled to be cast by outstanding shares of voting stock, voting together as a single voting group; and
- two-thirds of the votes entitled to be cast by holders of voting stock other than voting stock held by an "interested stockholder" who is (or whose affiliate is) a party to the business combination or by an affiliate or associate of the interested stockholder, voting together as a single group.

Any dissenting stockholder in the above-described super-majority votes must be paid in accordance with the "fair price" formula described in the Business Combination Act, rather than at fair market value. These super-majority vote requirements do not apply if the corporation's common stockholders receive from the bidder a minimum "fair price," as defined under the MGCL, for their shares in the form of cash or other consideration in the same form as previously paid by the interested stockholder for its shares.

The statute permits various exemptions from its provisions, including business combinations that are exempted by the board of directors before the time that the interested stockholder becomes an interested stockholder. Our Board has adopted resolutions that (1) any business combination between us and any person who acquired shares of our Common Stock only in connection with our private placement of Common Stock is exempted from the provisions of the Business Combination Act, and (2) any business combination between us and any other person is exempted from the provisions of the Business Combination Act, provided that the business combination is first approved by our Board. These resolutions, however, may be altered or repealed, in whole or in part, at any time. If these resolutions are repealed, or our Board does not otherwise approve a business combination, the statute may discourage others from trying to acquire control of us and increase the difficulty of consummating any offer.

Conflicts with 1940 Act

Our Bylaws provide that, if and to the extent that any provision of the MGCL, including the Control Share Act (if we amend our Bylaws to be subject to such Act) and the Business Combination Act, or any provision of our Articles of Incorporation or Bylaws conflicts with any provision of the 1940 Act, the applicable provision of the 1940 Act will control.

Exclusive Forum

Under our Bylaws, unless we consent in writing to the selection of a different forum, the Circuit Court for Baltimore City, Maryland (the "Maryland Circuit Court") or the state court located within Charlotte, North Carolina (the "NC State Court"), or, if neither of these courts have jurisdiction, the United States District Court for the District of Maryland, Baltimore Division or the United States District Court for the Western District of North Carolina, will be the sole and exclusive forum for (a) any derivative action or proceeding brought on behalf of the Company, (b) any action asserting an internal corporate claim (as defined in the MGCL) or (c) any other action asserting a claim against the Company or any director or officer or other employee of the Company that is governed by the internal affairs doctrine. Any stockholder (or beneficial owner of stock) who is a party to any action or proceeding governed by the exclusive forum provision of our Bylaws will be deemed to have consented to the jurisdiction of the foregoing courts solely for the purpose of adjudicating any action or proceeding governed by the exclusive forum provision of our Bylaws. With respect to an action or proceeding in the Maryland Circuit Court and the NC State Court governed by the exclusive forum provision of our Bylaws, the Company and our stockholders (or beneficial owners of stock) will be deemed to have consented to the assignment of the action or proceeding to the Business and Technology Case Management Program for the State of Maryland (or any successor program governing complex corporate proceedings) and the North Carolina Business Court, respectively.

XI. POTENTIAL CONFLICTS OF INTEREST

Various potential and actual conflicts of interest may arise from the overall investment activities of Barings for their own accounts and for the accounts of others. The following briefly summarizes some of these conflicts, but is not intended to be an exhaustive list of all such conflicts.

Conflicts Relating to Barings

Barings, its affiliates, its partners and employees (collectively, "Barings Affiliates") may engage in any other business and furnish investment management and advisory services and other types of services to others which may include, without limitation, serving as investment manager or sponsor of other collective investment vehicles or managed accounts that acquire interests in, provide financing to or otherwise deal in securities or other investments that would be suitable investments for the Company. In addition, Barings Affiliates may invest for their own account in the types of investments in which the Company may invest or manage certain investment vehicles in which they may hold such investments in a principal capacity. Barings Affiliates furnish investment management or advisory services to other persons with investment policies similar or different to those of the Company, including, but not limited to, BBDC and BCIC. Such persons may own securities or other instruments of the same class or type or which may be senior to those held by the Company, and they have incentives, financial or otherwise, to favor certain accounts or vehicles over others. There is no assurance that accounts with similar strategies or investment objectives will hold the same investments or perform in a similar manner. This and other future activities of Barings Affiliates may give rise to additional conflicts of interest.

Situations may occur where the Company could be disadvantaged because of the investment activities conducted by Barings Affiliates for other investment accounts. Barings Affiliates may face conflicts of interest in managing the underlying investments, to the extent that an investment decision that benefits one Barings fund or account (including the Company) may disadvantage another. For example, it may be in the best interest of a co-investing fund or account to sell an investment while being in the best interest of the Company to continue to hold it (and vice versa). In addition, investments by the Company alongside other Barings funds may result in the incurrence of additional investment expense and delays as a result of the greater structural complexity faced by Barings Affiliates in seeking to address the needs of multiple funds and/or accounts, which may have investment objectives and/or sensitivities that conflict or are otherwise at odds with one another.

Subject to 1940 Act restrictions, from time to time, Barings may acquire for other investment accounts, or for its own account or the accounts of employees, securities or other financial instruments of an issuer which are senior or junior to securities or financial instruments of the same issuer that are held by, or acquired for, the Company, and in such capacity, may have interests that are adverse or different to those of the Company. Additionally, the differing investment programs and projected investment horizons of the Company and the investment accounts managed by Barings may result in the Company taking positions in securities that conflict with positions in such securities taken by other accounts managed by Barings Affiliates, including variations in timing of transactions in such securities and the simultaneous holding by the Company and other accounts of Barings Affiliates of long and short positions relating to the same security. Barings Affiliates may have ongoing relationships with issuers whose securities or assets are held by or are being considered for the Company. Due to their various activities, any of the Barings Affiliates may be in possession of confidential information or material, non-public information or be otherwise restricted from effecting transactions for the Company that otherwise might have been initiated. At times, Barings Affiliates, in an effort to avoid such restrictions, may elect not to receive information, even if advantageous to the Company, that other market participants or counterparties have received or are eligible to receive.

Barings Personnel

Barings' professional staff devote such time and effort in conducting activities on behalf of the Company as Barings' reasonably determines appropriate to perform its duties to the Company. However, our Barings' employees, including the U.S. Investment Team, serve, or may serve, as officers, directors, members, or principals of entities that operate in the same or a related line of business as we do, or of investment funds, accounts, or investment vehicles managed by Barings Affiliates.

Investment Advisory Agreement

In the course of our investing activities, we will pay management and incentive fees to Barings. We have entered into an Investment Advisory Agreement with Barings that provides that a portion of these fees is based on the value of our gross assets. As a result, investors in our common stock will invest on a "gross" basis and receive distributions on a "net" basis after expenses, resulting in a lower rate of return than one might achieve through direct investments. Because these fees are based on the value of our gross assets, Barings will benefit when we incur debt or use leverage. Additionally, under the incentive fee structure, Barings may benefit when capital gains are recognized and, because Barings will determine when to sell a holding, Barings will control the timing of the recognition of such capital gains. As a result of these arrangements, there may be times when the management team of Barings has interests that differ from those of our stockholders, giving rise to a conflict. Furthermore, there is a risk Barings will make more speculative investments in an effort to receive this payment.

The incentive fee payable to Barings is computed and paid on income that may include interest income that has been accrued but not yet received in cash. This fee structure may give rise to a conflict of interest for Barings to the extent that it encourages Barings to favor debt financings that provide for deferred interest, rather than current cash payments of interest. Barings may have an incentive to invest in deferred interest securities in circumstances where it would not have done so but for the opportunity to continue to earn the incentive fee even when the issuers of the deferred interest securities would not be able to make actual cash payments to us on such securities. This risk could be increased because, under our Investment Advisory Agreement, Barings is not obligated to reimburse us for incentive fees it receives even if we subsequently incur losses or never receive in cash the deferred income that was previously accrued.

Many of our portfolio investments will be in the form of loans and securities that are not publicly traded and for which no market based price quotation is available. As a result, our Board (or its valuation designee pursuant to Rule 2a-5 under the 1940 Act) will determine the fair value of these loans and securities in good faith as described in "*Section VI—Risk Factors—Risks Relating to Our Business and Structure—Our investment portfolio is and will continue to be recorded at fair value as determined in accordance with the Investment Adviser's valuation policies and procedures and, as a result, there is and will continue to be uncertainty as to the value of our portfolio investments.*" In connection with that determination, the valuations provided to the Board or valuation designee may be based upon the most recent portfolio company financial statements available and projected financial results of each portfolio company. While the valuation for our loans and equity investments that are not syndicated or for which market quotations are not readily available, including middle-market loans, will generally be submitted to an independent provider to perform an independent valuation as of the end of each quarter, the ultimate determination of fair value will be made by our Board or valuation designee and not by such third-party valuation firm. In addition, our directors who are not Independent Directors have indirect ownership and pecuniary interests in Barings. The participation of Barings' investment professionals in the valuation process for our portfolio investments, and the pecuniary interest in Barings by certain members of our Board, could result in a conflict of interest as Barings' management fee is based on the value of our gross assets, and our incentive fees may be affected by realized gains and realized and unrealized losses.

Administration Agreement

We have entered into an Administration Agreement with Barings pursuant to which Barings furnishes us with office facilities and equipment and provides us with the clerical, bookkeeping, recordkeeping and other administrative services necessary to conduct day-to-day operations. Under this Administration Agreement, Barings performs, or oversees the performance of, our required administrative services, which include, among other things, being responsible for the financial records which we are required to maintain and preparing reports to our stockholders and reports filed with the SEC. Certain of our officers and directors own indirect pecuniary interests in Barings.

The Company reimburses Barings for the costs and expenses incurred by it in performing its obligations and providing personnel and facilities under the Administration Agreement in an amount negotiated and mutually agreed to by the Company and Barings quarterly in arrears. In no event will the agreed-upon quarterly expense amount exceed the amount of expenses that would otherwise be reimbursable by the Company under the Administration Agreement for the applicable quarterly period, and Barings will not be entitled to the recoupment of any amounts in excess of the agreed-upon quarterly expense amount. See "*Section IX—Investment Advisory Agreement; Administration Agreement; Expense Support*" for more information.

Barings may enter into one or more agreements with third parties for them to provide certain administrative services to the Company.

Conflicts Relating to the Purchase and Sale of Investments

Allocation of Investment Opportunities

Except as may be required by the terms of the Exemptive Relief, none of the Barings Affiliates is under any obligation to offer investment opportunities of which it becomes aware to the Company or to account to the Company or share with the Company or inform the Company of any investments before offering investments to other funds or accounts that Barings manages or advises. Furthermore, Barings Affiliates may make an investment on behalf of any account they manage or advise without offering the investment opportunity to, or making any investment on behalf of, the Company, and Barings Affiliates may make an investment on their own behalf without offering the investment opportunity to the Company, subject to the terms of Barings' allocation policies and procedures and compliance with the terms and conditions under the Exemptive Relief. Affirmative obligations exist or may arise in the future, whereby Barings Affiliates are obligated to offer certain investments to funds or accounts that Barings Affiliates manage or advise before or without Barings Affiliates offering those investments to the Company. In addition, Barings may make investments on behalf of the Company in securities or other assets that it has declined to invest in for its own account, the account of any of its affiliates or the account of its other clients.

The 1940 Act generally prohibits BDCs from making certain negotiated co-investments with certain affiliates absent an order from the SEC permitting the BDC to do so. Pursuant to Barings' Exemptive Relief, the Company is generally permitted to co-invest with funds affiliated with Barings if a "required majority" (as defined in Section 57(o) of the 1940 Act) of the Company's independent directors make certain conclusions in connection with a co-investment transaction, including that (1) the terms of the transaction, including the consideration to be paid, are reasonable and fair to the Company and its stockholders and do not involve overreaching in respect of the Company or its stockholders on the part of any person concerned and (2) the transaction is consistent with the interests of the Company's stockholders and is consistent with the Company's investment objective and strategies. Co-investments made under the Exemptive Relief are subject to compliance with the conditions and other requirements contained in the Exemptive Relief, which could limit the Company's ability to participate in a co-investment transaction.

The Company's executive officers and the members of the Investment Committee, as well as the other principals of Barings, manage other funds affiliated with Barings, including BBDC, BCIC and other closed-end investment companies. In addition, Barings' investment team has responsibilities for managing U.S. and global middle-market debt investments for certain other investment funds and accounts. Accordingly, they have obligations to investors in those entities, the fulfillment of which may not be in the best interests of, or may be adverse to the interests of, the Company or its stockholders. In addition, certain of the other funds and accounts managed by Barings may provide for higher management or incentive fees, greater expense reimbursements or overhead allocations, or permit Barings and its affiliates to receive higher origination and other transaction fees, all of which may contribute to this conflict of interest and create an incentive for Barings to favor such other funds or accounts. Although the professional staff of Barings will devote as much time to the Company's management as appropriate to enable Barings to perform its duties in accordance with the Investment Advisory Agreement, the investment professionals of Barings may have conflicts in allocating their time and services among the Company, on the one hand, and the other investment vehicles managed by Barings or one or more of its affiliates on the other hand.

Barings may face conflicts in allocating investment opportunities between the Company and affiliated investment vehicles that have overlapping investment objectives with ours, including BBDC and BCIC. In addition, the Company may not be made aware of and/or be given the opportunity to participate in certain investments made by investment funds which are managed by advisers affiliated with Barings and do not participate in the co-investment program described in the Exemptive Relief. In situations where co-investment with other affiliated funds or accounts is not permitted or appropriate, Barings will need to decide which account will proceed with the investment in accordance with its allocation policies and procedures. Although Barings will endeavor to allocate investment opportunities in a fair and equitable manner in accordance with its allocation policies and procedures, it is possible that, in the future, the Company may not be given the opportunity to participate in investments made by investment funds managed by Barings or an investment manager affiliated with Barings if such investment is prohibited by the Exemptive Relief or the 1940 Act. These restrictions, and similar restrictions that limit the Company's ability to transact business with its officers or directors or their affiliates, including funds managed by Barings, may limit the scope of investment opportunities that would otherwise be available to the Company.

XII. CERTAIN BDC REGULATORY CONSIDERATIONS

The following is a general summary of the material regulatory provisions affecting BDCs. It does not purport to be a complete description of all of the laws and regulations affecting BDCs.

General

We have elected to be regulated as a BDC under the 1940 Act. A BDC is regulated under the 1940 Act and 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 its stockholders and from other sources to make long-term, private investments in businesses.

The 1940 Act provides that we may not change the nature of our business so as to cease to be, or to withdraw our election as, a BDC unless approved by a majority of our outstanding voting securities. The 1940 Act defines “a majority of the outstanding voting securities” as the lesser of (i) 67.0% or more of the voting securities present at a meeting if the holders of more than 50.0% of our outstanding voting securities are present or represented by proxy, or (ii) more than 50.0% of our outstanding voting securities. 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, of the Company or the Investment Adviser. Additionally, we are required to provide and maintain a bond issued by a reputable fidelity insurance company to protect the Company against larceny and embezzlement. 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 permitted, under specified conditions, to issue multiple classes of debt and one class of stock senior to our common stock if our asset coverage, as defined in the 1940 Act as the ratio of our total assets (less all liabilities and indebtedness not represented by senior securities) to our outstanding senior securities, is at least equal to 150% immediately after each such issuance. In addition, while any senior securities remain outstanding (other than senior securities representing indebtedness issued in consideration of a privately arranged loan which is not intended to be publicly distributed), 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 5.0% of the value of our total assets for temporary purposes without regard to asset coverage.

