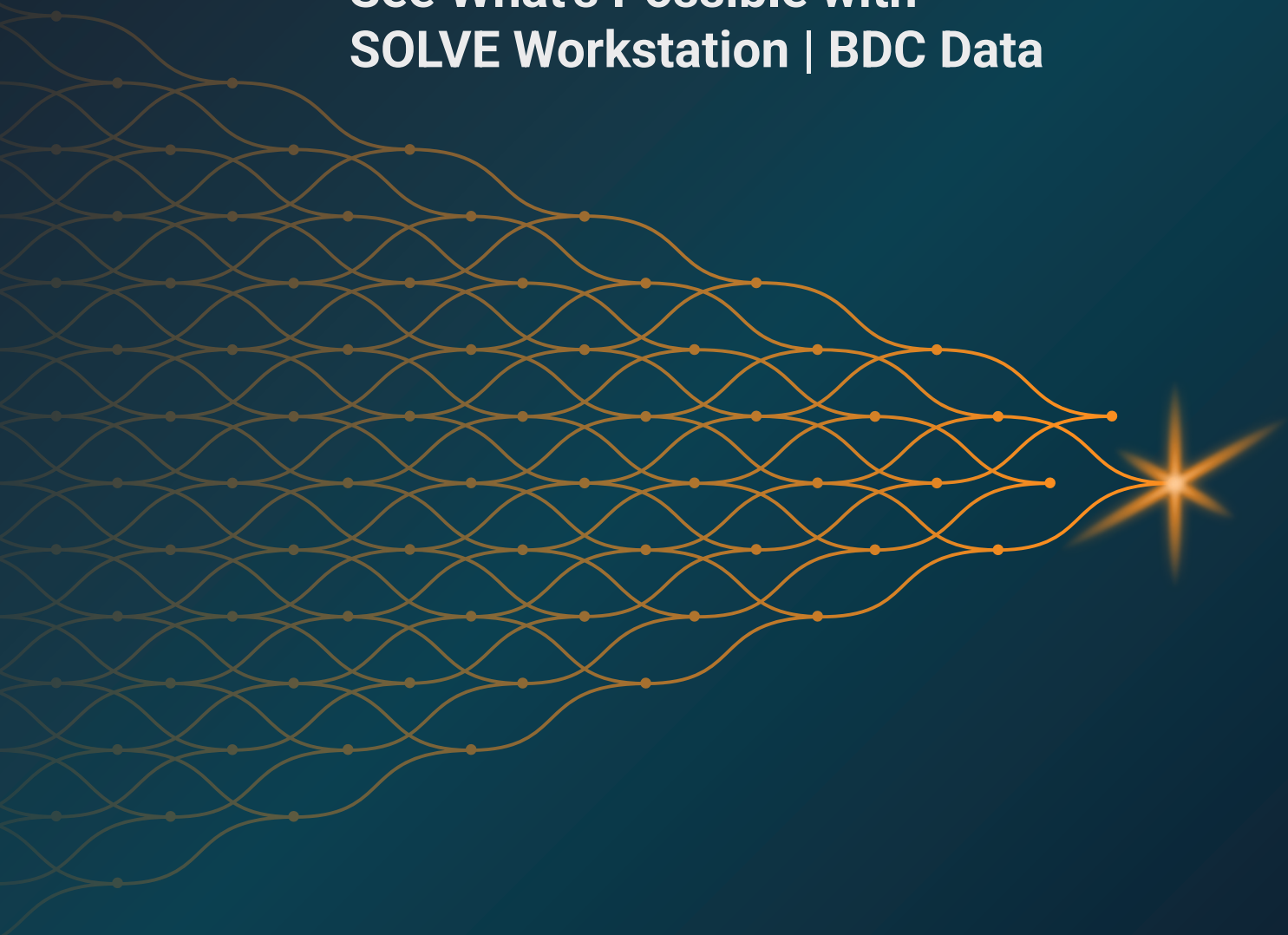
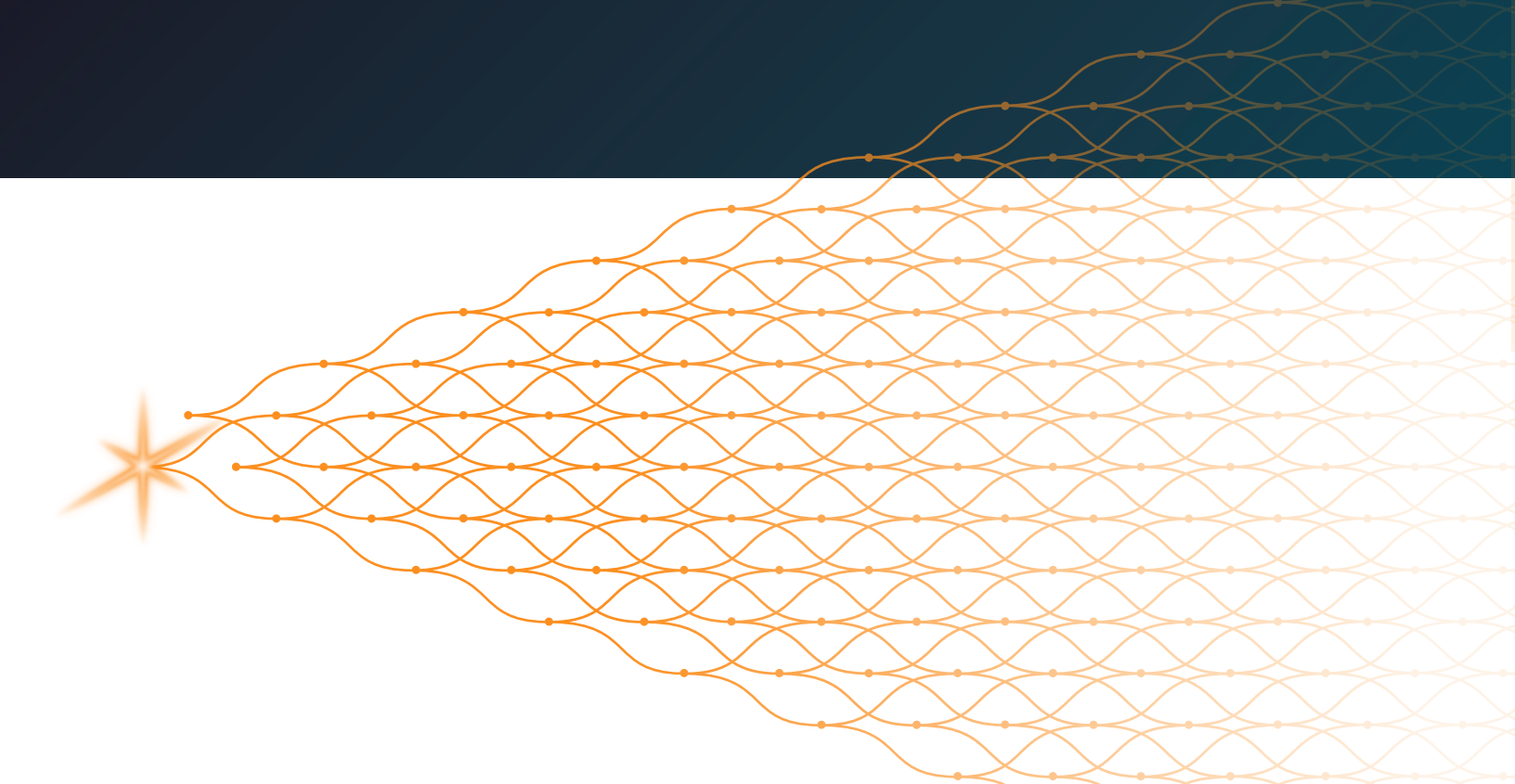


From BDC Filings to Insights

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Clarity Powered Through Millions of Data Points

BDC filings contain millions of data points, but turning them into something investors can actually use has historically meant days or weeks of collecting, cleaning and comparing information. SOLVE changes that. By applying AI/ML technology to one of private credit's most complex datasets, accurate, standardized filing data is available in [SOLVE Workstation | BDC Data](#) within minutes of a filing.

That speed unlocks a different level of analysis: compare 170+ BDC filers in minutes, instantly identify every BDC exposed to a portfolio company, and analyze 20+ years of PIK, non-accrual and investment trends. And through the Download Center, clients can bring the numbers together with the context behind them, from earnings transcripts to insights and analysis, all within the same workflow.

The result is a more complete view of the BDC market:

- **BDC Earnings Analysis** turns filing data into a market-wide view of performance, risk and emerging trends.
- **BDC Earnings Insights** brings together earnings commentary, formatted transcripts and summaries in one resource, making it easier to follow the BDCs you cover and identify the themes that matter.

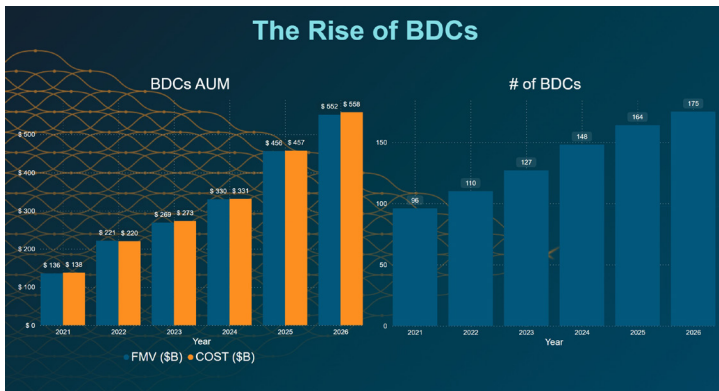
Data Collection: What We Capture From Every BDC Filing

With BDC schedules of investments standardized across every filer and more than two decades of history, SOLVE creates a consistent, market-wide view of the BDC universe.

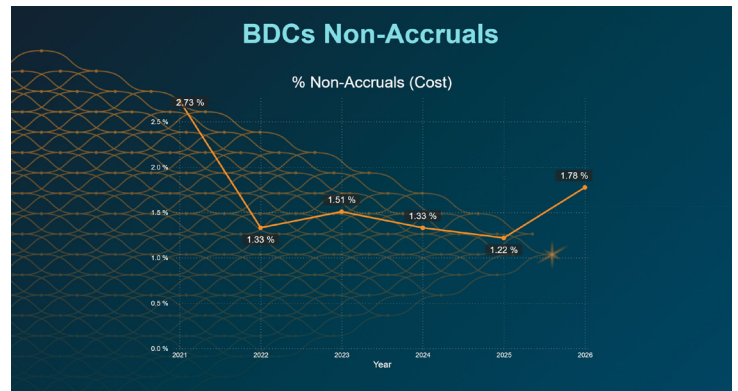
See how the market is evolving, from AUM and portfolio fair value to shifts in non-accruals and PIK exposure. Millions of data points become comparable, actionable insights, without weeks of manual aggregation and analysis.

The examples below are just a snapshot. The full BDC Earnings Analysis goes significantly deeper, providing a robust view of market, portfolio and credit trends across the BDC universe.

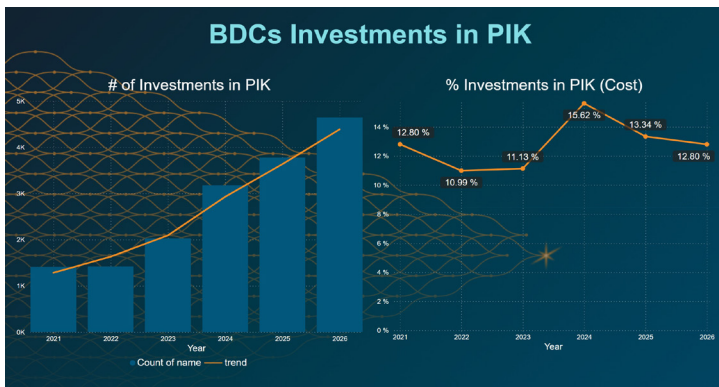
**Q1-2026 BDC Market Growth:
AUM & number of BDCs**



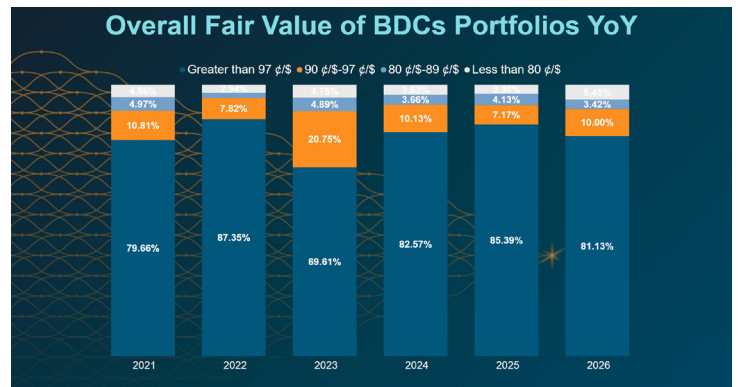
**Q1-2026 Non-Accrual Trends:
Tracking developing credit stress**



**Q1-2026 PIK Exposure:
Where payment-in-kind is building**



**Q1-2026 Portfolio Fair Value:
Year-over-year movement across BDC portfolios**



BDC Earnings Insights

This document is updated weekly throughout the Q2 2026 BDC earnings season as additional earnings call transcripts become available. To access the latest version, please visit our [SOLVE Resources page](#).