We may also be prohibited under the 1940 Act from knowingly participating in certain transactions, without the prior approval of our Independent Directors, with affiliates of the Company or the Investment Adviser and, in some cases, such transaction will require prior approval by the SEC. As a BDC, we are generally limited in our ability to invest in any portfolio company in which our Investment Adviser or any of its affiliates 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. Barings’ Exemptive Relief permits certain present and future funds, including us, advised by Barings (or an investment adviser controlling, controlled by or under common control with Barings) to co-invest in suitable negotiated investments. Co-investments made under the Exemptive Relief are subject to compliance with the conditions and other requirements contained in the Exemptive Relief, which could limit our ability to participate in a co-investment transaction.

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 expenses. Our investment portfolio is also subject to diversification requirements by virtue of our intention to be 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.

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. 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 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.

Under the 1940 Act, a BDC is subject to restrictions on the issuance, terms and amount of warrants, options or rights to purchase shares that it may have outstanding at any time. In particular, the amount of shares that would result from the conversion or exercise of all outstanding warrants, options or rights to purchase shares cannot exceed 25% of the BDC's total outstanding shares.

We will be periodically examined by the SEC for compliance with the 1940 Act.

As a BDC, we will be subject to certain risks and uncertainties. See "*Section VI—Risk Factors—Risks Relating to Our Business and Structure—Our investment portfolio is and will continue to be recorded at fair value as determined in accordance with the Investment Adviser's valuation policies and procedures and, as a result, there is and will continue to be uncertainty as to the value of our portfolio investments.*"

Qualifying Assets

We may invest up to 30% of our portfolio opportunistically in "non-qualifying assets", which will be driven primarily through opportunities sourced through the Investment Adviser. However, 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 total assets. The principal categories of qualifying assets relevant to our business are any of 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 and rules adopted pursuant thereto 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 with respect to which a broker or dealer may extend margin credit;

        ii. 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;

        iii. is a small and solvent company having total assets of not more than $4.0 million and capital and surplus of not less than $2.0 million;

        iv. does not have any class of securities listed on a national securities exchange; or

    v. 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 $250.0 million.

2. Securities in companies that were eligible portfolio companies when we made our initial investment if certain other requirements are satisfied.

3. Securities of any eligible portfolio company which we control.

4. 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).

5. 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.

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

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

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 in (1), (2), (3) or (4) above.

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 order to count portfolio securities as qualifying assets for the purpose of the 70.0% test, we 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) significant managerial assistance; except that, where we purchase 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 "significant managerial assistance" means, among other things, any arrangement whereby we offer to provide, and, if accepted, do so provide, significant guidance and counsel concerning the management, operations or business objectives and policies of a portfolio company. Barings provides such managerial assistance on our behalf to portfolio companies that request this assistance. We may receive fees for these services.

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 70.0% of our assets are qualifying assets. We may 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 that 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 25.0% of our total assets constitute repurchase agreements from a single counterparty, we would not meet the asset diversification tests required to maintain our tax treatment as a RIC for U.S. federal income tax purposes. Thus, we do not intend to enter into repurchase agreements with a single counterparty in excess of this limit. Our management team will monitor the creditworthiness of the counterparties with which we enter into repurchase agreement transactions.

Code of Ethics

We and Barings have adopted a code of ethics (the "Global Code of Ethics Policy"), and corporate governance guidelines, which collectively covers ethics and business conduct. These documents apply to our and Barings' directors, officers and employees, including our principal executive officer, principal financial officer, principal accounting officer or controller, and any person performing similar functions, and establish procedures for personal investments and restricts certain personal securities transactions. Personnel subject to the Global Code of Ethics Policy and corporate governance guidelines may invest in securities for their personal investment accounts, including securities that may be purchased or held by us, so long as such investments are made in accordance with the code's requirements. We will report any amendments to or waivers of a required provision of our Global Code of Ethics Policy under cover of a Current Report on Form 8-K.

Compliance Policies and Procedures

We and Barings have adopted and implemented written policies and procedures reasonably designed to prevent violation of the U.S. federal securities laws, and are required to review these compliance policies and procedures annually for their adequacy and the effectiveness of their implementation, and to designate a chief compliance officer to be responsible for administering such policies and procedures. Gerald Cummins serves as our Chief Compliance Officer.

Sarbanes-Oxley Act of 2002

We are subject to the reporting and disclosure requirements of the Exchange Act, including the filing of quarterly, annual and current reports, proxy statements and other required items. In addition, we are subject to the Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act"), which imposes a wide variety of regulatory requirements on SEC-registered companies and their insiders. Many of these requirements affect us. For example:

- pursuant to Rule 13a-14 under the Exchange Act, our Chief Executive Officer and Chief Financial Officer are required to certify the accuracy of the financial statements contained in our periodic reports;
- pursuant to Item 307 of Regulation S-K, our periodic reports are required to disclose our conclusions about the effectiveness of our disclosure controls and procedures;
- pursuant to Rule 13a-15 under the Exchange Act, our management is required to prepare an annual 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 under 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.

Proxy Voting Policies and Procedures

We delegate our proxy voting responsibilities to Barings. Barings votes proxies relating to our portfolio securities in a manner which we believe will be in the best interest of our stockholders. Barings reviews on a case-by-case basis each proposal submitted to a stockholder vote to determine its impact on the portfolio securities held by us. Although Barings generally votes against proposals that may have a negative impact on our portfolio securities, they may vote for such a proposal if there exists compelling long-term reasons to do so.

The proxy voting decisions of Barings are made by the investment professionals who are responsible for monitoring each of its clients' investments. To ensure that their vote is not the product of a conflict of interest, Barings requires that: (i) anyone involved in the decision making process disclose to our chief compliance officer 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 (ii) 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.

Stockholders may, without charge, obtain information regarding how we voted proxies with respect to our portfolio securities by making a written request for proxy voting information to: Chief Compliance Officer, 300 South Tryon Street, Suite 2500, Charlotte, North Carolina 28202 or by contacting our investor relations department at 1-888-401-1088 or bdcinvestorrelations@barings.com.

Privacy Principles

Barings and the Company look to protect nonpublic personal data and provides a copy of its privacy policy to stockholders regardless of whether they are natural persons. Barings LLC's Global Privacy Notice is available at www.barings.com.

JOBS Act

We will be, and expect to remain, an "emerging growth company," as defined in the JOBS Act, until the earliest of:

- the last day of our fiscal year in which the fifth anniversary of the date of the first sale of common equity securities pursuant to an effective registration statement;
- the end of the fiscal year in which our total annual gross revenues first equal or exceed $1.235 billion;
- the date on which we have, during the prior three-year period, issued more than $1.0 billion in non-convertible debt; and
- the last day of a fiscal year in which we (1) have an aggregate worldwide market value of shares of our common stock held by non-affiliates of $700.0 million or more, computed at the end of each fiscal year as of the last business day of our most recently completed second fiscal quarter and (2) have been an Exchange Act reporting company for at least one year (and filed at least one annual report under the Exchange Act).

Under the JOBS Act and the Dodd-Frank Wall Street Reform and Consumer Protection Act ("Dodd-Frank"), 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, until such time as we cease to be an emerging growth company and become an accelerated filer as defined in Rule 12b-2 under the Exchange Act. This may increase the risk that material weaknesses or other deficiencies in our internal control over financial reporting go undetected. In addition, under the JOBS Act, emerging growth companies can delay adopting new or revised accounting standards until such time as those standards apply to private companies. We intend to take advantage of the extended transition period.

Reporting Obligations

We will 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. Stockholders and the public may view the documents incorporated by reference and materials we file with the SEC, through its EDGAR page at http://www.sec.gov.

XIII. CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS

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 our shares. This summary does not purport to be a complete description of the income tax considerations applicable to us or to investors in such an investment. For example, we have not described tax consequences that we assume to be generally known by investors or certain considerations that may be relevant to certain types of holders subject to special treatment under U.S. federal income tax laws, including stockholders subject to the alternative minimum tax, tax-exempt organizations, insurance companies, dealers in securities, pension plans and trusts, financial institutions, U.S. stockholders (as defined below) whose functional currency is not the U.S. dollar, persons who mark-to-market our shares and persons who hold our shares as part of a "straddle," "hedge" or "conversion" transaction. This summary assumes that investors hold shares of our common stock as capital assets (within the meaning of the Code). The discussion is based upon the Code, Treasury regulations, and administrative and judicial interpretations, each as of the date of this Memorandum and all of which are subject to change, possibly retroactively, which could affect the continuing validity of this discussion. This summary does not discuss any aspects of U.S. estate or gift tax or foreign, state or local tax. It does not discuss the special treatment under U.S. federal income tax laws that could result if we invested in tax-exempt securities or certain other investment assets.

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

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

For purposes of our discussion, a "Non-U.S. stockholder" means a beneficial owner of shares of our common stock that is neither a U.S. stockholder nor a partnership (including an entity treated as a partnership for U.S. federal income tax purposes).

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

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

Election to be Taxed as a RIC

We have elected to be treated, and intend to qualify annually, as a RIC under Subchapter M of the Code. As a RIC, we generally will not pay corporate-level U.S. federal income taxes on any income or gains that we timely distribute as dividends to our stockholders. Rather, dividends we distribute generally will be taxable to our stockholders, and any net operating losses, foreign tax credits and other of our tax attributes generally will not pass through to our stockholders, subject to special rules for certain items such as net capital gains and qualified dividend income we recognize. See "*—Taxation of U.S. Stockholders*" *and* "*—Taxation of Non-U.S. Stockholders*," below.

To maintain our treatment as a RIC, we must, among other things, meet certain source-of-income and asset diversification requirements (as described below). In addition, maintain our treatment as a RIC, we must timely distribute dividends to our stockholders of an amount generally at least equal to 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), (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 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 are 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 corporate-level U.S. federal income tax, including the 4% U.S. federal excise tax described below.

Taxation as a RIC

If we qualify as a RIC and satisfy the Annual Distribution Requirement, then we will not be subject to U.S. federal income tax on the portion of our investment company taxable income and net capital gain (generally, net long-term capital gain in excess of net short-term capital loss) that we timely distribute (or are deemed to timely distribute) as dividends to our stockholders. We will be subject to U.S. federal income tax at the regular corporate rates on any income or capital gain not distributed (or deemed distributed) to our stockholders.

We generally will be subject to a 4% nondeductible U.S. federal excise tax on certain undistributed income or gains in respect of any calendar year unless we distribute dividends in a timely manner to our stockholders of an amount at least equal to the sum of (1) 98% of our net ordinary income (taking into account certain deferrals and elections) for the calendar year, (2) 98.2% of our capital gain net income (adjusted for certain ordinary losses) generally for the one-year period ending October 31 in such calendar year and (3) any net ordinary income and capital gain net income recognized, but not distributed, in preceding years (the "Excise Tax Avoidance Requirement"). Any distribution declared by us during October, November or December of any calendar year, payable to stockholders of record on a specified date in such a month and actually paid during January of the following calendar year, will be treated as if it had been paid by us, as well as received by our U.S. stockholders, on December 31 of the calendar year in which the distribution was declared. We will not be subject to the U.S. federal excise tax on amounts on which we are required to pay U.S. federal income tax (such as retained net capital gains). Depending upon the level of taxable income earned in a taxable year, we may choose to carry forward taxable income for distribution in the following taxable year and pay the applicable U.S. federal excise tax.

We may incur the 4% nondeductible U.S. federal excise tax in the future on a portion of our income and capital gains. While we intend to distribute income and capital gains to minimize exposure to 4% nondeductible U.S. federal excise tax, we may not be able to, or may choose not to, distribute amounts sufficient to avoid the imposition of the tax entirely. In that event, we generally will be liable for 4% nondeductible U.S. federal excise tax only on the amount by which we do not meet the Excise Tax Avoidance Requirement. We generally will endeavor in each taxable year to avoid any material U.S. federal excise tax on our earnings.

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

- qualify and have in effect an election to be treated as a BDC under the 1940 Act at all times during each taxable year;

- derive in each taxable year at least 90% of our gross income from dividends, interest, payments with respect to certain securities loans, gains from the sale 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 the taxable year:

- at least 50% of the value of our assets consists of cash, cash equivalents, U.S. government securities, securities of other RICs, and other securities if such other securities of any one issuer do not represent more than 5% of the value of our assets or more than 10% of the outstanding voting securities of the issuer; and
- no more than 25% of the value of our assets is invested in (a) the securities, other than U.S. government securities or securities of other RICs, of one issuer or of two or more issuers that are controlled, as determined under applicable Code rules, by us and that are engaged in the same or similar or related trades or businesses or (b) the securities of one or more qualified publicly traded partnerships (the "Diversification Tests").

To the extent that we invest in entities treated as partnerships for U.S. federal income tax purposes (other than a "qualified publicly traded partnership"), we generally must include the items of gross income derived by the partnerships for purposes of the 90% Income Test, and the income that is derived from a partnership (other than a "qualified publicly traded partnership") will be treated as qualifying income for purposes of the 90% Income Test only to the extent that such income is attributable to items of income of the partnership which would be qualifying income if realized by us directly. In addition, we generally must take into account our proportionate share of the assets held by partnerships (other than a "qualified publicly traded partnership") in which we are a partner for purposes of 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.

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 taxable year exceed our investment company taxable income, we may experience a net operating loss for that taxable year. However, a RIC is not permitted to carry forward net operating losses to subsequent taxable years and such net operating losses do not pass through to its stockholders. In addition, deductible expenses can be used only to offset investment company taxable income, not net capital gain. A RIC may not use any net capital losses (that is, the excess of realized capital losses over realized capital gains) to offset its investment company taxable income, but may carry forward such net capital losses, and use them to offset future capital gains, indefinitely. Due to these limits on deductibility of expenses and net capital losses, 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 taxable income is greater than the net income we actually earn during those taxable 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.

U.S. federal income tax law generally permits a RIC to carry forward (i) the excess of its net short-term capital loss over its net long-term capital gain for a given year as a short-term capital loss arising on the first day of the following year and (ii) the excess of its net long-term capital loss over its net short-term capital gain for a given year as a long-term capital loss arising on the first day of the following year. Future transactions we engage in may cause our ability to use any capital loss carryforwards, and unrealized losses once realized, to be limited under Section 382 of the Code.

For U.S. federal income tax purposes, we will include in our taxable income certain amounts that we have not yet received in cash. For example, if we hold debt obligations that are treated under applicable U.S. federal income tax rules as having original issue discount (such as debt instruments with PIK interest or, in certain cases, that have increasing interest rates or are issued with warrants), we must include in our taxable income in each taxable year a portion of the original issue discount that accrues over the life of the obligation, regardless of whether we receive cash representing such income in the same taxable year. We may also have to include in our taxable income other amounts that we have not yet received in cash, such as accruals on a contingent payment debt instrument or deferred loan origination fees that are paid after origination of the loan or are paid in non-cash compensation such as warrants or stock. Further, we may elect to amortize market discount on debt investments and currently include such amounts in our taxable income, instead of upon their sale or other disposition, as any failure to make such election would limit our ability to deduct interest expense for tax purposes. Because such original issue discount or other amounts accrued will be included in our investment company taxable income for the taxable year of accrual, we may be required to make distributions to our stockholders in order to satisfy the Annual Distribution Requirement and/or the Excise Tax Avoidance Requirement, even though we will have not received any corresponding cash payments. Accordingly, to enable us to make distributions to our stockholders that will be sufficient to enable us to satisfy the Annual Distribution Requirement, we may need to sell some of our assets at times and/or at prices that we would not consider advantageous, we may need to raise additional equity or debt capital or we may need to forego new investment opportunities or otherwise take actions that are disadvantageous to our business (or be unable to take actions that are advantageous to our business). If we are unable to obtain cash from other sources to enable us to satisfy the Annual Distribution Requirement, we may fail to qualify for the U.S. federal income tax benefits allowable to RICs and, thus, become subject to a corporate-level U.S. federal income tax (and any applicable state and local taxes).