For a more comprehensive research experience, [SOLVE Workstation | BDC Data](#) provides real-time access to earnings transcripts alongside BDC holdings, portfolio company data, PIK and non-accrual analysis, peer comparisons, market intelligence, and proprietary analytics—all within a single workflow designed to support faster, more informed investment decisions.

Quarter ended June 30, 2026 | Created August 26, 2026 | 45 BDC Summaries

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Ares Capital Corporation (ARCC)

Executive Summary

- Ares Capital Corporation (ARCC) reported second quarter 2026 results for the quarter ended June 30, 2026, with core earnings of \$0.47 per share representing an annualized return on equity of 9.7%, consistent with the prior quarter.
- Management described a more subdued transaction environment, with fewer deals closing across the market as sponsors and borrowers navigated a more uncertain macroeconomic backdrop and sponsor-backed M&A activity remained limited.
- Activity accelerated as the quarter progressed, with more than 25% more transactions reviewed than in the prior quarter and June marking one of the strongest months for new transactions reviewed in the past two years.
- Management emphasized ARCC's scale, its position as the largest publicly traded BDC and the highest-rated BDC across the three major credit rating agencies, historically low problem assets, and significant available capital for new investment opportunities.

Key Financial Metrics

- Core earnings were \$0.47 per share in the second quarter of 2026, consistent with the prior quarter, reflecting continued healthy portfolio performance and stable earnings generation despite the more subdued transaction environment.
- GAAP net income per share was \$0.24, up from \$0.13 in the first quarter of 2026, with the sequential improvement largely driven by lower net unrealized depreciation.
- Total portfolio at fair value was \$29.3 billion at quarter end, down slightly from \$29.5 billion in the first quarter, primarily reflecting mark-to-market valuation adjustments and healthy net repayment activity.
- The portfolio totaled \$29.7 billion at cost at quarter end.
- Borrowers generated organic weighted-average LTM EBITDA growth of approximately 8% through the end of the second quarter, consistent with ARCC's 10-year average and well in excess of the broader syndicated loan benchmark.
- On new senior loan commitments during the quarter, average spreads were 20 basis points wider than in the fourth quarter of 2025, while average upfront fees increased by 15 basis points over the same period.
- The second quarter closing ratio was moderately below the historical average of approximately 5%, which management cited as evidence of continued underwriting discipline.

NAV / NII / EPS

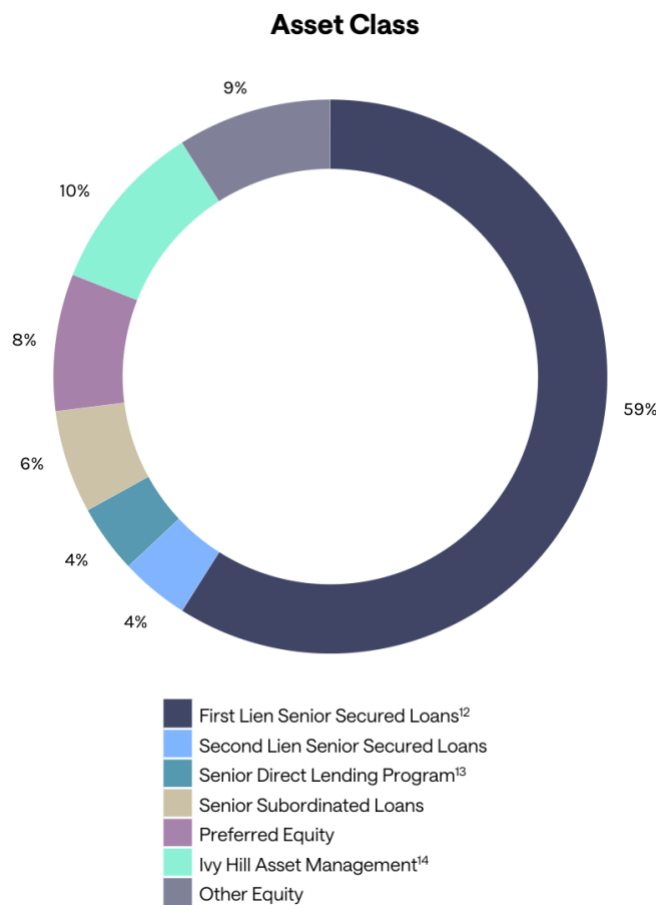
- Net asset value ended the quarter at \$13.9 billion, or \$19.35 per share, a decrease of \$0.24 per share from the prior quarter.
- Management noted the modest NAV decline should be viewed in the context of ARCC's long track record, having grown NAV per share by more than 30% since inception.
- Core earnings of \$0.47 per share compared with GAAP net income per share of \$0.24 for the quarter.
- Over the last 12 months, core earnings have exceeded the regular dividend, while an additional \$0.15 per share of net realized gains provided further support for overall dividend-paying capacity.

Dividend / Distribution

- The third quarter 2026 regular dividend of \$0.40 per share is payable on September 30 to stockholders of record as of September 15.
- ARCC has now paid stable or increasing regular quarterly dividends for 68 consecutive quarters, building on a track record of stable or growing regular quarterly dividends for 17 consecutive years.
- Taxable spillover income carried forward was estimated at approximately \$908 million, or \$1.38 per share, available for distribution to stockholders in future periods.
- Management stated the current regular dividend appropriately reflects long-run underlying earnings power, supported by substantial spillover income, modest leverage, a more stable interest rate environment, and healthy credit performance.

Portfolio / Investment Activity

- The portfolio ended the quarter at \$29.3 billion at fair value across 619 portfolio companies, with no single investment representing more than 1.3% of the portfolio excluding Ivy Hill and the SDLP.
- The number of companies in the portfolio has grown by approximately 10% over the past year.
- Debt investments continue to benefit from meaningful equity cushions, with average loan-to-value in the mid-40% range and portfolio companies on average maintaining equity capital cushions of more than 50% beneath ARCC's investments.
- Interest coverage, leverage levels, and revolving credit facility utilization remained in line with historical averages for the portfolio, and interest coverage and leverage were generally consistent with the five-year average.
- Management believes the majority of the change in fair value across debt and equity portfolio investments was primarily driven by changes in market spreads and valuations rather than changes in underlying credit performance.
- Within the software portfolio, only one small loan is currently on non-accrual, and debt investments remain supported by loan-to-value ratios in the low 40% range.
- Organic LTM EBITDA growth across software investments accelerated during the second quarter and exceeded the broader portfolio average.
- The number of borrowers in the Senior Direct Lending Program (SDLP) increased from 28 to 72 during the quarter following co-investment relief allowing the SDLP to invest alongside other Ares funds.



Source: ARCC_Q2_2026_presentation.pdf, chart/graph selected from page 12

What this picture shows: Ares Capital Corporation's asset Class.

Originations / Fundings

- ARCC originated \$2.6 billion of new investment commitments in the second quarter while maintaining broad exposure across 20 industries and 38 sub-industries.
- Approximately 75% of transactions in the quarter were completed with existing borrowers, underscoring the value of incumbent relationships.
- ARCC arranged a nearly \$2 billion credit facility during the second quarter and was able to retain that facility entirely on its own terms afterward, generating significantly outsized economics.
- Management noted that competition was less intense in the larger-company end of the market, where spreads widened, leverage levels tightened, and fees improved more noticeably than in the smaller-company segment.
- Transactions reviewed increased approximately 50% month-over-month in June, and management indicated that volume continued into July.

Repayments / Sales / Exits

- The sequential decline in portfolio fair value primarily reflected mark-to-market valuation adjustments and healthy net repayment activity.

- Management indicated repayment activity generally moves relatively in tandem with new deal activity, and expects repayments to pick up as new deal volume increases.
- Management identified no specific driver that would make repayments abnormally higher or lower going forward.
- Equity co-investments have generated an average gross IRR of more than 20% over the last decade.
- ARCC has generated more than \$1 billion of cumulative net realized gains in excess of realized losses since inception.

Credit Quality

- Non-accruals at cost ended the quarter at 2.4%, up from 2.1% in the prior quarter, but still well below ARCC's approximately 3% historical average since the global financial crisis and the BDC historical average of approximately 4% over the same period.
- The non-accrual rate at fair value was 1.4%, also well below historical levels.
- Four names moved to non-accrual during the quarter, and management indicated the four companies operate in unrelated businesses with no discernible industry trend.
- Management continues to expect credit quality and non-accruals across the industry to trend toward historical norms, while noting increasing dispersion among managers.
- Management stated ARCC is not seeing the same kind of spikes in non-accruals and further weakening that some competitors are experiencing.
- Management noted it is seeing owners and sponsors support portfolio companies with incremental capital, supported by loan-to-value in the portfolio of around 50%.
- On two credits referenced by an analyst, management confirmed both share the same sponsor-owner and said ongoing constructive dialogue with that sponsor provides some confidence in addressing the situation in the near term.

Investment Rating / Risk

- Overall risk ratings remained stable during the quarter.
- The share of portfolio companies in the higher-risk categories, grades 1 and 2, remained comfortably below the 10-year average.
- The proportion of portfolio companies in grade 4, which are outperforming original underwriting expectations, was meaningfully higher than those in the higher-risk grades.
- Management continues to believe AI risk across the software-oriented portfolio remains limited overall, with less than 50 basis points of total portfolio fair value attributable to higher-AI-risk software investments.
- Less than 4% of the portfolio was attributable to medium-or-higher-AI-risk software investments, and management noted medium-risk companies are performing well today with credit statistics comparable to the overall portfolio.

Leverage / Liquidity

- Leverage was 1.12 times debt-to-equity net of available cash, effectively stable quarter over quarter, against a stated target range of 0.9 to 1.25 times.
- ARCC ended the quarter with approximately \$6 billion of available liquidity after giving effect to the repayment of \$1 billion of unsecured notes earlier in the month.

- The maturity profile remains well-laddered, with no additional unsecured note maturities in 2026 and only \$1.4 billion coming due in 2027.
- ARCC raised approximately \$1.2 billion of additional financing during the quarter through secured note issuance and approximately \$370 million of additional capacity across two secured revolving credit facilities.
- ARCC currently has \$10.8 billion of fully committed revolving credit facilities with a weighted average maturity of more than four years.

Management Commentary

- Management launched the first commercial paper program in the BDC sector, a \$1 billion program effectively backed by the recently renewed, fully committed \$5.5 billion revolving credit facility, with potential to reduce funding costs by approximately 50 to 100 basis points relative to average secured borrowings.
- The borrowing cost on the largest revolving credit facility was reduced by 10 basis points and its maturity extended to May 2031.
- After quarter end, ARCC reset its inaugural \$476 million debt securitization, reducing its weighted average spread by 35 basis points while extending the reinvestment period by three years and final maturity by two years.
- Management highlighted leadership continuity, noting every member of the executive leadership team has spent roughly two decades at ARCC and investment committee members have been with the firm for over 18 years on average.
- The dedicated portfolio management team includes more than 50 professionals led by three partners with an average of 27 years of experience, one of whom serves as a voting member of the investment committee.
- Management stated it is not ARCC's strategy to aggressively take control of struggling companies, preferring sponsors to inject capital, though the willingness and capability to take control incentivizes sponsor support.

Market / Macro Commentary

- Management observed fewer deals closing across the market in the second quarter as sponsors and borrowers navigated a more uncertain macroeconomic backdrop, particularly evident in a lack of sponsor-backed M&A activity.
- Some managers more heavily indexed to retail capital have become less active, reducing competition in the larger-company market while competition increased in the smaller-company market.
- Management noted volatility of rates has a greater and more hampering impact on transaction volume than the absolute level of rates, because buyers struggle to price risk when the dispersion of rate outcomes is wide.
- The rate picture today feels more stable than it has in some time, and management said a slight widening of the base rate going forward should be a benefit without being a negative for transaction flow.
- Management noted the quality of deal flow dipped somewhat in the second quarter but is improving as transaction volume picks up.

Risks / Watch Items

- Management expects credit quality and non-accruals across the industry to continue trending toward historical norms following an extended period of below-average default experience.
- Management pointed to a general maturing of portfolios across the manager set, noting a handful of managers ramped up investing over time and it takes time for those investments to mature and settle.
- Management acknowledged that some lenders face increased pressure to deploy capital, which may lead them to compromise on quality.
- Management noted the importance of remaining vigilant in ongoing portfolio monitoring and thoughtful in allocating new capital to the software sector despite limited assessed AI risk.
- Management observed that PIK terms have returned on a few transactions and expects the concept is not going away, though it should be less prevalent than it once was given increased scrutiny.

Outlook / Guidance

- Management expressed optimism for the back half of the year, citing more deal flow, more sponsor activity, and greater general health in the M&A market.
- The volume increase seen in June continued into July, and management described a building environment for transaction activity with improving deal quality.
- Management indicated there is a little room to grow leverage within the stated 0.9 to 1.25 times range, while remaining sensitive to covenant considerations.
- On the commercial paper program, management expects to issue perhaps a few hundred million dollars initially rather than the full \$1 billion, having completed a first issuance post-quarter end.
- Management indicated the likelihood of a value-creating merger or acquisition transaction in the space is probably higher than it has been in the past, given performance dispersion across managers, but declined to comment on specifics.

Other Notes

- Call date: The second quarter 2026 earnings conference call was recorded on Wednesday, July 29, 2026.
- Management declined to comment on other managers' portfolio marks, noting there is some dispersion in valuation across the industry especially in more stressed credits, and stated ARCC has been proven to be on the more conservative end of that spectrum.
- Approximately 90% of the portfolio remains structurally originated, a metric management confirmed held roughly the same for the quarter.

Barings BDC (BBDC)

Executive Summary

- Barings BDC (BBDC) reported second quarter 2026 results for the quarter ended June 30, 2026, generating net investment income of \$0.28 per share and out-earning its quarterly dividend of \$0.26 per share.
- Management characterized the quarter as strong, citing the durability of the portfolio, the benefit of the floating rate asset base, and disciplined capital deployment.

- The most significant structural accomplishment during the quarter was the termination of the legacy Sierra Credit Support Agreement, which freed approximately \$67 million for redeployment into income-producing assets and materially simplified the balance sheet.
- Credit quality improved quarter over quarter, with non-accruals not covered by the credit support agreement representing only 0.2% of the portfolio at fair value.

Key Financial Metrics

- Net investment income was approximately \$0.28 per share, exceeding the quarterly dividend of \$0.26 per share by roughly \$0.02.
- The investment portfolio increased to approximately \$2.46 billion at fair value at quarter end.
- The weighted average yield on debt and other income-producing securities increased to 10.2% at quarter end, up from 10.1% in the prior quarter.
- Net investment income for the quarter benefited from continued elevated dividend income within the portfolio.
- Undistributed taxable spillover income was approximately \$0.84 per share.
- The termination of the Sierra Credit Support Agreement generated a realized gain of approximately \$22.6 million, which was largely offset by unrealized depreciation recognized as the value of the contract converged to its ultimate settlement amount.

NAV / NII / EPS

- Net asset value per share was \$10.94 as of June 30, 2026, compared to \$11.02 as of March 31, 2026.
- The modest decline in NAV was driven primarily by net unrealized depreciation on select investments that were on the watch list in the prior quarter, partially offset by net realized gains and by out-earning the dividend.
- Net investment income of approximately \$0.28 per share exceeded the quarterly dividend of \$0.26 per share.
- Management stated that while NAV declined modestly, the underlying earnings profile of the portfolio remained strong and credit quality remained stable.

Dividend / Distribution

- The board declared a third quarter dividend of \$0.26 per share, unchanged from the prior quarter.
- Net investment income of \$0.28 per share exceeded the \$0.26 per share quarterly dividend, providing approximately \$0.02 per share of coverage.
- Undistributed taxable spillover income of approximately \$0.84 per share provides additional support for shareholder distributions.
- Management cited substantial spillover income, an industry-leading incentive fee hurdle, and diversified income streams as positioning BBDC well to support shareholder distributions through varying market environments.

Portfolio / Investment Activity

- The investment portfolio increased to approximately \$2.46 billion at fair value at quarter end.
- Net originations were approximately \$95 million, consisting of \$262 million of originations against \$167 million of sales and repayments.

- The weighted average yield on debt and other income-producing securities increased to 10.2% from 10.1% in the prior quarter.
- The strategy remains focused on middle market issuers, senior secured investments, defensive sectors, and directly originated opportunities where Barings can influence structure, documentation, and outcomes.
- The core deployment strategy targets companies with \$15 million to \$75 million of EBITDA, consistent with historically targeted industry verticals.
- Management noted the capital solutions group generated robust activity with meaningfully less competition, achieving pricing 200 to 300 basis points wider than comparable private credit deals for what BBDC views as equivalent risk.
- Management indicated BBDC historically avoided ARR lending in software and continues to see compelling opportunities in that vertical on a highly selective basis.
- The termination of the Sierra Credit Support Agreement continues BBDC's transition away from legacy acquired assets toward a more fully Barings-originated portfolio.

Securities Portfolio

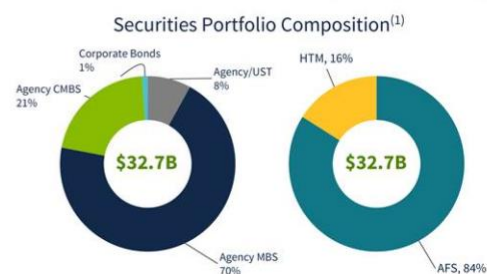
Provides downside rate protection/liquidity



- Portfolio constructed to protect against changes in market rates
 - Duration of ~3.9 years (AFS ~3.5 years) as of 6/30/2026; provides offset to long-duration deposit book
 - 28% of securities in the portfolio are bullet-like (CMBS, corporate bonds, agency bullets, and USTs)
 - MBS mix concentrated in less sensitive prepayment collateral types: lower loan balances, seasoning, and state-specific geographic concentrations
- 98% US Government or Agency guaranteed
 - ~\$400M high quality, investment grade corporate bond portfolio is short-dated (<3.0 year duration) and well diversified across sectors and issuers
 - The Agency CMBS portfolio is guaranteed by government agencies and is collateralized by mortgage loans on multifamily properties
- 84% classified as Available-for-Sale; 16% Held-to-Maturity

2Q26 Activity

- Reinvestment of paydowns/maturities accretive to portfolio yield by ~1.65% (excluding repositioning activity)
- Sold ~\$900M short-duration Agency/Govt bullet-like securities at a \$40M pre-tax loss, reinvesting into longer-duration Agency CMBS and MBS at 2.5% higher yields (Previously disclosed with Q1 2026 Earnings)
 - Represents normal duration management, adding downside rate protection



Securities AOCI Burn Down and Impact to CET1⁽²⁾



(1) Includes AFS securities, the \$779M unrealized AFS loss, and HTM securities as of 6/30/2026. (2) Estimated Tax-Adjusted AOCI, current portfolio, market forward interest rates, and Risk Weighted Assets as of 6/30/2026

REGIONS | 17

Source: BBDC_Q2_2026_presentation.pdf, chart/graph selected from page 17

What this picture shows: Reinvestment of paydowns/maturities accretive to portfolio yield by ~1.65% — this shows the portfolio mix by sector/industry, which supports the portfolio section and gives a quick view of diversification.

Originations / Fundings

- BBDC originated \$262 million of investments during the second quarter.
- Net originations were approximately \$95 million after \$167 million of sales and repayments.
- Approximately one-third of commitments during the quarter related to existing relationships, with roughly two-thirds from new-issue relationships.
- Management attributed strong deployment activity to platform strength and a full origination pipeline, noting the team remained selective and deployment was of high quality.
- The capital solutions group was a key differentiator in the quarter, combining with the core global private finance group to provide uplift in pipeline and deployment.

Repayments / Sales / Exits

- Sales and repayments totaled \$167 million during the second quarter.
- BBDC recorded net realized losses during the quarter, primarily associated with restructuring activity in legacy portfolio investments.
- Restructurings completed during the quarter involved EMI, PORTA Holdco, and a medical solutions position; while these transactions resulted in net losses, the associated unrealized marks previously taken largely offset the impact to NAV.
- Barings made a final settlement payment of approximately \$67 million in connection with the termination of the Sierra Credit Support Agreement.
- Management expects continued turnover of the broad portfolio, noting repayment and deployment activity tend to move largely in lockstep for a largely deployed, granular portfolio.

Credit Quality

- Credit quality improved quarter over quarter.
- Non-accruals not covered by the credit support agreement represented only 0.2% of the portfolio at fair value.
- Total non-accruals represented 0.6% of the portfolio at fair value.
- The decline in NAV was driven primarily by net unrealized depreciation on select investments that were on the watch list in the prior quarter.
- Net realized losses recorded during the quarter were primarily associated with restructuring activity in legacy portfolio investments.
- A new credit support agreement with a notional amount of approximately \$11 million provides targeted protection on the remaining Sierra positions while materially reducing the overall size and complexity of the arrangement.
- Management emphasized that manager selection, underwriting, portfolio construction, and workout experience all matter, and that private credit is not a monolithic asset class.

Investment Rating / Risk

- Management stated credit performance remains a key area of focus across the private credit market and that BBDC's credit quality improved quarter over quarter.
- Management noted it will continue to avoid industries with derivative exposure to oil and gas, logistics-related industries, and other sectors subject to volatility outside of its control, consistent with past practice.
- Management believes the next stage of the cycle should reward disciplined underwriting, strong documentation, funding flexibility, and the ability to manage through idiosyncratic credit issues.
- Management highlighted an expectation of manager dispersion as a theme it has focused on this year, which it believes continues to unfold.
- Management noted investors are beginning to look beyond headline yields toward the sustainability of earnings and the resiliency of portfolio companies.

Leverage / Liquidity

- Net leverage, defined as regulatory leverage net of unrestricted cash and net unsettled transactions, was 1.18 times at quarter end, essentially unchanged from the prior quarter and comfortably within the target range of 0.9 to 1.25 times.
- Approximately 80% of the debt capital structure remains unsecured, which management described as among the highest levels in the public BDC sector.
- Management expects the unsecured percentage to decline modestly as upcoming maturities approach but remains comfortable with the current funding profile.
- The next significant debt maturity is \$350 million of unsecured notes due in November 2026, and management has been proactively evaluating multiple refinancing alternatives.
- Management cited substantial liquidity, access to both secured and unsecured finance markets, and a long-standing presence as a public debt issuer as providing several attractive options to address the maturity.

Management Commentary

- Management stated the second quarter demonstrated the strength of the Barings BDC platform, generating earnings in excess of the dividend, terminating the legacy Sierra credit support agreement, maintaining leverage within the target range, and preserving significant liquidity.
- Management welcomed a more rigorous public discussion of private credit, noting that manager selection, underwriting, portfolio construction, and workout experience all matter.
- Management observed that private credit behavior is becoming more rational, with capital remaining available but less aggressively so.
- Management said redemption activity in perpetual BDCs and more deliberate institutional pacing are reducing the marginal capital chasing new deals, which has begun to translate into better lender economics in parts of the market.
- Management noted a definitive software premium exists for managers underwriting new software issuance, and BBDC is selectively taking advantage of that pricing opportunity rather than avoiding the sector.
- Management indicated the pipeline is robust and what was seen in the second quarter feels like it is carrying into the third quarter.

Market / Macro Commentary

- Management described the second quarter as defined by a disconnect between noisy private credit headlines and stable underlying fundamentals.
- Headlines during the quarter included continued scrutiny of non-traded perpetual BDC redemptions, renewed focus on software exposure and AI disruption, heightened political uncertainty, and ongoing debate about the timing and magnitude of future rate moves.
- At the macro level, conditions were not meaningfully changed from the prior quarter; while renewed tariff concerns and Middle East conflicts contributed to volatility, the operating backdrop for core middle market borrowers remained manageable.
- New issue spreads have widened modestly, fee levels have improved, and lenders are becoming more selective.

- Public reports indicate direct lending activity broadly declined during the quarter, driven by fewer mega deals and less large corporate finance activity, while BBDC's core middle market issuance pipeline remained active.

Risks / Watch Items

- The next significant debt maturity is \$350 million of unsecured notes due in November 2026, which management is actively working to refinance.
- Management noted heightened competition in the lowest end of the market, describing the segment covering borrowers with \$5 million to \$15 million of EBITDA as extraordinarily competitive.
- Management will continue to avoid industries with derivative exposure to oil and gas and logistics-related sectors given cyclical considerations in a volatile macroeconomic environment.
- Investor focus remains high around redemption activity in non-traded perpetual BDCs, AI-related disruption in software, geopolitical volatility, and the path of interest rates.
- Management noted some managers face redemption pressures, which BBDC views as a potential source of market dislocation opportunities.

Outlook / Guidance

- Management indicated the pipeline is robust and second quarter activity levels appear to be carrying into the third quarter, though visibility much beyond that is difficult.
- Management expects to remain opportunistic in refinancing the November 2026 maturity in a manner that preserves balance sheet flexibility.
- Management will continue to evaluate dividend levels relative to portfolio earnings power, base rate expectations, and overall market conditions.
- Management's outlook remains optimistic for continued turnover of the broad portfolio, which has been more muted over the past few years.
- Management believes BBDC remains well positioned to navigate changing market conditions, supported by a high-quality portfolio, conservative balance sheet, and robust earnings profile.