Because we use debt financing, we may be prevented by financial covenants contained in our debt financing agreements from making distributions to our stockholders in certain circumstances. In addition, under the 1940 Act, we are generally not permitted to make distributions to our stockholders while our debt obligations and other senior securities are outstanding unless certain “asset coverage” tests are met. Limits on our distributions to our stockholders may prevent us from satisfying the Annual Distribution Requirement and, therefore, may jeopardize our qualification for taxation as a RIC, or may cause us to be subject to the 4% nondeductible U.S. federal excise tax.

Although we do not presently expect to do so, we may borrow funds and sell assets in order to make distributions to our stockholders that are sufficient for us to satisfy the Annual Distribution Requirement. However, our ability to dispose of assets may be limited by (1) the illiquid nature of some of our investments 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 the Excise Tax Avoidance Requirement, we may make such dispositions at times that, from an investment standpoint, are not advantageous. Alternatively, although we currently do not intend to do so, to satisfy the Annual Distribution Requirement, we may declare a taxable dividend payable in our stock or cash at the election of each stockholder. In such case, for U.S. federal income tax purposes, the amount of the dividend paid in our common stock will generally be equal to the amount of cash that could have been received instead of our stock. See “*—Taxation of Stockholders*” below for a discussion of the tax consequences to stockholders upon receipt of such dividends.

Distributions we make to our stockholders may be made from our cash assets or by liquidation of our investments, if necessary. We may recognize gains or losses from such liquidations. In the event we recognize net capital gains from such transactions, you may receive a larger capital gain distribution than you would have received in the absence of such transactions.

Failure to Qualify as a RIC

If we failed to satisfy the 90% Income Test for any taxable year or the Diversification Tests for any quarter of a taxable year, we might nevertheless continue to qualify as a RIC for such taxable year if certain relief provisions of the Code applied (which might, among other things, require us to pay certain corporate-level U.S. federal taxes or to dispose of certain assets). If we failed to qualify for treatment as a RIC and such relief provisions did not apply to us, we would be subject to U.S. federal income tax on all of our taxable income at regular corporate U.S. federal income tax rates (and we also would be subject to any applicable state and local taxes), regardless of whether we make any distributions to our stockholders. We would not be able to deduct distributions to our stockholders, nor would distributions to our stockholders be required to be made for U.S. federal income tax purposes. Any distributions we make generally would be taxable to our U.S. stockholders as ordinary dividend income and, subject to certain limitations under the Code, would be eligible for the 20% maximum rate generally applicable to individuals and other non-corporate U.S. stockholders, to the extent of our current or accumulated earnings and profits. Subject to certain limitations under the Code, U.S. stockholders that are corporations for U.S. federal income tax purposes generally would be eligible for the dividends-received deduction. 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 adjusted 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.

Subject to a limited exception applicable to RICs that qualified as such under Subchapter M of the Code for at least one taxable year prior to disqualification and that re-qualify as a RIC no later than the second consecutive taxable year following the non-qualifying taxable year, we could be subject to U.S. federal income tax on any unrealized net built-in gains in the assets held by us during the period in which we failed to qualify as a RIC that are recognized during the five-taxable year period after our requalification as a RIC, unless we made a special election to pay corporate-level U.S. federal income tax on such net built-in gains at the time of our requalification as a RIC. We may decide to be taxed as a regular corporation even if we would otherwise qualify as a RIC if we determine that treatment as a corporation for a particular taxable year would be in our best interests.

Our Investments - General

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

We may invest a portion of our net assets in below investment grade instruments. Investments in these types of instruments may present special tax issues for us. U.S. federal income tax rules are not entirely clear about issues such as when we may cease to accrue interest, original issue discount or market discount, when and to what extent deductions may be taken for bad debts or worthless instruments, how payments received on obligations in default should be allocated between principal and income and whether exchanges of debt obligations in a bankruptcy or workout context are taxable. We intend to address these and other issues to the extent necessary in order to seek to ensure that we distribute sufficient income to avoid any material U.S. federal income or the 4% nondeductible U.S. federal excise tax.

A portfolio company in which we invest may face financial difficulties that require us to work-out, modify or otherwise restructure our investment in the portfolio company. Any such transaction could, depending upon the specific terms of the transaction, result in unusable capital losses and future non-cash income. Any such transaction could also result in our receiving assets that give rise to non-qualifying income for purposes of the 90% Income Test or otherwise would not count toward satisfying the Diversification Tests. Furthermore, some of the income that we might otherwise earn, such as fees for providing managerial assistance, certain fees earned with respect to our investments, income recognized in a work-out or restructuring of a portfolio investment, or income recognized from an equity investment in an operating partnership, may not satisfy the 90% Income Test. To manage the risk that such income might disqualify us as a RIC for failure to satisfy the 90% Income Test, one or more subsidiary entities treated as U.S. corporations for entity-level income tax purposes may be employed to earn such income and (if applicable) hold the related asset. Such subsidiary entities will be required to pay entity-level income tax on their earnings, which ultimately will reduce the yield to our stockholders on such fees and income.

Certain distributions reported by us as section 163(j) interest dividends may be treated as interest income by stockholders for purposes of the tax rules applicable to interest expense limitations under Code section 163(j). Such treatment by the stockholder is generally subject to holding period requirements and other potential limitations, although the holding period requirements are generally not applicable to dividends declared by money market funds and certain other funds that declare dividends daily and pay such dividends on a monthly or more frequent basis. The amount that we are eligible to report as a Section 163(j) dividend for a tax year is generally limited to the excess of our business interest income over the sum of our (i) business interest expense and (ii) other deductions properly allocable to our business interest income.

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

We may invest in preferred securities or other securities the U.S. federal income tax treatment of which may not be clear or may be subject to recharacterization by the IRS. To the extent the tax treatment of such securities or the income from such securities differs from the expected tax treatment, it could affect the timing or character of income recognized, requiring us to purchase or sell securities, or otherwise change our portfolio, in order to comply with the tax rules applicable to RICs under the Code.

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

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

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

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

Taxation of U.S. Stockholders

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

Distributions

Distributions by us (including distributions where stockholders can elect to receive cash or stock) generally are taxable to U.S. stockholders as ordinary income or capital gains. Distributions of our investment company taxable income will be taxable as ordinary income to U.S. stockholders to the extent of our current or accumulated earnings and profits, whether paid in cash or stock. To the extent that such distributions paid by us to non-corporate U.S. stockholders (including individuals) are attributable to dividends from U.S. corporations and certain qualified foreign corporations, such distributions ("Qualifying Dividends") may be eligible for a reduced maximum U.S. federal income tax rate of 20%. In this regard, it is anticipated that our distributions generally will not be attributable to dividends received by us and, therefore, generally will not qualify for the 20% maximum rate applicable to Qualifying Dividends. Distributions of our net capital gain (which is generally our realized net long-term capital gains in excess of realized net short-term capital losses) properly reported by us as "capital gain dividends" will be taxable to U.S. stockholders as long-term capital gains (currently taxable at a maximum U.S. federal income tax rate of 20% in the case of non-corporate U.S. stockholders (including individuals)), regardless of the U.S. stockholder's holding period for his, her or its common stock and regardless of whether paid in cash or stock. Distributions in excess of our earnings and profits first will reduce a U.S. stockholder's adjusted tax basis in such stockholder's common stock and, after the adjusted tax basis is reduced to zero, will constitute capital gains to such U.S. stockholder.

Stockholders receiving dividends or distributions in the form of additional shares of our common stock purchased in the market should be treated for U.S. federal income tax purposes as receiving a distribution in an amount equal to the amount of money that the stockholders receiving cash dividends or distributions will receive, and should have a cost basis in the shares received equal to such amount. Stockholders receiving dividends in newly issued shares of our common stock will be treated as receiving a distribution equal to the value of the shares received, and should have a cost basis of such amount.

We may decide to retain some or all of our net capital gain for reinvestment, but designate the retained net capital gain as a "deemed distribution". In that case, among other consequences, (i) we will pay tax on the retained amount, (ii) each U.S. stockholder will be required to include his, her or its share of the deemed distribution in income as if it had been actually distributed to the U.S. stockholder, and (iii) the U.S. stockholder will be entitled to claim a credit equal to his, her or its allocable share of the tax paid thereon by us. Because we expect to pay tax on any retained net capital gains at the regular corporate U.S. federal income tax rate, and because that rate is in excess of the maximum U.S. federal income tax rate currently payable by individuals (and other non-corporate U.S. stockholders) on long-term capital gains, the amount of tax that individuals (and other non-corporate U.S. stockholders) will be treated as having paid will exceed the tax they owe on the capital gain distribution. Such excess generally may be claimed as a credit against the U.S. stockholder's other federal income tax obligations or may be refunded to the extent it exceeds the U.S. stockholder's U.S. federal income tax liability. The amount of the deemed distribution net of such tax will be added to the U.S. stockholder's tax basis for his, her or its common stock. In order to utilize the deemed distribution approach, we must provide written notice to our stockholders prior to the expiration of 60 days after the close of the relevant taxable year. We cannot treat any of our investment company taxable income as a "deemed distribution".

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

Although we currently do not intend to do so, we have the ability to declare a large portion of a dividend in shares of our stock. As long as a portion of such dividend is paid in cash and certain requirements are met, the entire distribution will be treated as a dividend for U.S. federal income tax purposes. For U.S. federal income tax purposes, the amount of the dividend paid in our common stock will generally be equal to the amount of cash that could have been received instead of our stock. This may result in our U.S. stockholders having to pay tax on such dividends, even if no cash is received.

The IRS currently requires that a RIC that has two or more classes of stock allocate to each such class proportionate amounts of each type of its income (such as ordinary income and capital gains) based upon the percentage of total dividends paid to each class for the tax year. Accordingly, if we issue preferred stock, we intend to allocate capital gain dividends, if any, between our common stock and our preferred stock in proportion to the total dividends paid to each class with respect to such tax year.

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

Our U.S. stockholders will receive, as promptly as possible after the end of each calendar year, a notice reporting the amounts includible in such U.S. stockholder's taxable income for such calendar year as ordinary income and as long-term capital gain. In addition, the U.S. federal tax status of each calendar year's distributions from us generally will be reported to the IRS (including the amount of any dividends that are Qualifying Dividends eligible for the 20% maximum rate). Dividends paid by us generally will not be eligible for the dividends-received deduction or the preferential tax rate applicable to Qualifying Dividends because our income generally will not consist of dividends. Distributions may also be subject to additional state, local and non-U.S. taxes depending on a U.S. stockholder's particular situation.

Dispositions

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

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

From time to time, we may offer to repurchase outstanding shares of our common stock. U.S. stockholders who tender all shares held, or considered to be held, by them will be treated as having sold their shares and generally will realize a capital gain or loss. If a U.S. stockholder tenders fewer than all of his, her or its shares or fewer than all shares tendered are repurchased, such U.S. stockholder may be treated as having received a taxable dividend upon the tender of his, her or its shares. In such a case, there is a risk that non-tendering U.S. stockholders, and U.S. stockholders who tender some but not all of their shares or fewer than all of whose shares are repurchased, in each case whose percentage interests in us increase as a result of such tender, will be treated as having received a taxable distribution from us. The extent of such risk will vary depending upon the particular circumstances of the tender offer, and in particular whether such offer is a single and isolated event or is part of a plan for periodically redeeming shares of our common stock.

The Code and the related U.S. Treasury Regulations require us to annually report the adjusted cost basis information of covered securities, which generally include shares of a RIC, to the IRS and to taxpayers. Stockholders should contact their financial intermediaries with respect to reporting of cost basis and available elections for their accounts.

Medicare Tax on Net Investment Income

An additional 3.8% Medicare tax is imposed on certain net investment income (including ordinary dividends and capital gain distributions received from us and net gains from redemptions or other taxable dispositions of our shares) of U.S. individuals, estates and trusts to the extent that such person's "modified adjusted gross income" (in the case of an individual) or "adjusted gross income" (in the case of an estate or trust) exceeds certain threshold amounts.

Tax Shelter Reporting Regulations

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

Backup Withholding

The relevant withholding agent may be required to withhold U.S. federal income tax ("backup withholding"), at a current rate of 24%, from any taxable distribution to a U.S. stockholder (other than a "C" corporation, a financial institution, or a stockholder that otherwise qualifies for an exemption) (1) that fails to provide a correct taxpayer identification number or a certificate that such stockholder is exempt from backup withholding or (2) with respect to whom the IRS notifies the withholding agent that such stockholder has failed to properly report certain interest and dividend income to the IRS and to respond to notices to that effect. An individual's taxpayer identification number is his or her social security number. Backup withholding is not an additional tax, and any amount withheld under the backup withholding rules is allowed as a credit against the U.S. stockholder's U.S. federal income tax liability, provided that proper information is timely provided to the IRS.

U.S. Taxation of Tax-Exempt U.S. Stockholders

A U.S. stockholder that is a tax-exempt organization for U.S. federal income tax purposes and therefore generally exempt from U.S. federal income taxation may nevertheless be subject to taxation to the extent that it is considered to derive unrelated business taxable income ("UBTI"). The direct conduct by a tax-exempt U.S. stockholder of the activities we propose to conduct could give rise to UBTI. However, a BDC is a corporation for U.S. federal income tax purposes and its business activities generally will not be attributed to its stockholders for purposes of determining their treatment under current law. Therefore, a tax-exempt U.S. stockholder generally should not be subject to U.S. taxation solely as a result of the stockholder's ownership of shares of common stock and receipt of dividends with respect to such shares. Moreover, under current law, if we incur indebtedness, such indebtedness will not be attributed to a tax-exempt U.S. stockholder. Therefore, a tax-exempt U.S. stockholder should not be treated as earning income from "debt-financed property" and dividends we pay should not be treated as "unrelated debt-financed income" solely as a result of indebtedness that we incur. Proposals periodically are made to change the treatment of "blocker" investment vehicles interposed between tax-exempt investors and non-qualifying investments. In the event that any such proposals were to be adopted and applied to BDCs, the treatment of dividends payable to tax- exempt investors could be adversely affected. In addition, special rules would apply if we were to invest in certain real estate investment trusts or other taxable mortgage pools, which we do not currently plan to do, that could result in a tax- exempt U.S. stockholder recognizing income that would be treated as UBTI.

Taxation of Non-U.S. Stockholders

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

Distributions; Dispositions

Subject to the discussion below, distributions of our investment company taxable income to a Non-U.S. stockholder that are not effectively connected with the Non-U.S. stockholder's conduct of a trade or business within the United States will be subject to withholding of U.S. federal income tax at a 30% rate (or lower rate provided by an applicable income tax treaty) to the extent of our current or accumulated earnings and profits. If the distributions are effectively connected with a U.S. trade or business of the Non-U.S. stockholder (and, if a treaty applies, are attributable to a U.S. permanent establishment of the Non-U.S. stockholder), we will not be required to withhold U.S. federal tax if the Non-U.S. stockholder complies with applicable certification and disclosure requirements, although the distributions will be subject to U.S. federal income tax at the rates applicable to U.S. persons. Special certification requirements apply to a Non-U.S. stockholder that is a foreign partnership or a foreign trust, and such entities are urged to consult their own tax advisers.

Certain properly reported dividends are generally exempt from withholding of U.S. federal income tax where paid in respect of a RIC's (i) "qualified net interest income" (generally, its U.S.-source interest income, other than certain contingent interest and interest from obligations of a corporation or partnership in which the RIC or the non-U.S. stockholder are at least a 10% stockholder, reduced by expenses that are allocable to such income) or (ii) "qualified short-term capital gains" (generally, the excess of the RIC's net short-term capital gain, other than short-term capital gains recognized on the disposition of U.S. real property interests, over the RIC's long-term capital loss), as well as if certain other requirements are satisfied. Nevertheless, no assurance can be given as to whether any of our distributions will be eligible for this exemption from withholding of U.S. federal income tax or, if eligible, will be reported as such by us. Furthermore, in the case of shares of our stock held through an intermediary, the intermediary may have withheld U.S. federal income tax even if we reported the payment as an interest-related dividend or short-term capital gain dividend. Since our common stock will be subject to significant transfer restrictions, and an investment in our common stock will generally be illiquid, non-U.S. stockholders whose distributions on our common stock are subject to withholding of U.S. federal income tax may not be able to transfer their shares of our common stock easily or quickly or at all.