Other Notes

- Call date: The conference call covered the quarter ended June 30, 2026.
- The Sierra Credit Support Agreement was originally established in connection with the Sierra acquisition and provided downside protection throughout the wind-down of that legacy portfolio.
- Only a small number of Sierra investments remain, covered by the new approximately \$11 million notional credit support agreement.

Blackstone Secured Lending (BXSL)

Executive Summary

- Blackstone Secured Lending Fund (BXSL) reported second quarter 2026 results with net investment income of \$0.75 per share, representing an 11.4% annualized NII yield, supported by what management described as a shareholder-aligned fee structure.

- Repayment activity continued to accelerate, with over \$700 million in repayments during the quarter, an annualized repayment rate of 21% of the portfolio at fair value compared to 13% in the prior quarter and 5% in the same quarter a year earlier.
- Net asset value per share ended at \$25.53, down approximately 2.8% quarter over quarter, with nearly half of the unrealized private marks reflecting continued broader market spread widening and the remainder attributed to some underperforming assets.
- Management remained highly proactive with underperforming borrowers, leveraging senior position, strong documentation, and restructuring expertise, and noted no new non-accrual assets were added in the quarter.

Key Financial Metrics

- Net investment income for the quarter was \$174 million, or \$0.75 per share, compared to the \$0.77 per share dividend, representing an 11.4% annualized NII yield and a 12.1% annualized distribution yield.
- Total portfolio investments at fair value were \$13.4 billion, against \$7.5 billion of outstanding debt and \$5.9 billion of total net assets.
- The portfolio is marked at 95.2 at quarter end, down from 96.2 last quarter, reflecting a combination of broader spread widening and company-specific fundamentals.
- Payment-in-kind income was flat quarter over quarter and marginally higher year over year at approximately 6.6% of total investment income, but down over 20% since the fourth quarter of 2025.
- Interest income excluding payment-in-kind, fees, and dividends represented over 93% of total investment income in the quarter.
- Across the entire portfolio, LTM EBITDA growth was 7% year over year, in line with growth seen in recent quarters, while interest coverage modestly improved to 2.1 times.
- The all-in cost of debt for the second quarter was 5.05%.

NAV / NII / EPS

- Net asset value per share at quarter end was \$25.53, down from \$26.26 in the first quarter, a decline of approximately 2.8%.
- The NAV decline was impacted primarily by \$0.59 per share of unrealized net losses, plus \$0.12 per share of realized net losses tied to two restructurings that closed in the quarter.
- Net investment income was \$0.75 per share against the \$0.77 per share dividend, a modest shortfall management is covering with excess earnings previously retained in NAV.
- Prior to the second quarter, BXSL's NII per share had met or exceeded the regular dividend per share for 28 consecutive quarters.
- Total undistributed earnings represented \$1.77 per share at quarter end, down from \$1.80 per share at the end of the first quarter.

Dividend / Distribution

- BXSL maintained its dividend at \$0.77 per share, representing a 12.1% annualized distribution yield.
- Management intends to use excess earnings in the near term as it transitions to a lower dividend level aligned with the fund's longer-term earnings profile, reflecting lower base rates and maturities of lower-cost investment grade bonds.

- Management described the use of excess earnings as a short-term temporary bridge rather than a long-term solution, and said it is continuously evaluating the dividend with the board.
- Total undistributed earnings represented \$1.77 per share at quarter end, providing support for the current distribution level.

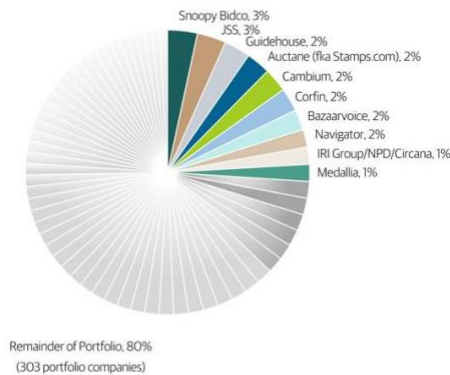
Portfolio / Investment Activity

- BXSL funded over \$300 million during the quarter, adding five new borrowers to the portfolio and bringing the total to 313 portfolio companies.
- The portfolio remains at nearly 97% first lien senior secured.
- Software represented 19% of BXSL's fair market value across 70 borrowers, with a weighted average LTM EBITDA of more than \$275 million, weighted average revenue above \$780 million, and average interest coverage of 2.2 times.
- BXSL co-led a \$1.1 billion financing for Aspen Pharmacare, a scaled pharmaceutical platform in Asia Pacific.
- Firmus Technologies, a leading AI infrastructure platform, drew on its \$5 billion delayed draw term loan as part of a \$10 billion financing led by Blackstone.
- Management completed amendments for 38 of its 313 issuers in the quarter, with over 97% of amendments as measured by fair value associated with benign or positive events such as add-ons, M&A, delayed draw term loan extensions, or immaterial technical matters.
- New recently committed deals across the platform are setting up with less leverage, lower loan-to-values, and average spreads higher than in previous quarters.
- Portfolio loan-to-value was 51.9% compared to 46.9% a year ago, which management attributed to a weighted average effect from multiple compression, with the quarterly pickup most related to just two companies.

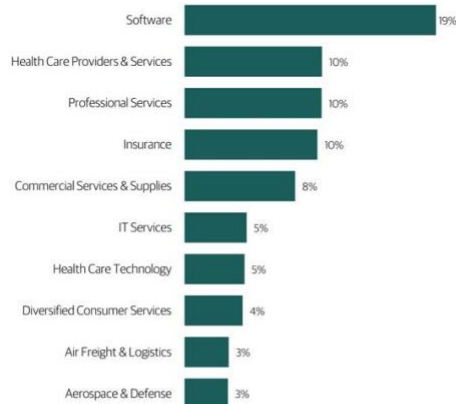
PORTFOLIO CONSTRUCTION

- Broad industry representation with largest exposures in software, health care providers & services, professional services and insurance
- Diversified portfolio across issuers with no single issuer accounting for more than 3% of the portfolio

Top Ten Portfolio Companies⁽¹⁾⁽²⁾
(as of June 30, 2026)



Top Ten Industries⁽¹⁾⁽³⁾
(as of June 30, 2026)



(1) Based on the fair market value of the portfolio.
(2) 313 portfolio companies.
(3) 39 individual industries.

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Source: BXSL_Q2_2026_presentation.pdf, chart/graph selected from page 8

What this picture shows: **PORTFOLIO CONSTRUCTION** — this shows the portfolio mix by sector/industry, which supports the portfolio section and gives a quick view of diversification.

Originations / Fundings

- BXSL funded over \$300 million during the quarter, adding five new borrowers and bringing the total portfolio to 313 companies.
- Management described deployment as disciplined, with new fundings featuring strong credit profiles, thematic orientation, and attractive spreads.
- New deal flow is concentrated in areas where Blackstone has deep industry expertise and thematic conviction, including AI and digital infrastructure, infrastructure services, and life sciences.
- Overall spreads relative to last year are approximately 25 to 50 basis points wider on new investments and add-ons.
- Management indicated deployment in the quarter also reflected add-ons and increased delayed draw term loans arising from amendment activity, rather than amendment fees.

Repayments / Sales / Exits

- BXSL received over \$700 million in repayments during the quarter, in line with the expectations discussed on the prior call.
- This represented an annualized repayment rate of 21% of the portfolio at fair value, compared to 13% for the prior quarter and 5% for the same quarter in the prior year.
- The average loan mark across assets fully repaid during the quarter was below 94, and select repayments included call protection leading to realizations slightly above par on average.
- BXSL recorded \$0.12 per share of realized net losses tied to two restructurings that closed in the quarter.

- Management expects the vast majority of assets currently marked below par to migrate and be repaid at par over the next several years.

Credit Quality

- BXSL ended the period with a non-accrual rate of 1.8% at fair value and 3.6% at cost, down from 3.1% at fair value and 4.7% at cost in the first quarter, primarily driven by two assets removed post-restructuring.
- No new non-accrual assets were added in the quarter.
- Prior to completing its restructuring post quarter end, Medallia represented 1.5% of the BXSL non-accrual rate based on fair value.
- The bottom 10% of the portfolio is currently marked at 70, and management noted approximately half of those assets have sponsors putting additional equity into the businesses.
- The percentage of assets marked below 90 and below 85 decreased this quarter, which management described as trending in the right direction.
- BXSL's manager has experienced an annualized loss rate of less than 10 basis points across its over 20-year North American direct lending track record.
- Management noted BXSL has delivered net cumulative realized gains overall on investments since inception through the second quarter.

Investment Rating / Risk

- The bottom 10% of the portfolio is currently marked at 70, a statistic management introduced a couple of quarters ago to frame tail risk.
- Management described the tail as fairly contained rather than expanding, noting the assets involved tend to be older vintages that did not grow into capital structures set up five or six years ago.
- Management noted BXSL does not have a lot of PIK assets and is predominantly first lien, with companies continuing to generally service their debt with cash.
- BXSL has almost 0% of PIK preferred instruments in the portfolio, because management believes recovery is close to zero when those positions go sideways.
- Average loan-to-value at close is in the low 40s, with the reported portfolio figure refreshed to take into account both underlying fundamentals and public and private valuations.

Leverage / Liquidity

- Ending leverage as of June 30 was 1.25 times on a net of cash basis and 1.28 turns on a gross basis, below where BXSL ended each of the last two quarters, against a stated long-term leverage range of 1.0 to 1.25 turns.
- Total liquidity comprised of unrestricted cash and undrawn debt available to borrow was \$2.8 billion at quarter end.
- The liability profile includes \$10.4 billion of committed debt capacity and \$7.6 billion of funded debt, with approximately 68% of funded debt unsecured and 32% secured.
- BXSL had \$679 million drawn on asset-based facilities at a weighted average drawn spread of SOFR plus 186 basis points, a revolver priced at SOFR plus 153 basis points on drawn amounts, over \$450 million of CLO debt at a weighted average coupon of SOFR plus 154 basis points, and \$5.2 billion of unsecured bonds outstanding.

- BXSL issued a \$650 million five-year bond in May priced at 205 basis points above the benchmark treasury rate, or a 5.9% coupon, with a book nearly five times oversubscribed that is now trading tight to issuance.

Management Commentary

- Management stated it remains highly proactive with underperforming borrowers, leveraging senior position, strong documentation, and deep restructuring expertise built over more than 20 years.
- Blackstone's resources supporting the portfolio include over 110 strategic advisors and a 120-person credit CIO office, including a dedicated Value Creation Team providing operational support, management, and board enhancements.
- Management noted that across 10 restructurings completed over the past eight years, BXSL has exited three positions with a recovery rate excluding coupons of 0.93.
- Management emphasized that the purpose of a restructuring is to reset the capital structure, give the company cash flow to reinvest, and reposition it for growth, and acknowledged the risk of a restructuring that does not stick.
- The board approved a discretionary share repurchase plan earlier this year under which BXSL may repurchase up to \$250 million of common shares in the open market at prices below net asset value per share; the program has not yet been exercised.
- Management described itself as evaluating all available ways to drive shareholder value including buybacks, investing into the market, and different leverage structures, while avoiding layering in additional risk.

Market / Macro Commentary

- Management remains constructive on the outlook for deal activity, with M&A benefiting from strength in the U.S. economy; while the year started slower, activity levels measured by new deals through global private deal screenings improved during the quarter, particularly in June.
- Management believes repayment activity is an important indicator of underlying market health and a meaningful signal for future deal activity, typically reflecting improving capital markets conditions, increased M&A and sponsor activity, and greater borrower confidence.
- Valuations reflect both company fundamentals and current market conditions, but as first lien secured lenders realized outcomes are ultimately driven by repayment at par over time or by enforcing rights during periods of underperformance.
- Management described the financing market as wide open with access to all capital markets and strong demand, noting investment grade bond spreads have largely retraced the widening seen earlier in the year.
- Management noted the bank and CLO markets continue to function in a healthy way and expects to continue accessing the capital markets.

Risks / Watch Items

- Nearly half of the unrealized private marks in the quarter reflected continued broader market spread widening, while the remaining marks were attributed to some underperforming assets.
- The bottom 10% of the portfolio is marked at 70, and management noted some positions that have taken marks continue to take additional marks in a relatively concentrated set.

- Management acknowledged the industry risk that a restructuring which fails and returns to non-accrual tends to produce extremely low recoveries, and said it agrees restructurings must be set up with the appropriate amount of debt.
- Management expects to transition to a lower dividend level aligned with the fund's longer-term earnings profile, reflecting lower base rates and maturities of lower-cost investment grade bonds.
- Portfolio loan-to-value increased to 51.9% from 46.9% a year ago, reflecting multiple compression in public markets over the last year.