Distributions of our investment company taxable income to a Non-U.S. stockholder that are effectively connected with the Non-U.S. stockholder's conduct of a trade or business within the United States (and, if required by an applicable income tax treaty, are attributable to a U.S. permanent establishment of the Non-U.S. stockholder), generally will not be subject to withholding of U.S. federal income tax if the Non-U.S. stockholder complies with applicable certification and disclosure requirements, although the distributions (to the extent of our current or accumulated earnings and profits) will be subject to U.S. federal income tax on a net basis at the rates and in the manner applicable to U.S. stockholders generally.

Actual or deemed distributions of our net capital gains, other than any net capital gains recognized on the disposition of U.S. real property interests, to a Non-U.S. stockholder, and gains realized by a Non-U.S. stockholder upon the sale of our common stock, will not be subject to U.S. federal income tax or any withholding of such tax, unless (a) the distributions or gains, as the case may be, are effectively connected with the Non-U.S. stockholder's conduct of a trade or business within the United States (and, if required by an applicable income tax treaty, are attributable to a U.S. permanent establishment of the Non-U.S. stockholder), in which case the distributions or gains will be subject to U.S. federal income tax on a net basis at the rates and in the manner applicable to U.S. stockholders generally or (b) the Non-U.S. stockholder is an individual who has been present in the United States for 183 days or more during the taxable year and satisfies certain other conditions, in which case, except as otherwise provided by an applicable income tax treaty, the distributions or gains, which may be offset by certain U.S.-source capital losses, generally will be subject to a flat 30% U.S. federal income tax, even though the Non-U.S. stockholder is not considered a resident alien under the Code.

If we distribute our net capital gains in the form of deemed rather than actual distributions, a Non-U.S. stockholder will be entitled to a U.S. federal income tax credit or tax refund equal to the stockholder's allocable share of the tax we pay on the capital gains deemed to have been distributed. In order to obtain the refund, the Non-U.S. stockholder must obtain a U.S. taxpayer identification number and file a U.S. federal income tax return, even if the Non-U.S. stockholder would not otherwise be required to obtain a U.S. taxpayer identification number or file a U.S. federal income tax return.

For a corporate Non-U.S. stockholder, both distributions (actual or deemed) and gains realized upon the sale of our common stock that are effectively connected with the Non-U.S. stockholder's conduct of a trade or business within the United States may, under certain circumstances, be subject to an additional "branch profits tax" at a 30% rate (or at a lower rate if provided for by an applicable income tax treaty).

Under the dividend reinvestment plan, our stockholders who have not "opted out" of our dividend reinvestment plan will have their cash distributions automatically reinvested in additional shares of our common stock, rather than receiving the cash distributions. If the distribution is a distribution of our investment company taxable income and is not properly reported by us as a short-term capital gains dividend or interest-related dividend (assuming an extension of the exemption discussed above), the amount distributed (to the extent of our current and accumulated earnings and profits) will be subject to U.S. federal withholding tax as described above and only the net after-tax amount will be reinvested in our common stock. If the distribution is effectively connected with a U.S. trade or business of the Non-U.S. stockholder (and, if a treaty applies, is attributable to a U.S. permanent establishment), generally the full amount of the distribution will be reinvested in the plan and will nevertheless be subject to U.S. federal income tax at the ordinary income rates applicable to U.S. persons. The Non-U.S. stockholder will have an adjusted basis in the additional common stock purchased through the plan equal to the amount reinvested. The additional shares will have a new holding period commencing on the day following the day on which the shares are credited to the Non-U.S. stockholder's account.

If we were unable to qualify for treatment as a RIC, any distributions by us would be treated as dividends to the extent of our current and accumulated earnings and profits. We would not be eligible to report any such dividends as interest-related dividends, short-term capital gain dividends, or capital gain dividends. As a result, any such dividend paid to a Non-U.S. stockholder that is not effectively connected with a U.S. trade or business of the Non-U.S. stockholder (and, if an income tax treaty applies, attributable to a permanent establishment maintained by the Non-U.S. stockholder in the United States) would be subject to the 30% (or reduced applicable treaty rate) withholding tax discussed above regardless of the source of the income giving rise to such distribution. 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 Non-U.S. stockholder's tax basis, and any remaining distributions would be treated as a gain from the sale of the Non-U.S. stockholder's shares subject to taxation as discussed above. For the consequences to the Company for failing to qualify as a RIC, see "*Failure to Qualify as a RIC*" above.

Backup Withholding

U.S. stockholders. Information returns are required to be filed with the IRS in connection with dividends on the common stock and proceeds received from a sale or other disposition of the common stock to a U.S. stockholder unless the U.S. stockholder is an exempt recipient. U.S. stockholders may also be subject to backup withholding on these payments in respect of the common stock unless such U.S. stockholder provides its taxpayer identification number and otherwise complies with applicable requirements of the backup withholding rules or provides proof of an applicable exemption.

Non-U.S. stockholders. Information returns are required to be filed with the IRS in connection with payment of dividends on the common stock to Non-U.S. stockholders. Unless a Non-U.S. stockholder complies with certification procedures to establish that it is not a United States person, information returns may also be filed with the IRS in connection with the proceeds from a sale or other disposition of the common stock. A Non-U.S. stockholder who is a nonresident alien individual may be subject to information reporting and backup-withholding of U.S. federal income tax on dividends unless the Non-U.S. stockholder provides us or the dividend paying agent with an IRS Form W-8BEN or IRS Form W-8BEN-E (or an acceptable substitute form) or otherwise meets documentary evidence requirements for establishing that it is a Non-U.S. stockholder or otherwise establishes an exemption from backup withholding.

Amounts withheld under the backup withholding rules are not additional taxes and may be refunded or credited against a U.S. stockholder's or Non-U.S. stockholder's U.S. federal income tax liability, if any, provided the required information is timely furnished to the IRS.

FATCA

Legislation commonly referred to as the "Foreign Account Tax Compliance Act," or "FATCA," generally imposes a 30% withholding tax on payments of certain types of income to foreign financial institutions ("FFIs") unless such FFIs either: (i) enter into an agreement with the U.S. Treasury to report certain required information with respect to accounts held by U.S. persons (or held by foreign entities that have U.S. persons as substantial owners) or (ii) reside in a jurisdiction that has entered into an intergovernmental agreement ("IGA") with the United States to collect and share such information and are in compliance with the terms of such IGA and any enabling legislation or regulations. The types of income subject to the tax include U.S. source interest and dividends. The information required to be reported includes the identity and taxpayer identification number of each account holder that is a U.S. person and transaction activity within the holder's account. In addition, subject to certain exceptions, FATCA also imposes a 30% withholding on payments to foreign entities that are not FFIs unless such foreign entities certify that they do not have a greater than 10% U.S. owner or provide the withholding agent with identifying information on each greater than 10% U.S. owner. Depending on the status of a Non-U.S. stockholder and the status of the intermediaries through which they hold their shares, Non-U.S. stockholders could be subject to this 30% withholding tax with respect to distributions on their shares. Under certain circumstances, a Non-U.S. stockholder might be eligible for refunds or credits of such taxes.

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

XIV. CERTAIN ERISA CONSIDERATIONS

ERISA imposes certain requirements on (i) "employee benefit plans" (as defined in Section 3(3) of ERISA) that are subject to Title I of ERISA, (ii) entities whose underlying assets include the assets of such plans (each of (i) and (ii), an "ERISA Plan") and (iii) persons who are fiduciaries with respect to ERISA Plans. Section 406 of ERISA and Section 4975 of the Code prohibit certain transactions involving the assets of an ERISA Plan and of other "plans" that are subject to Section 4975 of the Code, such as individual retirement accounts and "Keogh" plans (together with ERISA Plans, "Plans"), and certain persons (referred to as "parties in interest" under ERISA or "disqualified persons" under the Code) having certain relationships to such Plans, unless a statutory or administrative exemption is applicable to the transaction. A party in interest or disqualified person who engages in a prohibited transaction may be subject to excise taxes and other penalties and liabilities under ERISA and Section 4975 of the Code, unless a statutory or administrative exemption is available. Each person acquiring shares of our common stock that is or may become a Plan is responsible for determining the extent, if any, to which the purchase and holding of shares of our common stock will constitute a non-exempt prohibited transaction under ERISA or Section 4975 of the Code, and otherwise for determining compliance with ERISA and Section 4975 of the Code.

The Plan Assets Regulation describes when the assets of an entity are to be treated as "plan assets" for purposes of ERISA or Section 4975 of the Code. The Plan Assets Regulation provides that, if a Plan acquires an "equity interest" (such as shares of the Company's common stock) in an entity that is neither a "publicly-offered security" nor a security issued by an investment company registered under the 1940 Act, the assets of the Plan are deemed to include both the equity interest in the entity as well as an undivided interest in each of the underlying assets of such entity, unless Benefit Plan Investors (as defined below) in the aggregate hold less than 25% of the value of each class of equity interests in the entity or unless another exception under the Plan Assets Regulation applies. If the underlying assets of the entity were deemed to include "plan assets," the obligations and other responsibilities of Plan sponsors, Plan fiduciaries and Plan administrators, and of parties in interest and disqualified persons, under Parts 1 and 4 of Subtitle B of Title I of ERISA may be expanded and there may be an increase in their liability under these and other provisions of ERISA and the Code (except to the extent (if any) that a favorable statutory or administrative exemption applies); in addition, various providers of fiduciary or other services to the entity, and any other parties with authority or control with respect to the entity, could be deemed to be Plan fiduciaries or otherwise parties in interest or disqualified persons by virtue of their provision of such services (and there could be an improper delegation of authority to such providers).

For purposes of the Plan Assets Regulation, the term "Benefit Plan Investor" means (i) any "employee benefit plan" as defined in Section 3(3) of ERISA and subject to Part 4 of Subtitle B of Title I of ERISA, (ii) any "plan" as defined in and subject to Section 4975 of the Code, and (iii) any entity whose underlying assets include plan assets by reason of an employee benefit plan's or other plan's investment in the entity for purposes of ERISA or Section 4975 of the Code. Any entity described in clause (iii) of the previous sentence will be considered, for various purposes, to hold "plan assets" only to the extent of the percentage of its equity interests that are held by Benefit Plan Investors. The general account of an insurance company whose assets include the assets of Benefit Plan Investors may, under certain circumstances, be treated as "plan assets." Under the Plan Assets Regulation, any equity interests held by a person (other than a Benefit Plan Investor) that has discretionary authority or control with respect to the assets of the entity or that provides investment advice for a fee (direct or indirect) with respect to such assets or any affiliate of such person (any of the foregoing, a "Controlling Person"), will be disregarded in determining compliance with the 25% Test.

The Plan Assets Regulation defines a "publicly-offered security" as a security that is "widely held," "freely transferable," and either part of a class of securities registered under the Exchange Act or sold pursuant to an effective registration statement under the Securities Act if the securities are registered under the Exchange Act within 120 days after the end of the fiscal year of the issuer during which the public offering occurred. A security is considered "widely held" only if it is part of a class of securities that is owned by 100 or more investors independent of the issuer and of one another. However, a security will not fail to be "widely held" solely because the number of independent investors falls below 100 subsequent to the IPO as a result of events beyond the issuer's control. The Plan Assets Regulation provides that whether a security is "freely transferable" is a factual question to be determined on the basis of all relevant facts and circumstances. It is noted that the Plan Assets Regulation only establishes a presumption in favor of the finding of free transferability where the restrictions are consistent with the particular types of restrictions listed in the Plan Assets Regulation.

In order to attempt to prevent the Company’s assets from being characterized as “plan assets” for purposes of ERISA or Section 4975 of the Code prior to any event or transaction that is sufficient to cause shares of the Company’s common stock to be a “publicly-offered security” for purposes of the Plan Assets Regulation, we intend to operate the Company so that, at all times, Benefit Plan Investors hold less than 25% of the value of each class of equity interests in the Company as calculated in accordance with the Plan Assets Regulation, based on written representations provided by investors. Prospective investors will be required to represent whether they are, or are not and will not be, a Benefit Plan Investor or a Controlling Person. In addition, in an attempt to satisfy the 25% Test prior to any event or transaction that is sufficient to cause shares of our common stock to be a “publicly-offered security” for purposes of the Plan Assets Regulation, we may prohibit or limit investment by Benefit Plan Investors so as to attempt to avoid the Company holding “plan assets” within the meaning of ERISA. Specifically, subscriptions for common stock by, or transfers of common stock to, Benefit Plan Investors may be rejected, and existing Benefit Plan Investors may be required to redeem all or a portion of their Shares. Any such restrictions or mandatory redemptions will be effected in such manner as the Company may determine in its sole discretion. We will not continue to attempt to satisfy the 25% Test if shares of our common stock constitute a “publicly-offered security” for purposes of the Plan Assets Regulation.

The foregoing discussion is general in nature and does not purport to be complete in any respect. This summary does not include a discussion of any laws that may apply to employee benefit plans that are not subject to ERISA or Section 4975 of the Code. Such plans (and entities in which they invest, as applicable) should consult their own professional advisors about any laws applicable thereto.

THE SALE OF SHARES TO A PLAN IS IN NO RESPECT A REPRESENTATION BY THE COMPANY, THE INVESTMENT ADVISER OR THE BOARD OF DIRECTORS THAT THE SHARES MEET APPLICABLE LEGAL REQUIREMENTS WITH RESPECT TO INVESTMENTS BY PLANS GENERALLY OR ANY PLAN IN PARTICULAR. PRIOR TO ACQUIRING SHARES, FIDUCIARIES OF PLANS SHOULD CONSULT WITH THEIR OWN LEGAL COUNSEL CONCERNING THE IMPLICATIONS UNDER ERISA, SECTION 4975 OF THE CODE OR OTHER APPLICABLE LAW OF AN INVESTMENT IN THE COMPANY.

NOTICE TO RESIDENTS OF ARGENTINA

THESE SHARES MAY NOT BE OFFERED OR SOLD TO THE PUBLIC IN ARGENTINA. ACCORDINGLY, THE OFFERING OF THE SHARES HAS NOT BEEN SUBMITTED TO THE COMISIÓN NACIONAL DE VALORES (CNV) FOR APPROVAL. DOCUMENTS RELATING TO THIS OFFERING (AS WELL AS INFORMATION CONTAINED HEREIN) MAY NOT BE SUPPLIED TO THE GENERAL PUBLIC FOR PURPOSES OF A PUBLIC OFFERING IN ARGENTINA OR BE USED IN CONNECTION WITH ANY OFFER OR SUBSCRIPTION FOR SALE TO THE PUBLIC IN ARGENTINA.

NOTICE TO RESIDENTS OF AUSTRALIA

THE COMPANY IS NOT A REGISTERED MANAGED INVESTMENT SCHEME WITHIN THE MEANING OF CHAPTER 5C OF THE AUSTRALIAN CORPORATIONS ACT 2001 (CTH) (“CORPORATIONS ACT”). THIS MEMORANDUM IS NOT A PROSPECTUS OR PRODUCT DISCLOSURE STATEMENT UNDER THE CORPORATIONS ACT AND DOES NOT CONSTITUTE A RECOMMENDATION TO ACQUIRE, AN INVITATION TO APPLY FOR, AN OFFER TO APPLY FOR OR BUY, AN OFFER TO ARRANGE THE ISSUE OR SALE OF, OR AN OFFER FOR ISSUE OR SALE OF, ANY SECURITIES IN AUSTRALIA EXCEPT AS SET OUT BELOW. THE COMPANY HAS NOT AUTHORISED NOR TAKEN ANY ACTION TO PREPARE OR LODGE WITH THE AUSTRALIAN SECURITIES & INVESTMENTS COMMISSION AN AUSTRALIAN LAW COMPLIANT PROSPECTUS OR PRODUCT DISCLOSURE STATEMENT. ACCORDINGLY, THIS MEMORANDUM MAY NOT BE ISSUED OR DISTRIBUTED IN AUSTRALIA AND THE SHARES IN THE COMPANY MAY NOT BE OFFERED, ISSUED, SOLD OR DISTRIBUTED IN AUSTRALIA OTHER THAN BY WAY OF OR PURSUANT TO AN OFFER OR INVITATION THAT DOES NOT NEED DISCLOSURE TO INVESTORS EITHER UNDER PART 7. OR PART 6D.2 OF THE CORPORATIONS ACT, WHETHER BY REASON OF THE INVESTOR BEING A "WHOLESALE CLIENT" (AS THAT TERM IS DEFINED IN SECTION 761G OF THE CORPORATIONS ACT AND APPLICABLE REGULATIONS) OR OTHERWISE. ACCORDINGLY, THIS MEMORANDUM IS PROVIDED TO PROSPECTIVE INVESTORS AND, BY RECEIVING IT, EACH PROSPECTIVE INVESTOR IS DEEMED TO REPRESENT AND WARRANT THAT IT IS A “WHOLESALE CLIENT”. NOTHING IN THIS MEMORANDUM CONSTITUTES OR INVOLVE A RECOMMENDATION TO ACQUIRE, AN OFFER OR INVITATION FOR ISSUE OR SALE, AN OFFER OR INVITATION TO ARRANGE THE ISSUE OR SALE, OR AN ISSUE OR SALE OF SHARES OR FINANCIAL PRODUCT ADVICE TO A 'RETAIL CLIENT' (AS DEFINED IN SECTION 761G OF THE CORPORATIONS ACT AND APPLICABLE REGULATIONS).

NOTICE TO RESIDENTS OF BAHAMAS

SHARES SHALL NOT BE OFFERED OR SOLD INTO THE BAHAMAS EXCEPT IN CIRCUMSTANCES THAT DO NOT CONSTITUTE AN OFFER TO THE PUBLIC. SHARES MAY NOT BE OFFERED OR SOLD OR OTHERWISE DISPOSED OF IN ANY WAY TO PERSONS OTHER THAN ACCREDITED INVESTORS. THE INFORMATION PROVIDED HEREIN IS INTENDED SOLELY FOR THE DESIGNATED RECIPIENT THEREOF. NO DISTRIBUTION OF THIS INFORMATION TO ANYONE OTHER THAN THE DESIGNATED RECIPIENT IS INTENDED OR AUTHORIZED.

NOTICE TO RESIDENTS OF BAHRAIN

NEITHER THIS MEMORANDUM NOR THE SHARES IN THE COMPANY HAVE BEEN AUTHORIZED BY OR REGISTERED OR FILED WITH THE CENTRAL BANK OF BAHRAIN OR ANY OTHER GOVERNMENTAL AUTHORITY IN THE KINGDOM OF BAHRAIN, NOR HAS THE COMPANY RECEIVED AUTHORIZATION FROM THE CENTRAL BANK OF BAHRAIN OR ANY OTHER GOVERNMENTAL AUTHORITY IN THE KINGDOM OF BAHRAIN TO MARKET OR SELL SHARES IN THE COMPANY WITHIN THE KINGDOM OF BAHRAIN. THIS MEMORANDUM DOES NOT CONSTITUTE AND MAY NOT BE USED FOR THE PURPOSE OF AN OFFER OR INVITATION IN THE KINGDOM OF BAHRAIN. NO SERVICES RELATING TO SHARES IN THE COMPANY, INCLUDING THE RECEIPT OF APPLICATIONS AND THE ALLOTMENT OR REDEMPTION OF SUCH SHARES, MAY BE RENDERED BY THE COMPANY WITHIN THE KINGDOM OF BAHRAIN.

NOTICE TO RESIDENTS OF BRAZIL

THESE SHARES MAY NOT BE OFFERED OR SOLD TO THE PUBLIC IN BRAZIL. ACCORDINGLY, THE OFFERING OF THE SHARES HAS NOT BEEN NOR WILL BE SUBMITTED TO THE BRAZILIAN SECURITIES COMMISSION ("CVM") FOR APPROVAL. DOCUMENTS RELATING TO SUCH OFFERING, AS WELL AS THE INFORMATION CONTAINED THEREIN MAY NOT BE SUPPLIED TO THE PUBLIC, AS A PUBLIC OFFERING IN BRAZIL OR BE USED IN CONNECTION WITH ANY OFFER FOR SUBSCRIPTION OR SALE TO THE PUBLIC IN BRAZIL.

THIS IS A STRICTLY PRIVILEGED AND CONFIDENTIAL COMMUNICATION. THIS COMMUNICATION CONTAINS INFORMATION ADDRESSED ONLY TO A SPECIFIC INDIVIDUAL AND IS NOT INTENDED FOR DISTRIBUTION TO, OR USE BY, ANY PERSON OTHER THAN THE NAMED ADDRESSEE. THIS COMMUNICATION (I) IS PROVIDED FOR INFORMATIONAL PURPOSES ONLY, (II) SHOULD NOT BE CONSTRUED IN ANY MANNER AS ANY SOLICITATION OR OFFER TO BUY OR SELL ANY SECURITIES OR ANY RELATED FINANCIAL INSTRUMENTS, AND (III) SHOULD NOT BE CONSTRUED IN ANY MANNER AS A PUBLIC OFFER OF ANY SECURITIES OR ANY RELATED FINANCIAL INSTRUMENTS. IF YOU ARE NOT THE NAMED ADDRESSEE, YOU SHOULD NOT DISSEMINATE, DISTRIBUTE OR COPY THIS COMMUNICATION. PLEASE NOTIFY THE SENDER IMMEDIATELY IF YOU HAVE MISTAKENLY RECEIVED THIS COMMUNICATION.

NOTICE TO RESIDENTS OF CAYMAN ISLANDS

THIS MEMORANDUM AND THE INFORMATION CONTAINED HEREIN DOES NOT CONSTITUTE AND IS NOT INTENDED TO CONSTITUTE AN OFFER OF SECURITIES AND ACCORDINGLY SHOULD NOT BE CONSTRUED AS SUCH. THE COMPANY AND ANY OTHER PRODUCTS OR SERVICES REFERENCED IN THIS MEMORANDUM MAY NOT BE LICENSED IN ALL JURISDICTIONS, AND UNLESS OTHERWISE INDICATED, NO REGULATOR OR GOVERNMENT AUTHORITY HAS REVIEWED THIS DOCUMENT OR THE MERITS OF THE PRODUCTS AND SERVICES REFERENCED HEREIN. THIS MEMORANDUM AND THE INFORMATION CONTAINED HEREIN HAS BEEN MADE AVAILABLE IN ACCORDANCE WITH THE RESTRICTIONS AND/OR LIMITATIONS IMPLEMENTED BY ANY APPLICABLE LAWS AND REGULATIONS. THIS MEMORANDUM IS DIRECTED AT AND INTENDED FOR INSTITUTIONAL INVESTORS (AS SUCH TERM IS DEFINED IN EACH JURISDICTION IN WHICH THE COMPANY IS MARKETED). THIS MEMORANDUM IS PROVIDED ON A CONFIDENTIAL BASIS FOR INFORMATIONAL PURPOSES ONLY AND MAY NOT BE REPRODUCED IN ANY FORM. BEFORE ACTING ON ANY INFORMATION IN THIS MEMORANDUM, PROSPECTIVE INVESTORS SHOULD INFORM THEMSELVES OF AND OBSERVE ALL APPLICABLE LAWS, RULES AND REGULATIONS OF ANY RELEVANT JURISDICTIONS AND OBTAIN INDEPENDENT ADVICE IF REQUIRED. THIS MEMORANDUM IS FOR THE USE OF THE NAMED ADDRESSEE ONLY AND SHOULD NOT BE GIVEN, FORWARDED OR SHOWN TO ANY OTHER PERSON (OTHER THAN EMPLOYEES, AGENTS OR CONSULTANTS IN CONNECTION WITH THE ADDRESSEE’S CONSIDERATION THEREOF).

NOTICE TO RESIDENTS OF CHILE

DATE OF THE OFFER: AUGUST 2022

I. THIS OFFER IS MADE PURSUANT TO RULE 336 ISSUED BY THE COMISIÓN PARA EL MERCADO FINANCIERO OF CHILE (CMF);

II. THIS OFFER DEALS WITH SECURITIES THAT ARE NOT REGISTERED IN THE SECURITIES REGISTRY NOR IN THE FOREIGN SECURITIES REGISTRY KEPT BY THE CMF, AND THAT ARE, THEREFORE, NOT SUBJECT TO THE SUPERVISION OF THE CMF;

III. GIVEN THAT THE SECURITIES ARE NOT REGISTERED, THERE IS NO OBLIGATION FOR THE ISSUER TO DISCLOSE IN CHILE PUBLIC INFORMATION ABOUT SAID SECURITIES; AND

IV. THE SECURITIES MAY NOT BE PUBLICLY OFFERED AS LONG AS THEY ARE NOT REGISTERED IN THE CORRESPONDING SECURITIES REGISTRY.

FECHA DE INICIO DE LA OFERTA: FEBRERO 2022

I. LA PRESENTE OFERTA SE ACOGE A LA NORMA DE CARÁCTER GENERAL N° 336 DE LA COMISIÓN PARA EL MERCADO FINANCIERO (CMF) DE CHILE;

II. LA PRESENTE OFERTA VERSA SOBRE VALORES NO INSCRITOS EN EL REGISTRO DE VALORES O EN EL REGISTRO DE VALORES EXTRANJEROS QUE LLEVA LA COMISIÓN PARA EL MERCADO FINANCIERO, POR LO QUE LOS VALORES SOBRE LOS CUALES ÉSTA VERSA, NO ESTÁN SUJETOS A SU FISCALIZACIÓN;

III. QUE POR TRATARSE DE VALORES NO INSCRITOS, NO EXISTE LA OBLIGACIÓN POR PARTE DEL EMISOR DE ENTREGAR EN CHILE INFORMACIÓN PÚBLICA RESPECTO DE ESTOS VALORES; Y

IV. ESTOS VALORES NO PODRÁN SER OBJETO DE OFERTA PÚBLICA MIENTRAS NO SEAN INSCRITOS EN EL REGISTRO DE VALORES CORRESPONDIENTE.

THE INVESTOR REPRESENTS AND WARRANTS THAT IT IS A QUALIFIED INVESTOR ("QUALIFIED INVESTOR") AS DEFINED IN SUB-SECTIONS 1) TO 6) OF SECTION II OF N.C.G. N°216 OF 2008 ISSUED BY THE COMISIÓN PARA EL MERCADO FINANCIERO OF CHILE ("CMF") AND THAT, THEREFORE, IT IS A (A) CHILEAN REGISTERED COMMERCIAL BANK, CHILEAN REGISTERED LOAN INSTITUTION, CHILEAN REGISTERED INSURANCE COMPANY, CHILEAN REGISTERED REINSURANCE ENTITY, CHILEAN REGISTERED FUND OR PORTFOLIO MANAGER, CHILEAN REGISTERED PENSION FUND MANAGER (AFPS), OR ANY OTHER ENTITY LISTED IN CMF GENERAL RULE NO. 410; (B) CHILEAN STOCKBROKER OR BROKER-DEALER, ACTING FOR ITS OWN ACCOUNT; (C) A BANK, INSURANCE COMPANY, REINSURANCE ENTITY, FUND MANAGER OR SECURITIES INTERMEDIARY, THAT HAS BEEN INCORPORATED IN A JURISDICTION OTHER THAN CHILE, THAT EITHER ACTS FOR ITS OWN ACCOUNT OR DOES NOT ACT FOR CITIZENS OF CHILE, RESIDENTS OF CHILE (NOR PERSONS IN TRANSIT IN CHILE); (D) CHILEAN REGISTERED BROKER OF THE AGRICULTURAL COMMODITIES AND AGRICULTURAL PRODUCTS EXCHANGE, ACTING FOR ITS OWN ACCOUNT; (E) AN INDIVIDUAL OR ENTITY WHICH AT THE TIME OF INVESTMENT HOLDS FINANCIAL INVESTMENTS IN REGISTERED SECURITIES (ELIGIBLE TO BE PUBLICLY OFFERED IN CHILE OR ABROAD) IN AN AMOUNT EQUAL NOT LESS THAN TO UF10,000; OR (F) A CHILEAN OR FOREIGN INDIVIDUAL OR LEGAL ENTITY THAT HAS DELEGATED ITS INVESTMENT DECISIONS TO AN INVESTOR OF THE TYPE LISTED IN ANY OF (A), (B), (D) OR (E) ABOVE (A "SPECIALLY QUALIFIED INVESTOR") BY MEANS OF A DISCRETIONARY ACCOUNT AGREEMENT THAT SPECIFICALLY AUTHORIZES INVESTMENT IN UNREGISTERED SECURITIES AND PROVIDES THAT THE SPECIALLY QUALIFIED INVESTOR SHALL INFORM THE CLIENT OF THE TRANSACTIONS CARRIED OUT UNDER THIS AUTHORITY WITH THE FREQUENCY INDICATED IN SAID AGREEMENT.

THE INVESTOR FURTHER REPRESENTS THAT IT IS AWARE THAT: (I) THE SHARES BEING PURCHASED HEREUNDER ARE NOT REGISTERED IN ANY OF THE REGISTERS KEPT BY THE CMF AND THAT, THEREFORE, NO PUBLIC OFFER OF THE SHARES MAY BE MADE; AND (II) THE ISSUER OF THE SHARES IS NOT REGISTERED IN ANY OF SUCH REGISTERS AND THAT, THEREFORE, SUCH ISSUER SHALL NOT BE SUBJECT TO THE SUPERVISION OF THE CMF NOR TO THE CONTINUOUS INFORMATION OBLIGATIONS THAT ARE IMPOSED BY LAW OR REGULATIONS ON REGISTERED ISSUERS.

NOTICE TO RESIDENTS OF CHINA

NO INVITATION TO OFFER, OR OFFER FOR, OR SALE OF, THE SHARES WILL BE MADE IN THE PEOPLE'S REPUBLIC OF CHINA ("PRC") (WHICH, FOR SUCH PURPOSES, DOES NOT INCLUDE THE HONG KONG OR MACAU SPECIAL ADMINISTRATIVE REGIONS OR TAIWAN) OR BY ANY MEANS THAT WOULD BE DEEMED PUBLIC UNDER THE LAWS OF THE PRC. THE INFORMATION RELATING TO THE SHARES CONTAINED IN THE MEMORANDUM HAS NOT BEEN SUBMITTED TO OR APPROVED BY THE CHINA SECURITIES REGULATORY COMMISSION OR ANY OTHER RELEVANT GOVERNMENTAL AUTHORITY IN THE PRC. THE SHARES MAY ONLY BE OFFERED OR SOLD TO INVESTORS IN THE PRC THAT ARE EXPRESSLY AUTHORIZED UNDER THE LAWS AND REGULATIONS OF THE PRC TO BUY AND SELL SECURITIES DENOMINATED IN A CURRENCY OTHER THAN THE RENMINBI (OR RMB), WHICH IS THE OFFICIAL CURRENCY OF THE PRC. POTENTIAL INVESTORS WHO ARE RESIDENT IN THE PRC ARE RESPONSIBLE FOR OBTAINING THE REQUIRED APPROVALS FROM ALL RELEVANT GOVERNMENT AUTHORITIES IN THE PRC, INCLUDING, BUT NOT LIMITED TO, THE STATE ADMINISTRATION OF FOREIGN EXCHANGE, BEFORE PURCHASING THE SHARES. THIS DOCUMENT FURTHER DOES NOT CONSTITUTE ANY SECURITIES OR INVESTMENT ADVICE TO CITIZENS OF THE PRC, OR NATIONALS WITH PERMANENT RESIDENCE IN THE PRC, OR TO ANY CORPORATION, PARTNERSHIP, OR OTHER ENTITY INCORPORATED OR ESTABLISHED IN THE PRC.