Outlook / Guidance

- Management expects repayment activity to create additional balance sheet capacity through year-end and will weigh repurchases against deployments at wider spreads while managing to the stated long-term leverage range.
- Management has clear visibility to continued elevated repayment volume, with similar levels expected as in the second quarter, which should trend leverage flexibility toward the mid to high end of the range in the back half of the year.
- Management described itself as very constructive on second half deal activity, citing improved screening volumes over the past couple of months and a fairly healthy U.S. economy.
- Management expects the vast majority of assets currently marked below par to repay at par over the next several years, supporting pull-to-par accretion.
- Management expects to continue accessing capital markets and maintaining an approximately 32% secured, 68% unsecured funding mix for operating flexibility.

Other Notes

- Call date: The conference call covered second quarter 2026 results for the quarter ended June 30, 2026.
- Management thanked departing colleagues John Bach and Kate Rubenstein for their contributions to BXSL over the past several years.
- Management noted that most amendments are positive for the credit and therefore do not typically carry fees, resulting in only marginal structuring and amendment fees on the income statement.

CIION Investment Corporation (CIION)

Executive Summary

- CIION Investment Corporation (CIION) reported second quarter 2026 results with net asset value per share up, net investment income up, non-accruals down, no new names placed on non-accrual, and no new internal risk rating downgrades.
- Net investment income was \$0.29 per share, up from \$0.25 in the first quarter, essentially matching the \$0.30 per share total monthly base distribution level for the quarter.
- Management highlighted the validation of portfolio marks, having sold more than \$54 million in portfolio assets at 99% of par during the quarter and an additional \$10 million subsequent to quarter end at approximately 99% of par.
- Subsequent to quarter end, management undertook a series of capital actions to strengthen the balance sheet, including a deleveraging plan targeting pro forma leverage of approximately 1.35 times.

Key Financial Metrics

- Net investment income was \$14.2 million, or \$0.29 per share, compared to \$12.9 million or \$0.25 per share in the first quarter.
- Total investment income was \$49.8 million during the second quarter compared to \$49.5 million in the first quarter, with the slight increase driven primarily by higher amortization of purchase discounts from opportunistic investment purchases, partially offset by lower interest earned due to a smaller portfolio.
- Total operating expenses were \$35.6 million compared to \$36.7 million in the first quarter, with the decrease driven primarily by lower interest expense on lower average debt outstanding and lower G&A expenses.
- At June 30, total assets were approximately \$1.8 billion, total equity or net assets were \$668 million, total debt outstanding was \$1.17 billion, and 49.2 million shares were outstanding.
- The weighted average yield earned on debt and other income producing investments at amortized cost was 10.6%, slightly up from 10.4% in the first quarter.
- The weighted average cost of debt capital was about 7.5%, flat compared to the first quarter.
- Management estimated earnings this quarter were impacted by two cents per share solely due to timing, as excess cash was carried to pay down a secured credit facility without incurring a minimum utilization penalty.

NAV / NII / EPS

- Net asset value increased 3.5% quarter over quarter to \$13.57 per share, up from \$13.11 at the end of March, an increase of \$0.46 per share.
- The NAV increase was driven primarily by unrealized mark-to-market price increases in the equity portfolio and by the accretive nature of the share repurchase program during the quarter.
- Net investment income was \$0.29 per share, up from \$0.25 per share in the first quarter.
- The largest unrealized increases for the quarter were in equity positions in CareStream Health, ARC Financial, David's Bridal, Longview Power, and K&N.
- The largest debt decliner was the first lien investment in Thrill One, as the company was in bankruptcy court during the quarter and is expected to emerge with a final plan of reorganization in the third quarter.

Dividend / Distribution

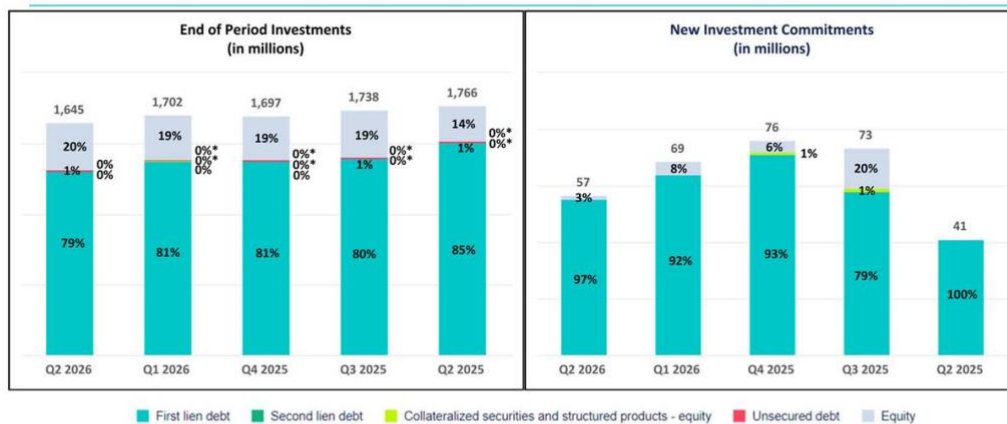
- During the second quarter, CION paid monthly base distributions totaling \$0.30 per share, having changed the timing of base distributions from quarterly to monthly beginning in January 2026.
- Third quarter monthly base distributions totaling \$0.30 per share will be paid at \$0.10 per share per month for July, August, and September.
- Fourth quarter base distributions totaling \$0.30 per share were declared, the same as the third quarter, payable monthly in October, November, and December at \$0.10 per share per month.
- The trailing 12-month distribution yield through the second quarter based on average NAV was about 9.5%, and the trailing 12-month distribution yield based on quarter end market price was 21.2%.

Portfolio / Investment Activity

- The portfolio at fair value ended the quarter at \$1.65 billion, with net funded investments decreasing by approximately \$90 million during the quarter.

- The portfolio remains defensive in nature with approximately 79% in first-lien investments, a percentage management expects to increase over the next few quarters as equity investments such as Longview Power are monetized.
- CION has only 1.8% of its portfolio in the software sector, with no ARR-based loans as of the second quarter.
- Approximately 85% of PIK income is structured by design from inception as part of a deliberate yield enhancement strategy rather than a consequence of borrower distress, and 100% of PIK income is in portfolio companies risk-rated three or better.
- Other than one highly strategic investment with an existing portfolio company, second quarter investment activity was exclusively focused on existing portfolio companies for acquisitions, recapitalizations, and other strategic transactions.
- Management is separating David's Bridal into two entities, a legacy retail business to be run for cash flow and the Pearl AI digital media network, listings, and marketplace platform which is organically scaling at a high rate.
- Longview Power, CION's largest equity position, entered into a purchase and sale agreement with a publicly traded company subsequent to quarter end; the investment began with a discounted first lien term loan purchase in September 2018 followed by strategic add-on investments.
- Management expects significant quarter-to-quarter volatility in the marks of David's Bridal equity given the relative size of the investment and the highly seasonal nature of the company's operations and working capital profile.

Portfolio Asset Composition



* Less than 1%.

The discussion of the investment portfolio is at fair value and excludes short term investments.

CION
INVESTMENTS

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Source: CION_Q2_2026_presentation.pdf, chart/graph selected from page 6

What this picture shows: Portfolio Asset Composition — this shows how the portfolio is distributed by fair value, which helps explain asset concentration and diversification.

Originations / Fundings

- CION made a total of approximately \$57 million in investment commitments across 10 existing portfolio companies and one new borrower, of which \$54 million was funded.
- CION also funded a total of \$13 million of previously unfunded commitments.
- Add-on investments were made in existing portfolio companies including ARC, BDS, Burlett, David's Bridal, FuseFX, Innotive, Juice Plus, Riddell, Trademark Global, and WorkGenius.
- The one investment with a new portfolio borrower was Revolt, a highly strategic partner of an existing portfolio company.
- The weighted average yield for new direct investments for the quarter, based on investment cost, was the equivalent of SOFR plus 8.1%.

Repayments / Sales / Exits

- Sales and repayments totaled \$157 million for the quarter, with loan repayment activity returning to levels consistent with pre-2024 levels as CION received over \$100 million in full repayments from borrowers.
- CION received full repayment of its first lien positions in ESP Associates, Giving Home Health, Iron Horse, Lux Credit, McNeil Pride, and PRA Acquisition.
- As part of the deleveraging plan, CION sold over \$50 million of investments in American Clinical, Future Pack, Ivy Hill 8, Metric, Newberry Franklin, and Sleep Opco at a blended sales price of 99% of par.
- Subsequent to quarter end, CION sold an additional \$10 million in portfolio assets at approximately 99% of par, bringing recent third-party asset sales to more than \$64 million.
- Management expects the Longview Power transaction, if it closes, to generate a meaningful amount of net investment income over the next few quarters and represent a significant premium to cost basis.

Credit Quality

- Non-accruals on a fair value basis decreased from 1.53% in the first quarter to 1.44% at the end of the second quarter.
- On an amortized cost basis, non-accruals decreased from 5.35% to 4.41%.
- No new names were added to non-accrual, and CION removed its term loan investment in Lux Credit Consultants given the sale of the company during the quarter.
- Weighted average interest coverage and leverage across the debt portfolio remained essentially stable.
- Management stated non-accruals continue to be in line with historical experience on an absolute basis and expressed satisfaction with continued credit performance particularly in the current macro environment.
- CION realized a loss on its term loan to Lux Credit in connection with the sale of the company in early second quarter; because the position had been placed on non-accrual and valued based on the expected transaction in the first quarter, there was no impact to NAV in the second quarter.
- Management noted the stock trades at a price that assumes a portfolio loss rate more than 14 times CION's historical annualized loss rate dating back to inception in 2012.

Investment Rating / Risk

- Approximately 98% of the portfolio remains risk-rated 3 or better.

- Risk-rated 3 investments, where CION expects full repayment but is either spending more engagement time or has seen increased risk since initial asset purchase, increased from approximately 12.9% in the first quarter to 14.1% in the second quarter.
- There were no new internal risk rating downgrades during the quarter.
- 100% of PIK income is in portfolio companies risk-rated three or better.
- Management noted the interest coverage ratio was about two times, reflecting strong debt service capacity.

Leverage / Liquidity

- Net debt to equity decreased to 1.52 times at quarter end from 1.62 times at the end of March, a direct result of sales and repayment activities as part of the deleveraging plan.
- CION intends to repay its \$115 million public Israeli bonds in full and has already repaid \$125 million on its J.P. Morgan secured credit facility subsequent to quarter end, primarily from sale proceeds and ordinary course repayments.
- Management is targeting pro forma leverage of approximately 1.35 times, with the plan to delever the balance sheet by around \$270 million, expected to further decrease to the low end of the 1.3 to 1.4 times net leverage range.
- CION ended the quarter with approximately \$1.3 billion in unencumbered assets, over \$160 million in cash and short-term investments, and another \$25 million available under credit facilities.
- The debt mix was about 75% unsecured and 25% senior secured bank debt, with about 60% floating rate creating a natural hedge against the mostly floating rate investment portfolio; management expects the unsecured mix to reach 80%.

Management Commentary

- Management described the quarter as a good one across key metrics and said subsequent capital actions may further demonstrate to the market CION's durability amid broader market factors.
- The board authorized a \$50 million increase to the existing share repurchase program, bringing the total to \$130 million, and management said the fund intends to be aggressive going forward subject to regulations and available cash.
- Management is prioritizing repurchases over new deals and intends for the time being to materially reduce or cease investments in new portfolio companies while executing share repurchases.
- Management stated CION has always had confidence in its valuation process, which uses four independent third-party providers, continuous back-testing, and rigorous quarterly reviews, and now has the market confirming specific fair value marks in real time.
- Management believes CION is significantly undervalued today, noting the median BDC trades approximately 30% off where it traded a year ago while CION has been punished even further.
- Management characterized the Longview Power outcome as a powerful validation of its special situation strategy, in which CION acquires lightly syndicated first lien loan tranches at a discount to par and takes an active role in restructurings and recapitalizations.

Market / Macro Commentary

- Management noted the overall macro market recovered from first quarter headwinds ranging from the Iranian war to widespread market concerns regarding a potential crack in private credit.

- Market concerns focused specifically on software concentrations within the private capital sector and the potential AI impact on those investments, an area where CION has minimal exposure.
- The net increase in unrealized market value was primarily driven by increases in the marked value of equity investments due to the improved macroeconomic environment and related increases in market trading multiples, a significant reversal from the first quarter.
- Management noted media hysteria about private credit has caused the median BDC to trade approximately 30% off where it traded a year earlier.
- Management noted the existing portfolio tends to be higher yielding than new issue opportunities, with last quarter's weighted average portfolio spread at SOFR plus 800.

Risks / Watch Items

- Management expects PIK income to decline in the coming quarters, emphasizing that it primarily affects portfolio construction rather than reflecting credit stretch.
- The first lien investment in Thrill One was the largest debt decliner as the company was in bankruptcy court during the quarter, with emergence expected in the third quarter.
- Management expects significant quarter-to-quarter volatility in the marks of David's Bridal equity given the size of the position and the seasonality of the business.
- The pace and amount of share repurchases will depend in part on the timing of when the Longview Power transaction closes.
- Management acknowledged the market may be skeptical of CION's marks, doubtful of execution, fearful of a dividend cut, or concerned about software exposure in private credit generally.

Outlook / Guidance

- Management expects the deleveraging plan to be completed by the end of the third or fourth quarter, bringing net leverage to approximately 1.35 times.
- Management is in the late stages of negotiating additional transactions with third-party investors that, if they close as expected, would increase the percentage of unsecured versus secured debt and further reduce on-balance sheet exposure.
- Management expects the percentage of first-lien investments in the portfolio to increase over the next few quarters as equity investments such as Longview Power are monetized.
- Management feels good about dividend coverage for the remainder of 2026, supported by expected proceeds from the Longview Power transaction.
- Management indicated investors should not expect net portfolio growth for a couple of quarters while the deleveraging plan and share repurchases are executed.

Other Notes

- Call date: The second quarter 2026 earnings press release was distributed before market open on the morning of the call, covering the quarter ended June 30, 2026.
- Asset sale buyers were a diversified mix, either co-investors CION generally deals with or members of the syndicate on those names, negotiated on a loan-by-loan basis with little negotiation given prices were close to par.

- Additional examples of CION's special situations track record include investments in YACMAT, Heritage Power, and Dayton Superior, where realized weighted average total recoveries exceeded the amortized cost of those investments at the time of restructuring.

Capital Southwest Corporation (CSWC)

Executive Summary

- Capital Southwest Corporation (CSWC) reported results for its first quarter of fiscal year 2027, the quarter ended June 30, 2026, generating pre-tax net investment income of \$0.57 per share supported by strong recurring earnings across the portfolio.
- Deal flow in the lower middle market was strong, with \$222 million in total new commitments closed across 11 new portfolio companies and 16 existing portfolio companies.
- The on-balance-sheet credit portfolio ended the quarter at \$2 billion, representing 24% year-over-year growth from \$1.6 billion as of June 2025.
- Management continued to seek shareholder votes on a proposal to increase authorized shares ahead of the September 1 meeting, noting approximately 89% of votes cast to date were in favor and that both ISS and Glass Lewis recommended shareholders vote for the proposal.

Key Financial Metrics

- Pre-tax net investment income was \$35 million, or \$0.57 per share.
- Total investment income increased to \$61 million from \$57.8 million in the prior quarter, driven primarily by a \$2.6 million increase in cash interest income coupled with a \$1.1 million increase in PIK interest income.
- The increase in PIK income was driven by an amendment to one portfolio company that capitalized two quarters of PIK into the current quarter, half of which will be non-recurring going forward.
- The weighted average yield on the debt portfolio increased to 10.9% during the quarter, up from 10.8% in the previous quarter, driven mainly by an increase in the weighted average spread of the portfolio.
- LTM operating leverage ended the quarter at 1.4%, a meaningful improvement from 1.7% a year ago in June 2025, despite the addition of 12 new employees, and compares to a BDC industry median of approximately 2.6%.
- Cash flow coverage remains strong at 3.6 times, an improvement from the 2.9 times low observed during the peak of base rates.
- Weighted average leverage through CSWC's security was 3.7 times EBITDA.

NAV / NII / EPS

- NAV per share decreased to \$16.61, down from \$16.69 per share in the prior quarter.
- The primary drivers of the NAV per share decline were net realized and unrealized depreciation on the investment portfolio and the annual equity grant to employees, offset by accretion from the equity ATM program.
- Pre-tax net investment income was \$35 million, or \$0.57 per share.
- The undistributed taxable income balance declined to \$0.87 per share, primarily due to book-to-tax differences related to annual cash bonus payments and equity award vesting.

- The equity co-investment portfolio was marked at 121% of cost, representing \$34.4 million of embedded unrealized appreciation, or \$0.54 per share.

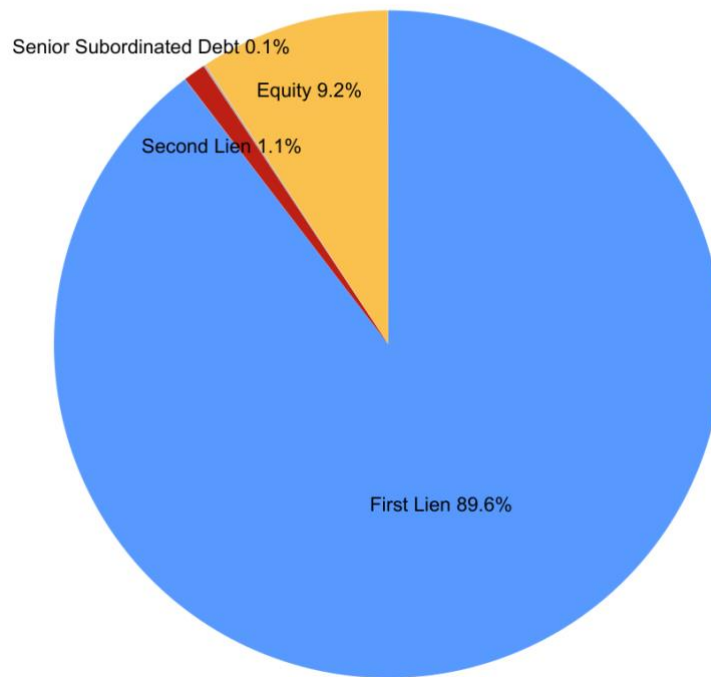
Dividend / Distribution

- The board declared a \$0.58 per share regular dividend for the September quarter, payable monthly in each of July, August, and September 2026, plus a \$0.06 per share quarterly supplemental dividend payable in September, bringing total dividends declared to \$0.64 per share.
- During the quarter, CSWC paid a \$0.58 per share regular quarterly dividend paid monthly and a \$0.06 per share supplemental quarterly dividend.
- CSWC continues to demonstrate strong dividend coverage, with 109% cumulative coverage since launching its credit strategy.
- Management has visibility on an equity realization expected to close in the near term, which should generate a realized gain and increase the UTI balance as of September 30, supporting continued quarterly supplemental dividends.

Portfolio / Investment Activity

- The on-balance-sheet credit portfolio ended the quarter at \$2 billion, representing 24% year-over-year growth from \$1.6 billion as of June 2025.
- The portfolio consists of 141 portfolio companies, allocated 89.6% to first-lien senior secured debt, 1.1% to second-lien senior secured debt, and 9.2% to equity co-investments.
- 99% of the credit portfolio remained first-lien senior secured, with a weighted average exposure per company of only 0.8%.
- Approximately 92% of the credit portfolio is sponsor-backed, providing strong governance, operational support, and, when needed, the potential for junior capital.
- The equity co-investment portfolio consisted of 95 investments with a total fair value of \$202 million, representing 9% of the total portfolio at fair value, marked at 121% of cost.
- The portfolio includes investments from 95 unique private equity firms; over the past 12 months CSWC closed new platform investments with 20 sponsors it had not previously partnered with, and has transacted with over 135 private equity firms since launching the credit strategy.
- CapTrin Partners, the joint venture with Trinity Capital, currently holds approximately \$98 million in first-lien securities across 14 portfolio companies with weighted average leverage of 1.2 times debt to EBITDA.
- During the quarter CSWC closed a \$150 million revolving credit facility for CapTrin, with advance rates that should produce a 13% to 15% return once fully ramped.

Current Investment Portfolio (By Type)



Note: Equity represents equity co-investments across 95 portfolio companies.

Source: CSWC_Q2_2026_presentation.pdf, chart/graph selected from page 16

What this picture shows: Capital Southwest Corporation's current Investment Portfolio (By Type), broken out across First Lien, Second Lien, Senior Subordinated Debt and Equity.

Originations / Fundings

- CSWC closed \$222 million in total new commitments across 11 new portfolio companies and 16 existing portfolio companies.
- New commitments consisted of \$167 million in first-lien senior secured debt and \$6 million of equity across 11 new portfolio companies, plus \$49 million in first-lien senior secured debt and \$285,000 in equity in add-on financings across 16 existing portfolio companies.
- 100% of new portfolio company debt originations were first-lien senior secured.
- Over the last 12 months, add-ons as a percentage of total new commitments have been 25%.
- Over the last 12 months CSWC screened approximately 1,300 deals and closed 19 new platform companies, up from 1,200 deals screened in fiscal year 2025 and 1,000 in fiscal year 2024, with the close rate decreasing from 1.7% in fiscal year 2024 to 1.5% today.

Repayments / Sales / Exits

- Management has visibility on an equity realization expected to close in the near term, which should generate a realized gain and increase the UTI balance as of September 30.
- The equity co-investment portfolio holds \$34.4 million of embedded unrealized appreciation, or \$0.54 per share, providing a source of future realized gains.
- Net realized and unrealized depreciation on the investment portfolio was a primary driver of the NAV per share decline in the quarter.

- Management continues to hold significant unrealized appreciation across the equity portfolio to support future supplemental distributions.
- Equity positions in lower middle-market businesses give shareholders upside participation driven by both operational improvements and strategic add-on acquisitions.

Credit Quality

- Loans on non-accrual represented 1.1% of the investment portfolio at fair value, flat from the end of the prior quarter.
- Cash flow coverage remains strong at 3.6 times, an improvement from the 2.9 times low observed during the peak of base rates.
- Weighted average leverage through CSWC's security was 3.7 times EBITDA.
- For new platform deals closed during the June quarter, weighted average senior leverage was 2.8 times debt to EBITDA and weighted average loan-to-value was 29%, providing a substantial equity cushion.
- Over the past 12 months, new platform originations have averaged 3.1 times senior leverage and 34% loan-to-value.
- The portfolio benefits from broad industry diversification with an average position size of 0.8% per company, which helps mitigate company-specific risk.
- Management stated it remains pleased with the overall performance of the portfolio.

Investment Rating / Risk

- At origination, all loans are initially assigned an investment rating of 2 on CSWC's five-point scale, with 1 being the highest rating and 5 the lowest.
- As of quarter-end, 89% of the portfolio at fair value was rated in the top two categories.
- The vast majority of deal activity continues to be in first-lien senior secured loans to private equity-backed companies, with approximately 92% of the credit portfolio sponsor-backed.
- Management noted most non-sponsored deals are usually higher risk and carry higher spreads rather than lower spreads.
- Management indicated the CapTrin joint venture is set up for one to one-and-a-quarter turns of leverage and lower risk because the entity itself will be levered three turns, significantly higher than the balance sheet.

Leverage / Liquidity

- Regulatory leverage ended the quarter at 0.91 to 1 debt-to-equity.
- The liquidity position remains robust, with approximately \$375 million in cash and undrawn commitments across two credit facilities, representing more than 1.2 times coverage of the \$312 million in unfunded commitments across the portfolio.
- CSWC raised \$64 million in gross equity proceeds through its ATM program during the quarter at a weighted average share price of \$23.47 per share, or 141% of the prevailing NAV per share.
- Management is working on an amendment and maturity extension of the corporate credit facility, which should provide beneficial economic changes to the cost of capital, with further details expected over the following weeks.

- CSWC closed a \$150 million revolving credit facility for the CapTrin Partners joint venture during the quarter.

Management Commentary

- Management emphasized the importance of shareholder approval of the proposal to increase authorized shares, noting approval would not by itself authorize issuance of any new shares but would ensure sufficient authorized shares are available to issue accretive equity when attractive opportunities arise.
- Management noted that approval under Texas law requires the affirmative vote of holders of at least two-thirds of all outstanding shares, so a failure to vote has the same practical effect as a vote against.
- Management highlighted the ATM program as a meaningful competitive advantage, noting only six BDCs were trading above book value on June 30, 2026, down from 17 BDCs on June 30, 2024.
- While the median BDC price-to-book multiple declined from 0.96 times to 0.73 times over that two-year period, CSWC continued to trade well above book value in a range of 1.2 times to 1.5 times.
- Management stated the internally managed BDC model consistently delivers meaningful fixed-cost leverage to shareholders while enabling investment in talent and infrastructure.
- Management explained CapTrin was established so CSWC could originate deals below 575 basis points, the minimum spread it generally likes to stay above on the balance sheet, opening access to higher-quality, lower-levered opportunities.

Market / Macro Commentary

- The lower middle market remains competitive as the segment continues to attract both bank and non-bank lenders, producing tighter loan pricing for higher-quality opportunities.
- Management noted the weighted average spread of the portfolio increased even amid a more competitive and tighter-spread credit environment.
- Only six BDCs were trading above book value on June 30, 2026, down from 17 BDCs on June 30, 2024.
- Spreads on the 11 new portfolio companies added during the quarter ranged between 575 basis points and as high as 700 basis points.
- Management noted the deals CapTrin targets are often \$8 million to \$10 million EBITDA companies that are lower levered and lower spread but represent higher-quality credits.