NOTICE TO RESIDENTS OF COLOMBIA

THIS MEMORANDUM DOES NOT HAVE THE PURPOSE OR THE EFFECT OF INITIATING, DIRECTLY OR INDIRECTLY, THE PURCHASE OF A PRODUCT OR THE RENDERING OF A SERVICE BY THE COMPANY TO COLOMBIAN RESIDENTS. THE COMPANY'S PRODUCTS AND/OR SERVICES MAY NOT BE PROMOTED OR MARKETED IN COLOMBIA OR TO COLOMBIAN RESIDENTS UNLESS SUCH PROMOTION AND MARKETING IS MADE IN COMPLIANCE WITH PART IV OF DECREE 2555 OF 2010 AND OTHER APPLICABLE RULES AND REGULATIONS RELATED TO THE PROMOTION OF FOREIGN FINANCIAL AND/OR SECURITIES RELATED PRODUCTS OR SERVICES IN COLOMBIA. NEITHER THE COMPANY NOR ANY RELATED PERSON OR ENTITY HAS RECEIVED AUTHORIZATION OR LICENSING FROM THE FINANCIAL SUPERINTENDENCY OF COLOMBIA OR ANY OTHER GOVERNMENTAL AUTHORITY IN COLOMBIA TO MARKET OR SELL THE SHARES WITHIN COLOMBIA.

BY RECEIVING THIS MEMORANDUM, EACH RECIPIENT RESIDENT IN COLOMBIA ACKNOWLEDGES AND AGREES THAT IT HAS CONTACTED THE GENERAL PARTNER OR FUND AT ITS OWN INITIATIVE AND NOT AS A RESULT OF ANY PROMOTION OR PUBLICITY BY THE GENERAL PARTNER, THE COMPANY OR ANY OF THEIR RESPECTIVE AGENTS OR REPRESENTATIVES. COLOMBIAN RESIDENTS ACKNOWLEDGE THAT (1) THE RECEIPT OF THIS MEMORANDUM DOES NOT CONSTITUTE A SOLICITATION FROM THE COMPANY FOR ITS PRODUCTS AND/OR SERVICES, AND (2) THEY ARE NOT RECEIVING FROM THE COMPANY ANY DIRECT OR INDIRECT PROMOTION OR MARKETING OF FINANCIAL PRODUCTS AND/OR SERVICES.

THIS MEMORANDUM IS STRICTLY PRIVATE AND CONFIDENTIAL AND MAY NOT BE REPRODUCED OR USED FOR ANY PURPOSE OTHER THAN EVALUATION OF A POTENTIAL INVESTMENT IN THE COMPANY BY THE INTENDED RECIPIENT OR PROVIDED TO ANY PERSON OR ENTITY OTHER THAN THE INTENDED RECIPIENT.

NOTICE TO PERSONS IN THE EUROPEAN ECONOMIC AREA (“EEA”)

THE COMPANY AND EACH SEGREGATED PORTFOLIO IS AN ALTERNATIVE INVESTMENT FUND FOR THE PURPOSE OF THE EUROPEAN UNION ALTERNATIVE INVESTMENT FUND MANAGERS DIRECTIVE (DIRECTIVE 2011/61/EU) (“AIFMD”). BARINGS LLC IS THE ALTERNATIVE INVESTMENT FUND MANAGER (“AIFM”) OF THE COMPANY AND EACH SEGREGATED PORTFOLIO.

SHARES IN THE COMPANY AND EACH SEGREGATED PORTFOLIOMAY ONLY BE MARKETED TO PROSPECTIVE INVESTORS WHICH ARE DOMICILED OR HAVE A REGISTERED OFFICE IN A MEMBER STATE OF THE EEA (“EEA PERSONS”) IN WHICH MARKETING HAS BEEN REGISTERED OR AUTHORISED (AS APPLICABLE) UNDER THE RELEVANT NATIONAL IMPLEMENTATION OF ARTICLE 42 OF AIFMD AND IN SUCH CASES ONLY TO EEA PERSONS WHICH ARE PROFESSIONAL INVESTORS OR ANY OTHER CATEGORY OF PERSON TO WHICH SUCH MARKETING IS PERMITTED UNDER THE NATIONAL LAWS OF SUCH MEMBER STATE. THIS DOCUMENT IS NOT INTENDED FOR, SHOULD NOT BE RELIED ON BY AND SHOULD NOT BE CONSTRUED AS AN OFFER (OR ANY OTHER FORM OF MARKETING) TO ANY OTHER EEA PERSON.

A “PROFESSIONAL INVESTOR” IS AN INVESTOR WHO IS CONSIDERED TO BE A PROFESSIONAL CLIENT OR WHICH MAY, ON REQUEST, BE TREATED AS A PROFESSIONAL CLIENT WITHIN THE RELEVANT NATIONAL IMPLEMENTATION OF ANNEX II OF EUROPEAN UNION DIRECTIVE 2014/65/EU (MARKETS IN FINANCIAL INSTRUMENTS DIRECTIVE OR "MIFID II") AND AIFMD.

A LIST OF JURISDICTIONS IN WHICH THE COMPANY HAS BEEN REGISTERED OR AUTHORISED (AS APPLICABLE) UNDER ARTICLE 42 OF AIFMD IS AVAILABLE FROM THE AIFM ON REQUEST.

NOTICE TO RESIDENTS OF HONG KONG SAR

WARNING – THE CONTENTS OF THIS MEMORANDUM HAVE NOT BEEN REVIEWED NOR ENDORSED BY ANY REGULATORY AUTHORITY IN HONG KONG. HONG KONG RESIDENTS ARE ADVISED TO EXERCISE CAUTION IN RELATION TO THE OFFER. IF YOU ARE IN ANY DOUBT ABOUT ANY OF THE CONTENTS OF THIS MEMORANDUM, YOU SHOULD OBTAIN INDEPENDENT PROFESSIONAL ADVICE.

THE COMPANY IS NOT AUTHORISED BY THE SECURITIES AND FUTURES COMMISSION ("SFC") IN HONG KONG PURSUANT TO SECTION 104 OF THE SECURITIES AND FUTURES ORDINANCE ("SFO"). THIS MEMORANDUM HAS NOT BEEN APPROVED BY THE SFC IN HONG KONG, NOR HAS A COPY OF IT BEEN REGISTERED WITH THE REGISTRAR OF COMPANIES IN HONG KONG. ACCORDINGLY:

1. SHARES MAY NOT BE OFFERED OR SOLD IN HONG KONG BY MEANS OF THIS MEMORANDUM OR ANY OTHER DOCUMENT OTHER THAN TO "PROFESSIONAL INVESTORS" WITHIN THE MEANING OF PART I OF SCHEDULE 1 TO THE SFO AND ANY RULES MADE UNDER THE SFO, OR IN OTHER CIRCUMSTANCES WHICH DO NOT RESULT IN THE DOCUMENT BEING A "PROSPECTUS" AS DEFINED IN THE HONG KONG COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE (CHAPTER 32 OF THE LAWS OF HONG KONG) ("CWUMPO") OR WHICH DO NOT CONSTITUTE AN OFFER OR INVITATION TO THE PUBLIC FOR THE PURPOSES OF THE CWUMPO OR THE SFO; AND

2. NO PERSON SHALL ISSUE OR POSSESS FOR THE PURPOSE OF ISSUE, WHETHER IN HONG KONG OR ELSEWHERE, ANY ADVERTISEMENT, INVITATION OR DOCUMENT RELATING TO THE SHARES WHICH IS DIRECTED AT, OR THE CONTENTS OF WHICH ARE LIKELY TO BE ACCESSED OR READ BY, THE PUBLIC IN HONG KONG (EXCEPT IF PERMITTED TO DO SO IN 1. ABOVE OR UNDER THE LAWS OF HONG KONG) OTHER THAN WITH RESPECT TO SHARES WHICH ARE OR ARE INTENDED TO BE DISPOSED OF ONLY TO PERSONS OUTSIDE HONG KONG OR ONLY TO "PROFESSIONAL INVESTORS".

THIS MEMORANDUM IS DISTRIBUTED ON A CONFIDENTIAL BASIS AND MAY NOT BE REPRODUCED IN ANY FORM OR TRANSMITTED TO ANY PERSON OTHER THAN THE PERSON TO WHOM IT IS ADDRESSED. NO SHARES IN THE COMPANY WILL BE ISSUED TO ANY PERSON OTHER THAN THE PERSON TO WHOM THIS MEMORANDUM HAS BEEN ADDRESSED AND NO PERSON OTHER THAN SUCH ADDRESSEE MAY TREAT THE SAME AS CONSTITUTING AN INVITATION FOR HIM TO INVEST.

NOTICE TO RESIDENTS OF ISRAEL

CAPITALIZED TERMS THAT ARE USED IN THE FOLLOWING PARAGRAPHS AND ARE NOT OTHERWISE DEFINED HEREIN, SHALL HAVE THE MEANING ASCRIBED TO THEM UNDER THE REGULATION OF INVESTMENT ADVICE, OF INVESTMENT MARKETING, AND OF PORTFOLIO MANAGEMENT LAW, 1995 (THE “INVESTMENT ADVICE LAW”).

THIS MEMORANDUM, AS WELL AS INVESTMENT IN THE COMPANY DESCRIBED HEREIN, IS DIRECTED AT AND INTENDED FOR INVESTORS THAT FALL WITHIN AT LEAST ONE CATEGORY IN EACH OF: (1) THE FIRST SCHEDULE OF THE ISRAELI SECURITIES LAW, 1968 (“SOPHISTICATED INVESTORS”); AND (2) THE FIRST SCHEDULE OF THE INVESTMENT ADVICE LAW (“QUALIFIED CLIENTS”).

NO ACTION HAS BEEN TAKEN OR WILL BE TAKEN IN ISRAEL THAT WOULD PERMIT THE PUBLIC OFFERING OF THE COMPANY, OR DISTRIBUTION OF MATERIALS THAT RELATE TO INVESTMENT THEREIN TO THE PUBLIC IN ISRAEL. NEITHER THIS DOCUMENT, NOR ANY OTHER DOCUMENT THAT RELATES TO THE COMPANY, HAS BEEN APPROVED BY THE ISRAEL SECURITIES AUTHORITY.

IT IS HEREBY NOTED THAT WITH RESPECT TO QUALIFIED CLIENTS, THE BARINGS **IS NOT** OBLIGED TO COMPLY WITH THE FOLLOWING REQUIREMENTS OF THE INVESTMENT ADVICE LAW: (1) ENSURING THE COMPATIBILITY OF SERVICE TO THE NEEDS OF CLIENT; (2) ENGAGING IN A WRITTEN AGREEMENT WITH THE CLIENT, THE CONTENT OF WHICH IS AS DESCRIBED IN SECTION 13 OF THE INVESTMENT ADVICE LAW; (3) PROVIDING THE CLIENT WITH APPROPRIATE DISCLOSURE REGARDING ALL MATTERS THAT ARE MATERIAL TO A PROPOSED TRANSACTION OR TO THE ADVICE GIVEN; (4) A PROHIBITION ON PREFERRING CERTAIN SECURITIES OR OTHER FINANCIAL ASSETS; (5) PROVIDING DISCLOSURE ABOUT “EXTRAORDINARY RISKS” ENTAILED IN A TRANSACTION (AND OBTAINING THE CLIENT’S APPROVAL OF SUCH TRANSACTIONS, IF APPLICABLE); (6) A PROHIBITION ON MAKING PORTFOLIO MANAGEMENT FEES CONDITIONAL UPON PROFITS OR NUMBER OF TRANSACTIONS; (7) MAINTAINING RECORDS OF ADVISORY/DISCRETIONARY ACTIONS.

BY RECEIVING THIS DOCUMENT YOU HEREBY DECLARE THAT YOU ARE A SOPHISTICATED INVESTOR AND A QUALIFIED CLIENT, THAT YOU ARE AWARE OF THE IMPLICATIONS OF BEING CONSIDERED A SOPHISTICATED INVESTOR AND A QUALIFIED CLIENT (INCLUDING THE IMPLICATIONS MENTIONED IN THE ABOVE PARAGRAPH), AND CONSENT THERETO. ANY INVESTOR WHICH IS EITHER: (1) NOT A SOPHISTICATED INVESTOR; OR (2) NOT A QUALIFIED CLIENT – MUST IMMEDIATELY RETURN THIS MEMORANDUM TO BARINGS LLC AT THE ADDRESS IN THE DIRECTORY. THIS MEMORANDUM IS FOR THE USE OF THE NAMED ADDRESSEE ONLY AND SHOULD NOT BE GIVEN, FORWARDED OR SHOWN TO ANY OTHER PERSON (OTHER THAN EMPLOYEES, AGENTS OR CONSULTANTS IN CONNECTION WITH THE ADDRESSEE’S CONSIDERATION THEREOF). IN ANY CASE, THE COMPANY SHALL NOT BE OFFERED OR SOLD TO ANY INVESTOR IN ISRAEL WHICH IS NOT A SOPHISTICATED INVESTOR.

THIS MEMORANDUM IS NOT INTENDED TO SERVE, AND SHOULD NOT BE TREATED AS INVESTMENT ADVICE OR INVESTMENT MARKETING. ACCORDINGLY, THE CONTENT OF THIS MEMORANDUM DOES NOT REPLACE AND SHOULD NOT SERVE AS SUBSTITUTION FOR INVESTMENT MARKETING OR INVESTMENT ADVISING THAT TAKE INTO ACCOUNT THE SPECIAL CHARACTERISTICS AND NEEDS OF EACH INVESTOR.

NOTICE TO RESIDENTS OF JAPAN

THIS MEMORANDUM IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSIDERED AS, A PUBLIC OFFERING OF SECURITIES IN JAPAN. NO REGISTRATION PURSUANT TO ARTICLE 4 PARAGRAPH 1 OF JAPAN'S FINANCIAL INSTRUMENTS AND EXCHANGE ACT ("FIEA") HAS BEEN OR WILL BE MADE WITH RESPECT TO THE SOLICITATION OF APPLICATIONS FOR ACQUISITION OF THE SHARES OF THE COMPANY ON THE GROUNDS THAT SUCH SOLICITATION WOULD CONSTITUTE A "SOLICITATION FOR QUALIFIED INSTITUTIONAL INVESTORS" AS SET FORTH IN ARTICLE 23-13, PARAGRAPH 1 OF THE FIEA. THE OFFERING IS MADE ON THE CONDITION THAT EACH INVESTOR ENTERS INTO AN AGREEMENT WHEREBY THE INVESTOR COVENANTS NOT TO TRANSFER ITS SHARES (I) TO PERSONS OTHER THAN QUALIFIED INSTITUTIONAL INVESTORS AS DEFINED IN ARTICLE 2, PARAGRAPH 3, ITEM 1 OF THE FIEA ("QIIS"), OR (II) WITHOUT ENTERING INTO AN AGREEMENT WHEREBY THE TRANSFEREE COVENANTS NOT TO TRANSFER ITS SHARES TO PERSONS OTHER THAN QIIS. THIS MEMORANDUM IS DISTRIBUTED ON A CONFIDENTIAL BASIS AND MAY NOT BE REPRODUCED IN ANY FORM OR TRANSMITTED TO ANY PERSON OTHER THAN THE PERSONS TO WHOM IT IS ADDRESSED. NO SHARES IN A COMPANY WILL BE ISSUED TO ANY PERSON OTHER THAN THE PERSON TO WHOM THE MEMORANDUM HAS BEEN ADDRESSED AND NO PERSONS OTHER THAN SUCH ADDRESSEES MAY TREAT THE SAME AS CONSTITUTING AN INVITATION FOR THEM TO INVEST.