Risks / Watch Items

- Shareholder participation remains critical to approval of the authorized share proposal, as a failure to vote has the same practical effect as a vote against.
- The UTI balance declined this quarter to \$0.87 per share as a result of normal annual corporate activity, including book-to-tax differences related to annual cash bonus payments and equity award vesting.
- Half of the elevated PIK income recognized this quarter, resulting from a portfolio company amendment that capitalized two quarters of PIK, will be non-recurring going forward.
- The lower middle market remains competitive, with tighter loan pricing for higher-quality opportunities as both bank and non-bank lenders target the segment.
- Management indicated it would generally shy away from non-sponsored deals within the CapTrin joint venture given the higher leverage applied at the entity level.

Outlook / Guidance

- CSWC had already closed approximately \$125 million in originations early in the September quarter, and based on signed deals expected to close over the next 60 days could be in the \$250 million to \$300 million range, with about 75% new platform companies and 25% add-ons.
- Management expects to continue adding resources to the team while maintaining operating leverage in a 1.4% to 1.5% range.
- Management expects the CapTrin joint venture to reach its 13% to 15% target return within the previously guided 18 to 24 month ramp, though a 12 to 15 month ramp is possible if origination volumes exceed the \$250 million to \$300 million range.
- Management remains confident in its ability to grow the UTI balance and continue paying quarterly supplemental dividends over time.
- CSWC will continue to raise secured and unsecured debt capital, as well as equity through the ATM program, in a methodical and opportunistic manner to maintain significant liquidity and adequate covenant cushions.

Other Notes

- Call date: The call covered the first quarter of fiscal year 2027, the quarter ended June 30, 2026, with a shareholder meeting scheduled for September 1, 2026.
- Management noted the percentage of dead-on-arrival deals received has remained about the same over the years, and may in fact be lower over the last six to 12 months despite higher screening volumes.
- CapTrin holds overlap with the CSWC balance sheet on every asset in some form, whether a pari passu debt piece or a first-out/last-out position, though management is open to first-out-only loans going solely into the joint venture.

FS KKR (FSK)

Executive Summary

- FS KKR Capital Corp. (FSK) reported second quarter 2026 net investment income of \$0.44 per share and adjusted net investment income of \$0.43 per share, with net asset value per share declining 2.8% from \$18.83 to \$18.30.
- Net investment income per share equated to an annualized yield of 9.6% based on the June 30 net asset value per share, above previously announced guidance of 8% to 9%.
- Management reported meaningful progress executing the strategic actions announced on the first quarter call, including completion of KKR's \$150 million tender offer, a \$150 million convertible preferred stock issuance to KKR, and the launch of a \$300 million stock repurchase program.
- Management acknowledged there is still work ahead in stabilizing the investment portfolio, noting that as the buyback executes FSK will become a smaller fund but is anticipated to be a higher quality one.

Key Financial Metrics

- Total investment income was \$290 million for the second quarter, a decrease of \$14 million compared to the first quarter.

- Total interest income was \$217 million, a decrease of \$7 million quarter over quarter, primarily due to a reduction in portfolio size and assets placed on non-accrual during the prior quarter.
- Dividend and fee income totaled \$73 million, a decrease of \$7 million quarter over quarter, comprising \$45 million in dividend income from the joint venture, approximately \$23 million in other portfolio company dividends, and approximately \$5 million in fee income.
- Net expenses were \$168 million during the second quarter, a decrease of \$19 million compared to the first quarter, with interest expense of \$101 million and management fees of \$44 million.
- The weighted average yield on accruing debt investments was 9.8% as of June 30, compared to 9.9% during the first quarter.
- Portfolio companies reported a weighted average year-over-year EBITDA growth rate of approximately 6% across companies invested in since April 2018.
- The weighted average cost of debt was 5.5% as of June 30.

NAV / NII / EPS

- Net asset value per share declined 2.8% from \$18.83 to \$18.30 during the quarter.
- The NAV bridge shows the ending first quarter NAV of \$18.83 increased by GAAP net investment income of \$0.44 per share, decreased by \$0.56 per share due to a decrease in the overall value of the investment portfolio, reduced by the \$0.42 per share quarterly common stock dividend paid during the quarter, and increased by \$0.01 per share due to share repurchases which began on June 29.
- Net investment income was \$0.44 per share and adjusted net investment income was \$0.43 per share.
- The KKR incentive fee waiver had a positive \$11 million impact on second quarter net investment income.
- Net investment income per share equated to an annualized yield of 9.6% based on the June 30 net asset value per share.

Dividend / Distribution

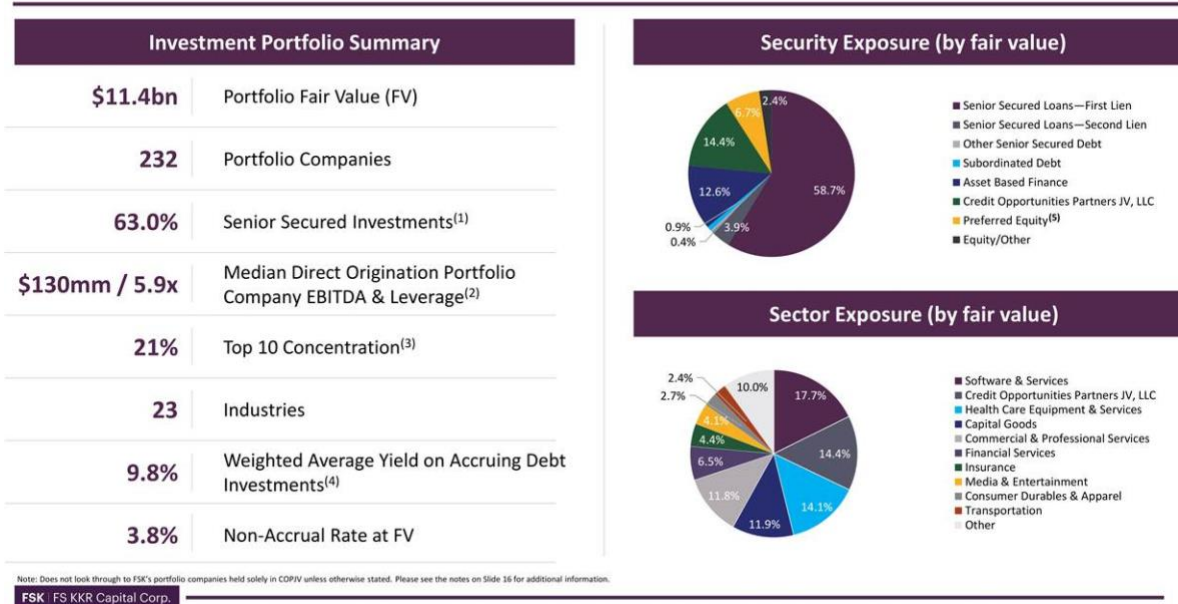
- The board declared a third quarter distribution of \$0.44 per share for common shareholders, consistent with the dividend policy of paying out 100% of the prior quarter's GAAP net investment income on a per share basis.
- Management expects the quarterly distribution level will fluctuate as net investment income fluctuates on a quarter-to-quarter basis.
- A \$0.42 per share quarterly common stock dividend was paid during the second quarter.
- The convertible preferred stock issued to KKR will pay dividends quarterly at 5% per annum in cash or, at FSK's option, 7% per annum in PIK dividends, in either case increasing annually by 1% beginning on the five-and-a-half-year anniversary of the issue date.

Portfolio / Investment Activity

- FSK's investment portfolio had a fair value of \$11.4 billion as of June 30, 2026, consisting of 232 portfolio companies.
- The 10 largest portfolio companies represented approximately 21% of the fair value of the portfolio, compared to 20% as of the end of the first quarter.
- The portfolio consisted of approximately 59% first lien loans and 63% senior secured debt as of June 30; looking through to investments in the joint venture, first lien loans total approximately 69% and senior secured investments approximately 73% of the total portfolio.

- The joint venture represented approximately 14% of the fair value of the portfolio as of the end of the second quarter.
- New investments coupled with \$1.3 billion of net sales and repayments, factoring in net sales to the joint venture, equated to a net portfolio decrease of \$735 million during the quarter.
- The investment strategy primarily focuses on upper-middle market companies with EBITDA in the \$50 million to \$150 million range across a diverse set of industries and sectors.
- As of June 30, the weighted average EBITDA of portfolio companies was \$241 million and the median EBITDA was \$130 million.
- FSK does not invest directly in oil or commodity-linked companies.

FSK Investment Portfolio Overview



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Source: FSK_Q2_2026_presentation.pdf, chart/graph selected from page 5

What this picture shows: Sector Exposure (by fair value) — this shows the portfolio mix by sector/industry, which supports the portfolio section and gives a quick view of diversification.

Originations / Fundings

- FSK originated approximately \$590 million of new investments during the second quarter.
- Almost all of these investments related to deals committed to prior to the second quarter or add-on financings to existing portfolio company names.
- The majority of new investments for the quarter related to fundings on delayed draw term loans or revolvers.
- As previously communicated, during the period when FSK is repurchasing shares it will continue to reduce the fund's new investment originations.
- Management indicated it will remain mindful about new investments while balancing the share repurchase program, leverage targets, and expected repayments.

Repayments / Sales / Exits

- Net sales and repayments totaled \$1.3 billion during the second quarter when factoring in net sales to the joint venture.

- FSK sold approximately \$500 million of investments to third parties during the second quarter at a price in line with first quarter valuations.
- GlobalJet, a legacy investment, returned \$50 million of capital to FSK during the quarter, which was used to further reduce that position.
- Management characterized the loan sales as ordinary course of business, focused on reducing larger exposures and high-quality assets priced at a different margin than the market was affording.
- Management noted repayments have been slower than expected and would probably expect a light number in the third quarter, though at some point activity should ramp back up to more traditional levels.

Credit Quality

- As of June 30, non-accruals represented 7.1% of the portfolio on a cost basis and 3.8% on a fair value basis, compared to 8.1% and 4.2% respectively as of March 31.
- Two investments were added to non-accrual status during the quarter: HENF Transportation Systems and Alacrity Solutions Group, which together totaled \$104 million of cost and \$91 million of fair value.
- Dental Care Alliance and Affordable Care were removed from non-accrual status as they were restructured during the second quarter.
- Interest coverage levels remain healthy, with median second-quarter coverage at approximately 1.9 times.
- The markdowns taken during the quarter were driven off a handful of previously discussed names, with the big drivers being PRG, ATX, Witter, Paraton, Lionbridge, and Medallia.
- Portfolio companies reported a weighted average year-over-year EBITDA growth rate of approximately 6% across companies invested in since April 2018.
- Management noted that given the size and market position of many portfolio companies, they historically have demonstrated an ability to pass through higher operating costs to customers during inflationary periods.

Investment Rating / Risk

- Management is focused on rotating certain assets as part of a broader goal to increase the overall quality and diversification of the investment portfolio.
- Management indicated the target portfolio composition would raise the first lien percentage over time while maintaining asset-based finance and joint venture exposure in the 10% to 15% range, with less focus on second lien and junior debt.
- The 10 largest portfolio companies represented approximately 21% of the fair value of the portfolio, up from 20% in the first quarter.
- Management continues to closely monitor inflation and the incremental risk associated with a sustained inflationary period.
- Management believes scale, selectivity, strong portfolio construction, and deep sponsor relationships remain critical differentiators in private credit.

Leverage / Liquidity

- As of June 30, debt to equity and net debt to equity levels were 127% and 122% respectively, compared to 138% and 131% at March 31, returning net debt to equity to the target range of 1.0 to 1.25 times.
- At the end of the second quarter, available liquidity was \$3.5 billion.

- Approximately 72% of the drawn balance sheet and 48% of the committed balance sheet was comprised of unsecured debt.
- In June, FSK issued \$900 million of 7.5% unsecured notes due 2031, which subsequently were swapped to a floating rate of SOFR plus 3.488% via an interest rate swap agreement.
- FSK's liquidity position was enhanced by KKR's \$150 million convertible preferred stock investment, which closed on June 29, 2026.

Management Commentary

- The \$150 million tender offer by KKR expired on June 11, 2026, resulting in a KKR subsidiary purchasing approximately \$150 million of FSK common stock at \$11 per share.
- FSK's \$300 million stock repurchase program commenced on June 29, 2026, with approximately 377,800 shares, or roughly \$4 million worth, repurchased during the second quarter.
- Since the beginning of the third quarter, FSK repurchased 3.3 million shares, or approximately \$36 million, bringing the cumulative value of shares repurchased to \$40 million since June 29 at a weighted average purchase price of \$10.73 per share.
- Beginning in the second quarter of 2026, KKR agreed to waive 100% of its portion of the subordinated income incentive fee for four consecutive quarters, applying to 50% of the subordinated income incentive fee that otherwise would be paid.
- Management stated improving portfolio performance, delivering greater consistency in results, and regaining market confidence remain key areas of focus.
- On February 23, 2026, partner South Carolina Retirement Systems Group Trust increased its equity ownership in the joint venture from 12.5% to approximately 21%, with FSK's ownership changing from 87.5% to approximately 79%, executed at the then-current net asset value of the joint venture.