NOTICE TO RESIDENTS OF THE REPUBLIC OF KOREA

THIS MEMORANDUM IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSIDERED AS, A PUBLIC OFFERING OF SECURITIES IN KOREA. NEITHER THE COMPANY NOR ANY DISTRIBUTOR MAY MAKE ANY REPRESENTATION WITH RESPECT TO THE ELIGIBILITY OF ANY RECIPIENTS OF THIS MEMORANDUM TO ACQUIRE THE COMPANY OFFERED HEREBY UNDER THE LAWS OF KOREA, INCLUDING BUT WITHOUT LIMITATION, THE FOREIGN EXCHANGE TRANSACTION ACT OF KOREA AND THE REGULATIONS THEREUNDER. THE COMPANY HAS BEEN REGISTERED UNDER THE FINANCIAL INVESTMENT SERVICES AND CAPITAL MARKETS ACT OF KOREA ("FSCMA") FOR OFFERING AND SALE ONLY TO CERTAIN PROFESSIONAL INVESTORS AS DESIGNATED UNDER ARTICLE 301(2) OF THE PRESIDENTIAL DECREE TO THE FSCMA AND, ACCORDINGLY, THE COMPANY MAY BE OFFERED, SOLD OR DELIVERED, OR OFFERED OR SOLD TO ANY PERSON FOR REOFFERING OR RESALE, DIRECTLY OR INDIRECTLY, IN KOREA OR TO ANY RESIDENT OF KOREA ONLY IF (X) THE OFFEREE QUALIFIES AS THE ABOVE-MENTIONED DESIGNATED PROFESSIONAL INVESTOR AND (Y) THE OFFERING IS OTHERWISE IN COMPLIANCE WITH REGULATIONS UNDER THE FSCMA.

NOTICE TO RESIDENTS OF MALAYSIA

NO APPROVAL FROM THE SECURITIES COMMISSION OF MALAYSIA HAS BEEN OR WILL BE OBTAINED FOR THE OFFERING OF SHARES IN THE COMPANY IN MALAYSIA ON THE BASIS THAT THE SHARES WILL NOT BE OFFERED OR SOLD WITHIN MALAYSIA TO ANY PERSON. IN ADDITION, THIS MEMORANDUM HAS NOT BEEN NOR WILL IT BE REGISTERED WITH THE SECURITIES COMMISSION OF MALAYSIA ON THE SAME BASIS THAT NO SHARES WILL BE OFFERED OR SOLD WITHIN MALAYSIA TO ANY PERSON. NOTHING IN THIS MEMORANDUM SHOULD BE CONSIDERED AS CONSTITUTING INVESTMENT ADVICE OR A MAKING, AN OFFERING TO MAKE, OR AN INDUCEMENT OR ATTEMPTED INDUCEMENT OF ANY PERSON (INCLUDING THE RECIPIENT) TO ENTER INTO OR TO OFFER TO ENTER INTO, AN AGREEMENT FOR OR WITH A VIEW TO ACQUIRING, DISPOSING OF, SUBSCRIBING FOR OR UNDERWRITING SECURITIES WHILE IN MALAYSIA. NOTHING IN THIS MEMORANDUM SHALL BE CONSIDERED A MAKING AVAILABLE OF, A SOLICITATION TO BUY, AN OFFERING FOR SUBSCRIPTION OR PURCHASE, OR AN INVITATION TO SUBSCRIBE FOR OR PURCHASE, ANY SECURITIES, OR ANY OTHER PRODUCT OR SERVICE, TO ANY PERSON IN MALAYSIA.

NOTICE TO RESIDENTS OF MEXICO

THE SHARES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED WITH THE MEXICAN NATIONAL SECURITIES REGISTRY (REGISTRO NACIONAL DE VALORES) MAINTAINED BY THE MEXICAN NATIONAL BANKING COMMISSION, (COMISIÓN NACIONAL BANCARIA Y DE VALORES) OR THE "CNBV" AND MAY NOT BE PUBLICLY OFFERED OR SOLD IN THE UNITED MEXICAN STATES. THE MEMORANDUM RELATING TO THE

SHARES OFFERING MAY NOT BE DISTRIBUTED PUBLICLY IN MEXICO AND THE SHARES MAY NOT BE TRADED IN MEXICO. THE CNBV HAS NOT REVIEWED OR APPROVAL THESE OFFERING MATERIALS. THIS IS NOT A PUBLIC OFFERING OF SECURITIES IN MEXICO.

NOTICE TO RESIDENTS OF NEW ZEALAND

NO SHARES ARE OFFERED TO THE PUBLIC. ACCORDINGLY, THE SHARES MAY NOT, DIRECTLY OR INDIRECTLY, BE OFFERED, SOLD OR DELIVERED IN NEW ZEALAND, NOR MAY ANY OFFERING DOCUMENT OR ADVERTISEMENT IN RELATION TO ANY OFFER OF THE SHARES BE DISTRIBUTED IN NEW ZEALAND, OTHER THAN IN CIRCUMSTANCES WHERE THERE IS NO CONTRAVENTION OF THE FINANCIAL MARKETS CONDUCT ACT 2013.

NOTICE TO RESIDENTS OF PANAMA

THESE COMPANY HAVE NOT BEEN AND WILL NOT BE REGISTERED WITH THE SUPERINTENDENCE OF THE SECURITIES MARKET OF PANAMA (SUPERINTENDENCIA DEL MERCADO DE VALORES DE LA REPÚBLICA DE PANAMÁ). ACCORDINGLY, (I) THE COMPANY CANNOT BE PUBLICLY OFFERED OR SOLD IN PANAMA, EXCEPT IN TRANSACTIONS EXEMPTED FROM REGISTRATION UNDER THE SECURITIES LAWS OF PANAMA, (II) THE SUPERINTENDENCE OF THE SECURITIES MARKET OF PANAMA HAS NOT REVIEWED THE INFORMATION CONTAINED IN THIS MEMORANDUM, (III) THE COMPANY SECURITIES AND THE OFFERING THEREOF ARE NOT SUBJECT TO THE SUPERVISION OF THE SUPERINTENDENCE OF THE SECURITIES MARKET OF PANAMA, AND (IV) THE COMPANY SECURITIES DO NOT BENEFIT FROM THE TAX INCENTIVES PROVIDED BY PANAMANIAN SECURITIES LAWS AND REGULATIONS.

NEITHER THESE SECURITIES, NOR THEIR OFFER, SALE OR TRANSFER, HAVE BEEN REGISTERED WITH THE SUPERINTENDENCE OF THE SECURITIES MARKET (BEFORE NAMED NATIONAL SECURITIES COMMISSION). THE EXEMPTION FROM REGISTRATION IS BASED ON NUMERAL 3 OF ARTICLE 129 OF DECREE LAW 1 OF JULY 8, 1999 (INSTITUTIONAL INVESTORS), AS AMENDED. IN CONSEQUENCE, THE TAX TREATMENT ESTABLISHED IN ARTICLES 334 TO 336 OF DECREE LAW 1 OF JULY 8, 1999, AS AMENDED, DOES NOT APPLY TO THEM. THESE SECURITIES ARE NOT UNDER THE SUPERVISION OF THE SUPERINTENDENCE OF THE SECURITIES MARKET (BEFORE NAMED NATIONAL SECURITIES COMMISSION).

NOTICE TO RESIDENTS OF PARAGUAY

THIS INVESTMENT PROSPECT IS ADDRESSED SOLELY TO THE PERSON INDICATED ON THE LETTERHEAD, OR IN ANY SUCH CASE TO WHOM PERSONALLY RECEIVED THE SAME, AND THEREFORE IT DOES NOT IMPLY A PUBLIC OFFERING OF VALUES IN ACCORDANCE TO PARAGUAYAN SECURITIES MARKET LAW NO. 5810 OF 2017.

THE SECURITIES AND FINANCIAL PRODUCTS OFFERED HEREIN MAY NOT BE OFFERED OR TRADED PUBLICLY IN PARAGUAY. ACCORDINGLY, THE OFFERING OF THESE SECURITIES HAS NOT BEEN NOR WILL BE SUBMITTED TO THE NATIONAL SECURITIES COMMISSION (“CNV”) FOR APPROVAL. DOCUMENTS RELATING TO SUCH OFFERING, AS WELL AS THE INFORMATION CONTAINED HEREIN AND THEREIN MAY NOT BE SUPPLIED TO THE PUBLIC, AS A PUBLIC OFFERING IN PARAGUAY, OR BE USED IN CONNECTION WITH ANY OFFER FOR SUBSCRIPTION OR SALE TO THE PUBLIC IN PARAGUAY.

YOU ACKNOWLEDGE THAT THE SECURITIES AND FINANCIAL PRODUCTS OFFERED HEREIN WERE ISSUED OUTSIDE OF PARAGUAY AND ARE NOT SUBJECT TO PARAGUAYAN ADMINISTRATION OF INVESTMENT FUNDS LAW, NO. 5452 OF 2015, NOR SUPERVISED OR CONTROLLED BY THE PARAGUAYAN CENTRAL BANK OR BANK’S SUPER QUARTERMASTER, NOR REGULATED, COVERED OR PROTECTED BY PARAGUAYAN BANK, FINANCIAL INSTITUTIONS AND OTHER CREDITS INSTITUTIONS LAW, NO. 861 OF 1996, NOR THE PARAGUAYAN DEPOSIT INSURANCE LAW, NO. 2334 OF 2003.

YOU ACKNOWLEDGE THAT ANY LEGAL MATTER ARISING FROM THIS OFFER SHALL NOT BE SUBMITTED TO ANY PARAGUAYAN GOVERNMENT AUTHORITY. ANY PAST RETURNS DO NOT GUARANTEE SIMILAR FUTURE RETURNS. ON ALL STOCK INVESTMENT THERE IS A POSSIBILITY OF PARTIAL OR TOTAL LOSS OF THE INVESTED CAPITAL, OF WHICH THE INVESTOR IS CONSCIOUS AND RECOGNIZES TO HAVE SUFFICIENT KNOWLEDGE TO EVALUATE SUCH RISK IN RELATION TO HIS TOTAL ASSETS.

NOTICE TO RESIDENTS OF PERU

THE COMPANY AND ANY OTHER PRODUCTS OR SERVICES REFERENCED IN THIS MEMORANDUM MAY NOT BE LICENSED IN ALL JURISDICTIONS, AND UNLESS OTHERWISE INDICATED, NO REGULATOR OR GOVERNMENT AUTHORITY HAS REVIEWED THIS DOCUMENT OR THE MERITS OF THE PRODUCTS AND SERVICES REFERENCED HEREIN.

SPECIFICALLY, THE SHARES WILL NOT BE SUBJECT TO A PUBLIC OFFERING IN PERU. THE SHARES DESCRIBED HEREIN HAVE NOT BEEN AND WILL NOT BE APPROVED BY OR REGISTERED WITH THE PERUVIAN SUPERINTENDENCY OF CAPITAL MARKETS (SUPERINTENDENCIA DEL MERCADO DE VALORES, OR THE “SMV”) OR THE LIMA STOCK EXCHANGE (BOLSA DE VALORES DE LIMA). ACCORDINGLY, THE SHARES MAY NOT BE OFFERED OR SOLD IN PERU EXCEPT, AMONG OTHERS, IF SUCH OFFERING IS CONSIDERED A PRIVATE OFFER UNDER THE SECURITIES LAWS AND REGULATIONS OF PERU. THE SHARES CANNOT BE OFFERED OR SOLD IN PERU OR IN ANY OTHER JURISDICTION EXCEPT IN COMPLIANCE WITH THE SECURITIES LAWS THEREOF. IN MAKING AN INVESTMENT DECISION, INSTITUTIONAL INVESTORS (AS DEFINED BY PERUVIAN LAW) MUST RELY ON THEIR OWN EXAMINATION OF THE TERMS OF THE OFFERING OF THE SHARES TO DETERMINE THEIR ABILITY TO INVEST IN THE SHARES.

THIS MEMORANDUM AND THE INFORMATION CONTAINED HEREIN HAS BEEN MADE AVAILABLE IN ACCORDANCE WITH THE RESTRICTIONS AND/OR LIMITATIONS IMPLEMENTED BY ANY APPLICABLE LAWS AND REGULATIONS. THIS MEMORANDUM IS DIRECTED AT AND INTENDED FOR INSTITUTIONAL INVESTORS (AS SUCH TERM IS DEFINED IN EACH JURISDICTION IN WHICH THE COMPANY IS MARKETED). THIS MEMORANDUM IS PROVIDED ON A CONFIDENTIAL BASIS FOR INFORMATIONAL PURPOSES ONLY AND MAY NOT BE REPRODUCED IN ANY FORM. BEFORE ACTING ON ANY INFORMATION IN THIS MEMORANDUM, PROSPECTIVE INVESTORS SHOULD INFORM THEMSELVES OF AND OBSERVE ALL APPLICABLE LAWS, RULES AND REGULATIONS OF ANY RELEVANT JURISDICTIONS AND OBTAIN INDEPENDENT ADVICE IF REQUIRED. THIS MEMORANDUM IS FOR THE USE OF THE NAMED ADDRESSEE ONLY AND SHOULD NOT BE GIVEN, FORWARDED OR SHOWN TO ANY OTHER PERSON (OTHER THAN EMPLOYEES, AGENTS OR CONSULTANTS IN CONNECTION WITH THE ADDRESSEE’S CONSIDERATION THEREOF).

NOTICE TO RESIDENTS OF SAUDI ARABIA

THIS MEMORANDUM MAY NOT BE DISTRIBUTED IN THE KINGDOM OF SAUDI ARABIA EXCEPT TO SUCH PERSONS AS ARE PERMITTED UNDER THE INVESTMENT FUND REGULATIONS ISSUED BY THE CAPITAL MARKET AUTHORITY OF THE KINGDOM OF SAUDI ARABIA.

THE CAPITAL MARKET AUTHORITY DOES NOT MAKE ANY REPRESENTATION AS TO THE ACCURACY OR COMPLETENESS OF THIS MEMORANDUM, AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS OR RESPONSIBILITY ARISING FROM, OR INCURRED IN RELIANCE UPON, ANY PART OF THIS MEMORANDUM. PROSPECTIVE INVESTORS OF THE SHARES OFFERED HEREBY SHOULD CONDUCT THEIR OWN DUE DILIGENCE ON THE ACCURACY OF THE INFORMATION RELATING TO THE SHARES. IF YOU DO NOT UNDERSTAND THE CONTENTS OF THIS MEMORANDUM YOU SHOULD CONSULT AN AUTHORIZED FINANCIAL ADVISER.

NOTICE TO RESIDENTS OF SINGAPORE

THIS MEMORANDUM DOES NOT CONSTITUTE AN OFFER OR SOLICITATION BY ANYONE IN ANY JURISDICTION IN WHICH SUCH AN OFFER OR SOLICITATION IS NOT AUTHORISED OR TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH AN OFFER OR SOLICITATION.

THE CONTENTS OF THIS MEMORANDUM IS FOR INFORMATIONAL PURPOSES ONLY, AND DOES NOT CONSTITUTE OR FORM FINANCIAL ADVICE TO BUY SHARES. THIS MEMORANDUM WAS PREPARED WITHOUT REGARD TO THE SPECIFIC INVESTMENT OBJECTIVES, FINANCIAL SITUATION OR PARTICULAR NEEDS OF ANY PARTICULAR PERSON.

THE COMPANY AND THE OFFER OF THE SHARES WHICH ARE THE SUBJECTS OF THIS MEMORANDUM DO NOT RELATE TO A COLLECTIVE INVESTMENT SCHEME WHICH IS AUTHORISED BY THE MONETARY AUTHORITY OF SINGAPORE (“MAS”) UNDER SECTION 286 OF THE SECURITIES AND FUTURES ACT (CAP. 289) (THE "SFA") OR RECOGNISED BY THE MAS UNDER SECTION 287 OF THE SFA.

THIS MEMORANDUM (AS WELL AS ANY OTHER DOCUMENT ISSUED IN CONNECTION WITH THE OFFER OR SALE OF SHARES) IS NOT A PROSPECTUS AS DEFINED IN THE SFA, NOR WILL IT BE LODGED OR REGISTERED AS A PROSPECTUS WITH THE MAS AND, ACCORDINGLY, STATUTORY LIABILITY UNDER THE SFA IN RELATION TO THE CONTENT OF PROSPECTUSES DOES NOT APPLY, AND POTENTIAL INVESTORS SHOULD CAREFULLY CONSIDER WHETHER AN INVESTMENT IN THE COMPANY IS SUITABLE FOR THEM. THE MAS ASSUMES NO RESPONSIBILITY FOR THE CONTENTS OF THIS MEMORANDUM (NOR ANY OTHER DOCUMENT ISSUED IN CONNECTION WITH THE OFFER OR SALE OF THE SHARES).

THE SHARES ARE BEING OFFERED IN SINGAPORE STRICTLY IN ACCORDANCE WITH SECTION 302C OF THE SFA, WHICH, AMONG OTHER THINGS, IMPOSES LIMITATIONS ON THE NUMBER OF PERSONS TO WHOM THE OFFER CAN BE MADE. THIS MEMORANDUM AS WELL AS ANY OTHER DOCUMENT IN CONNECTION WITH THE OFFER OR SALE OF THE SHARES IS INTENDED ONLY FOR THE PERSON TO WHOM THE MEMORANDUM OR OTHER DOCUMENT HAS BEEN GIVEN ("THE ADDRESSEE"), AND THE SHARES ARE NOT BEING OFFERED OR SOLD, NOR TO BE MADE THE SUBJECT OF AN INVITATION FOR SUBSCRIPTION OR PURCHASE, TO ANY PERSON IN SINGAPORE EXCEPT THE ADDRESSEE. ACCORDINGLY, WITHOUT THE PRIOR WRITTEN CONSENT OF THE BARINGS, THIS MEMORANDUM AS WELL AS ANY DOCUMENT IN CONNECTION WITH ANY OFFER OR SALE OF THE SHARES IS NOT TO AND MUST NOT BE ISSUED, CIRCULATED OR DISTRIBUTED IN SINGAPORE, TO ANY OTHER PERSON IN SINGAPORE EXCEPT THE ADDRESSEE.

WHERE THE SHARES ARE SUBSCRIBED FOR OR PURCHASED, THE RESTRICTIONS IMPOSED BY SECTION 302C OF THE SFA CAN AFFECT THEIR SUBSEQUENT TRANSFERABILITY OR RESALE, AND ACCORDINGLY ANY SUBSEQUENT TRANSFER OR RESALE OF THE SHARES WOULD HAVE TO BE IN ACCORDANCE WITH SUCH RESTRICTIONS. IN PARTICULAR, THE SHARES ARE NOT PRESENTLY BEING OFFERED BY THE COMPANY TO THE ADDRESSEE WITH A VIEW TO THE ADDRESSEE SUBSEQUENTLY OFFERING THEM FOR SALE TO ANOTHER PERSON.

NOTICE TO RESIDENTS OF SWITZERLAND

THE OFFER AND THE MARKETING OF SHARES OF THE COMPANY IN SWITZERLAND WILL BE EXCLUSIVELY MADE TO, AND DIRECTED AT, QUALIFIED INVESTORS (THE "QUALIFIED INVESTORS"), AS DEFINED IN ARTICLE 10(3) AND (3TER) OF THE SWISS COLLECTIVE INVESTMENT SCHEMES ACT (“CISA”) AND ITS IMPLEMENTING ORDINANCE, AT THE EXCLUSION OF QUALIFIED INVESTORS WITH AN OPTING-OUT PURSUANT TO ART. 5(1) OF THE SWISS FEDERAL LAW ON FINANCIAL SERVICES ("FINSA") AND WITHOUT ANY PORTFOLIO MANAGEMENT OR ADVISORY RELATIONSHIP WITH A FINANCIAL INTERMEDIARY PURSUANT TO ARTICLE 10(3TER) CISA (“EXCLUDED QUALIFIED INVESTORS”). ACCORDINGLY, THE COMPANY HAS NOT BEEN AND WILL NOT BE REGISTERED WITH THE SWISS FINANCIAL MARKET SUPERVISORY AUTHORITY ("FINMA") AND NO REPRESENTATIVE OR PAYING AGENT HAVE BEEN OR WILL BE APPOINTED IN SWITZERLAND. THIS MEMORANDUM AND/OR ANY OTHER OFFERING OR MARKETING MATERIALS RELATING TO THE SHARES OF THE COMPANY MAY BE MADE AVAILABLE IN SWITZERLAND SOLELY TO QUALIFIED INVESTORS, AT THE EXCLUSION OF EXCLUDED QUALIFIED INVESTORS. THE LEGAL DOCUMENTS OF THE COMPANY MAY BE OBTAINED FREE OF CHARGE FROM BARINGS LLC.

NOTICE TO RESIDENTS OF TAIWAN

THE SHARES ARE BEING MADE AVAILABLE IN TAIWAN ON A PRIVATE PLACEMENT BASIS ONLY TO BANKS, BILLS HOUSES, TRUST ENTERPRISES, INSURANCE COMPANIES, SECURITIES FIRMS, FINANCIAL HOLDING COMPANIES AND OTHER QUALIFIED ENTITIES OR INSTITUTIONS (COLLECTIVELY, “QUALIFIED INSTITUTIONS”) AND OTHER ENTITIES AND INDIVIDUALS MEETING SPECIFIC CRITERIA (“OTHER QUALIFIED INVESTORS”) PURSUANT TO THE PRIVATE PLACEMENT PROVISIONS OF TAIWAN RULES GOVERNING OFFSHORE FUNDS. NO OTHER OFFER OR SALE OF THE SHARES IN TAIWAN IS PERMITTED. TAIWAN PURCHASERS OF THE SHARES MAY NOT SELL OR OTHERWISE DISPOSE OF THEIR HOLDINGS EXCEPT BY REDEMPTION, TRANSFER TO A QUALIFIED INSTITUTION OR OTHER QUALIFIED INVESTOR, TRANSFER BY OPERATION OF LAW OR OTHER MEANS APPROVED BY THE TAIWAN FINANCIAL SUPERVISORY COMMISSION.

NOTICE TO RESIDENTS OF THAILAND

THIS MEMORANDUM HAS NOT BEEN REGISTERED AS A PROSPECTUS WITH THE OFFICE OF THE SECURITIES AND EXCHANGE COMMISSION OF THAILAND. ACCORDINGLY, THIS DOCUMENT AND ANY OTHER INFORMATION, IN CONNECTION WITH THE OFFER OR SALE, OR INVITATION FOR SUBSCRIPTION OR PURCHASE

OF THE UNITS IN THE OFFSHORE FUND, MAY NOT BE CIRCULATED OR DISTRIBUTED, NOR MAY THE UNITS IN THE OFFSHORE FUND BE OFFERED OR SOLD, OR BE MADE THE SUBJECT OF AN INVITATION FOR SUBSCRIPTION OR PURCHASE, WHETHER DIRECTLY OR INDIRECTLY, TO THE PUBLIC OR ANY MEMBERS OF THE PUBLIC IN THAILAND EXCEPT BY A LICENSED ENTITY WHICH IS PERMITTED TO DISTRIBUTE THIS DOCUMENT IN THAILAND. NEITHER BARING ASSET MANAGEMENT (ASIA) LIMITED NOR ANY OF ITS AFFILIATES HAVE ANY INTENTION TO SOLICIT YOUR INVESTMENT OR SUBSCRIPTION IN THE COMPANY.

NEITHER THE COMPANY OR THE COMPANY ADVISOR, NOR THEIR REPRESENTATIVES, DIRECTORS AND EMPLOYEES, MAKE ANY REPRESENTATIONS OR WARRANTIES, EXPRESSED OR IMPLIED, WITH RESPECT TO THE COMPLETENESS OR ACCURACY OF ANY OF THE INFORMATION CONTAINED IN THIS DOCUMENT OR ANY OTHER INFORMATION, WHETHER COMMUNICATED IN WRITTEN OR ORAL FORM, TRANSFERRED OR MADE AVAILABLE TO YOU.

THIS DOCUMENT IS FOR INFORMATION ONLY AND NOT AN ADVERTISEMENT, INVESTMENT RECOMMENDATION, RESEARCH OR ADVICE. IT DOES NOT HAVE REGARD TO THE SPECIFIC INVESTMENT OBJECTIVES, FINANCIAL SITUATION OR NEEDS OF ANY SPECIFIC PERSON. YOU SHOULD SEEK ADVICE FROM A FINANCIAL ADVISER. PAST PERFORMANCE OF THE COMPANY MANAGER AND THE COMPANY (INCLUDING EACH SEGREGATED PORTFOLIO), AND ANY FORECASTS ON THE ECONOMY, STOCK OR BOND MARKET, OR ECONOMIC TRENDS WHICH ARE TARGETED BY THE SEGREGATED PORTFOLIOS, ARE NOT INDICATIVE OF THE FUTURE PERFORMANCE. THE VALUE OF THE SHARES OF THE COMPANY AND INCOME ACCRUING TO THEM, IF ANY, MAY FALL AS WELL AS RISE. NO REPRESENTATION OR WARRANTY IS MADE THAT ANY INDICATIVE PERFORMANCE OR RETURN WILL BE ACHIEVED IN THE FUTURE BY ANY AFFILIATES OF BARING ASSET MANAGEMENT (ASIA) LIMITED. NEITHER BARING ASSET MANAGEMENT (ASIA) LIMITED NOR ANY OTHER MEMBER WITHIN GROUP OF BARINGS IS LICENSED TO CARRY OUT FUND MANAGEMENT ACTIVITIES IN THAILAND.

NOTICE TO RESIDENTS OF UNITED ARAB EMIRATES

THE OFFERING OF SHARES IN COMPANY HAS NOT BEEN APPROVED OR LICENSED BY THE UAE CENTRAL BANK, THE UAE SECURITIES AND COMMODITIES AUTHORITY (SCA), THE DUBAI FINANCIAL SERVICES AUTHORITY (DFSA) OR ANY OTHER RELEVANT LICENSING AUTHORITIES IN THE UAE, AND ACCORDINGLY DOES NOT CONSTITUTE A PUBLIC OFFER IN THE UAE IN ACCORDANCE WITH THE COMMERCIAL COMPANIES LAW, FEDERAL LAW NO. 2 OF 2015 (AS AMENDED), SCA RESOLUTION NO. 9 R.M. OF 2016 CONCERNING THE REGULATION OF MUTUAL FUNDS, SCA RESOLUTION NO. 3 R.M. OF 2017 REGULATING PROMOTIONS AND INTRODUCTIONS OR OTHERWISE. ACCORDINGLY, THE SHARES ARE NOT OFFERED TO THE PUBLIC IN THE UAE (INCLUDING THE DUBAI INTERNATIONAL FINANCIAL CENTRE (DIFC)).

THIS MEMORANDUM IS STRICTLY PRIVATE AND CONFIDENTIAL AND IS BEING ISSUED TO A LIMITED NUMBER OF INSTITUTIONAL AND INDIVIDUAL INVESTORS:

A. WHO MEET THE CRITERIA OF A QUALIFIED INVESTOR AS DEFINED IN SCA RESOLUTIONS NO. 9 R.M. AND NO. 3 R.M. OF 2016 (EXCEPT NATURAL PERSONS) OR WHO OTHERWISE QUALIFY AS SOPHISTICATED INVESTORS;
B. UPON THEIR REQUEST AND CONFIRMATION THAT THEY UNDERSTAND THAT THE SHARES HAVE NOT BEEN APPROVED OR LICENSED BY OR REGISTERED WITH THE UAE CENTRAL BANK, THE SCA, DFSA OR ANY OTHER RELEVANT LICENSING AUTHORITIES OR GOVERNMENTAL AGENCIES IN THE UAE; AND
C. MUST NOT BE PROVIDED TO ANY PERSON OTHER THAN THE ORIGINAL RECIPIENT, AND MAY NOT BE REPRODUCED OR USED FOR ANY OTHER PURPOSE.

NOTICE TO RESIDENTS OF UNITED KINGDOM

THE COMPANY IS AN ALTERNATIVE INVESTMENT FUND FOR THE PURPOSE OF THE ALTERNATIVE INVESTMENT FUND MANAGERS REGULATIONS, 2013, AS AMENDED BY THE ALTERNATIVE INVESTMENT MANAGERS (AMENDMENT, ETC.) (EU EXIT) REGULATIONS 2019 (“UK AIFM REGULATIONS”). BARINGS LLC IS THE ALTERNATIVE INVESTMENT FUND MANAGER (“AIFM”) OF THE COMPANY.

SHARES IN THE COMPANY MAY ONLY BE MARKETED TO PROSPECTIVE INVESTORS WHICH ARE DOMICILED OR HAVE A REGISTERED OFFICE IN THE UK (“UK PERSONS”) IF THE AIFM HAS QUALIFIED THE COMPANY FOR MARKETING UNDER THE UK AIFM REGULATIONS AND IN SUCH CASES ONLY TO UK PERSONS

WHICH ARE PROFESSIONAL INVESTORS OR ANY OTHER CATEGORY OF PERSON TO WHICH SUCH MARKETING IS PERMITTED UNDER THE NATIONAL LAWS OF THE UK. THIS MEMORANDUM IS NOT INTENDED FOR, SHOULD NOT BE RELIED ON BY AND SHOULD NOT BE CONSTRUED AS AN OFFER (OR ANY OTHER FORM OF MARKETING) TO ANY OTHER UK PERSON.

A “PROFESSIONAL INVESTOR” IS AN INVESTOR WHO IS CONSIDERED TO BE A PROFESSIONAL CLIENT OR WHICH MAY, ON REQUEST, BE TREATED AS A PROFESSIONAL CLIENT WITHIN THE UK IMPLEMENTATION OF ANNEX II OF EUROPEAN UNION DIRECTIVE 2014/65/EU (MARKETS IN FINANCIAL INSTRUMENTS DIRECTIVE OR “MIFID II”) AND AIFMD.

FURTHER INFORMATION ON THE COMPANY’S UK REGISTRATIONS IS AVAILABLE FROM THE AIFM ON REQUEST.

NOTICE TO RESIDENTS OF URUGUAY

THE SALE OF THE COMPANY QUALIFIES AS A PRIVATE PLACEMENT PURSUANT TO SECTION 2 OF URUGUAYAN LAW 18,627. THE COMPANY MUST NOT BE OFFERED OR SOLD TO THE PUBLIC IN URUGUAY, EXCEPT IN CIRCUMSTANCES WHICH DO NOT CONSTITUTE A PUBLIC OFFERING OR DISTRIBUTION UNDER URUGUAYAN LAWS AND REGULATIONS. THE SHARES IN COMPANY ARE NOT AND WILL NOT BE REGISTERED WITH THE FINANCIAL SERVICES SUPERINTENDENCY OF THE CENTRAL BANK OF URUGUAY.

ADDITIONALLY, PARTICULARLY IN THE CASE OF FUNDS, THE LEGEND SHALL ALSO STATE THAT THE RELEVANT FUNDS ARE NOT INVESTMENT FUNDS GOVERNED BY LOCAL LAW 16,774 AS AMENDED. THE SHARES CORRESPOND TO INVESTMENT FUNDS THAT ARE NOT INVESTMENT FUNDS REGULATED BY URUGUAYAN LAW 16,774 DATED SEPTEMBER 27, 1996, AS AMENDED.