Market / Macro Commentary

- The broader credit markets continue to be impacted by a combination of geopolitical uncertainty, inflationary pressures, and rapid technological change.
- Ongoing tensions in the Middle East, along with a broader focus on energy security and supply chain resiliency, contribute to elevated levels of macroeconomic volatility.
- Inflation remains higher than pre-pandemic norms, reinforcing the importance of disciplined underwriting and thoughtful capital structure selection.
- Management saw spreads widen and terms and conditions improve on the back of redemption activity in the non-traded space, describing a move of up to 75 basis points or more through the quarter for new deals, which has since come back somewhat.
- Management characterized the environment as toggling to a more lender-friendly environment versus a borrower-friendly one, and expects spreads could widen again if M&A returns to normal volume.

Risks / Watch Items

- Non-accruals remain elevated at 7.1% of the portfolio on a cost basis and 3.8% on a fair value basis, despite improving from the prior quarter.
- Management acknowledged there is still important work ahead in stabilizing the investment portfolio and executing on the strategic actions.

- Management noted repayments have been slower than expected and would probably expect a light number in the third quarter given light M&A and new deal activity.
- Management acknowledged that as the buyback executes FSK will become a smaller fund.
- Management continues to monitor the incremental risk associated with a sustained inflationary period alongside geopolitical tensions in the Middle East.

Outlook / Guidance

- Management expects net investment income to be in the range of 8% to 9% of net asset value on an annualized basis for the balance of 2026, depending on geopolitical risks, the overall U.S. economy, and portfolio health.
- Management intends to fulfill the \$300 million share repurchase program while remaining mindful of liquidity and leverage, likely occurring over the course of 2026 and 2027.
- Management would like leverage to get down to the middle of the 1.0 to 1.25 times target range over time, acknowledging it could bounce around the upper end for a couple of quarters.
- The KKR incentive fee waiver extends for another three quarters beyond the quarter just reported.
- Management remains focused on getting through heavy lifting on non-income producing assets as it finishes 2026 and moves into 2027.

Other Notes

- Call date: FSK's second quarter earnings release was filed with the SEC on August 6, 2026, covering the quarter ended June 30, 2026.
- Management indicated the joint venture arrangement with its partner sits in a good spot today, with ongoing conversations about how it should evolve.
- Management said share repurchases have historically been done under a 10b5-1 program, with attention to market volumes and related rules.

Golub Capital (GBDC)

Executive Summary

- Golub Capital BDC (GBDC) reported results for the fiscal quarter ended June 30, 2026, with CEO David Golub summarizing performance as much better than last quarter, not as good as management would like, and better than it looks.
- Adjusted net income per share was \$0.22, compared to an \$0.18 per share loss last quarter, translating into an annualized adjusted return on equity of 6.2%.
- Adjusted net investment income per share remained solid and consistent with last quarter at \$0.34, translating into an adjusted NII return on equity of 9.5%.
- Management noted the quarter's net realized and unrealized losses arose primarily from a small number of junior debt and equity positions rather than the core debt portfolio, which showed considerable stability.

Key Financial Metrics

- Adjusted net investment income was \$0.34 per share, driven by improving investment income yield, stable borrowing costs, and prudent expense management.
- Investment income yield increased approximately 20 basis points sequentially to 9.9% annualized, supported by a stable weighted average spread, consistent base rates, and a modest amount of accelerated fee recognition and discount accretion tied to a handful of payoffs.
- Borrowing costs held steady at 5.3% annualized, which management described as one of the lowest borrowing costs in the listed BDC peer group.
- GBDC's weighted average net investment spread increased modestly quarter over quarter to 4.6% annualized.
- Adjusted net realized and unrealized losses declined from \$0.52 per share last quarter to \$0.12 per share this quarter.
- GBDC ended the quarter with approximately \$8.2 billion of total portfolio investments at fair value, \$4.6 billion of outstanding debt, and \$3.7 billion of total net assets.
- GBDC has delivered a 9.4% net IRR on NAV since its IPO in 2010, against the quarter's annualized adjusted ROE of 6.2%.

NAV / NII / EPS

- Net asset value per share moved modestly from \$14.35 to \$14.25 in the quarter.
- The NAV bridge shows adjusted NII per share of \$0.34 fully covering the \$0.33 per share distribution paid during the quarter, net realized and unrealized losses of \$0.12 per share, and share repurchases adding a penny per share of NAV accretion.
- Adjusted net income per share was \$0.22, compared to an \$0.18 per share loss last quarter.
- Approximately \$0.08 per share of unrealized losses came from markdowns on junior debt and equity investments in two portfolio companies taken to or on non-accrual status during the quarter.
- GBDC recognized approximately \$0.04 per share of net realized losses driven primarily by the successful restructuring of RWAM Holdco and Dolphis Meig, more than fully offset by the reversal of unrealized losses in the same investments, plus \$4 million of net realized gains on the exit of equity investments in a couple of portfolio companies.

Dividend / Distribution

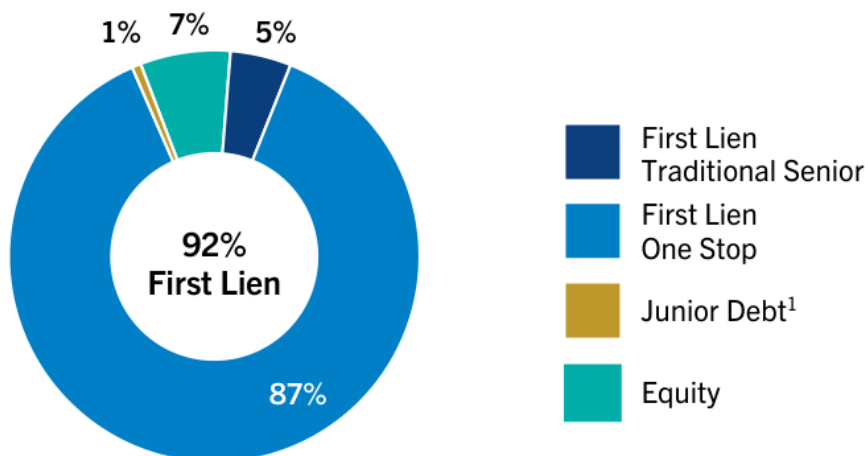
- Total distributions paid in the quarter were \$0.33 per share.
- The board of directors declared a \$0.33 per share distribution for the fourth fiscal quarter of 2026.
- Adjusted NII per share of \$0.34 fully covered the \$0.33 per share distribution paid during the quarter.
- Management reiterated its dividend approach of paying out an amount that is a good distribution for shareholders while holding a steady NAV and not changing the dividend too frequently, noting that higher base rates and wider spreads are helpful to that calculus.

Portfolio / Investment Activity

- GBDC's \$8.2 billion portfolio remains well-diversified across 424 different borrowers.

- Each investment represents less than 0.2% of the overall portfolio on average, and the top 10 investments comprise just 13% of the overall portfolio, a concentration level less than half the average of listed BDC peers.
- The portfolio is diversified by industry sub-sector with 51 individual sub-sectors represented.
- Investments in software portfolio companies continue to represent the single largest industry sub-sector exposure at 26%.
- GBDC completed a full re-underwrite of its software portfolio during the quarter, evaluating revenue model, product criticality, data moats, regulatory complexity, and switching costs.
- GBDC continued to participate in add-on investment commitments to existing portfolio companies via secondary market transactions, acquiring incremental interests in existing loans to high quality borrowers at discounts to fair value.
- Golub Capital's sales and trading activity has exceeded \$2 billion calendar year to date, a record first half, though this was not a meaningful source of new investment activity for GBDC in the calendar second quarter.
- The weighted average maturity on outstanding debt at June 30 was 4.8 years, well in excess of the weighted average maturity on accruing debt investments of 3.1 years.

Portfolio Composition by Seniority



Source: GBDC_Q2_2026_presentation.pdf, chart/graph selected from page 10

What this picture shows: Golub Capital's portfolio Composition by Seniority, covering First Lien.

Originations / Fundings

- At the Golub Capital platform level, the team originated nearly \$3 billion of new investment commitments in the second calendar quarter of 2026.
- GBDC participated in these new originations on a limited basis with \$13 million in new investment commitments in the quarter, given slow repayments and a desire to focus on accretive share repurchases.
- GBDC remained highly selective and conservative in underwriting, closing on just 1.5% of deals reviewed in the quarter at a weighted average loan to value of approximately 45%.
- Existing sponsor relationships and portfolio company incumbencies accounted for approximately 54% of origination volume, and GBDC made loans to nine new borrowers.

- Of GBDC's \$13 million in new investment commitments, 94% were in senior secured debt investments, carrying a total weighted average rate of 8.9% including a 5.2% weighted average spread; about 78% of new origination volume supported M&A-driven transactions such as LBOs and add-on acquisitions.

Repayments / Sales / Exits

- Repayments were slow during the quarter, which contributed to GBDC's decision to limit new investment activity.
- GBDC recognized approximately \$0.04 per share of net realized losses driven primarily by the successful restructuring of RWAM Holdco and Dolphis Meig during the quarter.
- The realized losses resulting from these restructurings were more than fully offset by the reversal of unrealized losses in the same investments.
- GBDC recognized \$4 million of net realized gains on the exit of equity investments in a couple of portfolio companies.
- Management expects payoffs to increase going forward, which should give more flexibility to participate in new investing activity while achieving leverage and repurchase goals.

Credit Quality

- Approximately 87% of the portfolio at fair value remains in GBDC's highest performing internal rating categories.
- Investments on non-accrual status remained low at just 1.9% of the portfolio at fair value, a level well below the average of listed BDC peers, though up slightly quarter over quarter.
- The number of non-accrual investments increased from 19 to 20 during the quarter, as the addition of four investments was partially offset by the removal of three portfolio companies.
- The results of GBDC's internal AI risk analysis showed that less than 10% of the software portfolio was subject to elevated AI disruption risk, while a third-party consultant's assessment concluded fewer than 3% were at elevated risk.
- GBDC has completed more than 1,000 software loans representing over \$90 billion in principal over the last 20 years, with a default rate averaging about 5 basis points per year.
- Management stated GBDC is particularly strong at early identification of problem credits and mitigating credit losses, and believes it is most of the way toward having identified the credits in its portfolio that will have challenges.
- Management noted pressure in businesses influenced by home sales volume, as homeowners holding pre-2022 mortgages are reluctant to move, cutting down moving activity and demand for related services.

Investment Rating / Risk

- Approximately 87% of the total investment portfolio remained in GBDC's top two internal performance rating categories.
- Investments rated three, signaling a borrower may have the potential to be or is expected to be performing below expectations, was 10.6%, modestly above historical averages.
- The proportion of loans rated one and two, which are the loans management believes are most likely to see significant credit impairment, remained very low at just 2.8% of the portfolio at fair value.

- GBDC engaged a leading third-party consulting firm, at the expense of the manager rather than the fund, to perform an independent AI risk assessment analyzing potential product displacement and end-user workflow risks.
- Management noted the internal and third-party AI risk figures should be viewed as similar rather than divergent, since the grading scales differ, and that the key takeaway is both are low numbers.

Leverage / Liquidity

- Net debt to equity leverage for the quarter ended at 1.23 times, down 0.01 times from the prior quarter, with average leverage throughout the quarter also at 1.23 times.
- GBDC ended the quarter with approximately \$2 billion of liquidity from unrestricted cash and undrawn commitments on its corporate revolver and the unsecured revolver provided by its advisor, providing more than 1.3 times coverage of unfunded investment commitments and upcoming 2026 and 2027 note maturities.
- In May 2026, GBDC issued \$500 million in five-year unsecured notes, swapped to SOFR plus 218 basis points.
- Subsequent to quarter end, GBDC amended certain terms and extended the maturity of its syndicated corporate revolver to July 2031 in partnership with 18 bank partners, keeping total commitments at approximately \$2 billion with an accordion allowing an increase to \$3 billion, and removing the 10 basis point term SOFR credit spread adjustment.
- Approximately 80% of GBDC's total debt funding is floating rate or swapped to floating rate, and 64% of debt funding is in the form of unsecured notes across a well-laddered maturity profile.

Management Commentary

- GBDC bought back 1.1 million shares during the quarter at a weighted average price of \$12.90 per share, an approximate 10% discount to the March 31, 2026 net asset value.
- The Golub Capital Employee Grant Program Trust purchased approximately \$31 million, or 2.4 million shares, of GBDC during the quarter for incentive compensation purposes, bringing trust purchases to \$70 million over the last 12 months; Golub Capital affiliates now hold about 8% of GBDC shares outstanding.
- Management described the current environment as a Darwinian moment for private credit, in which firms with sustainable competitive advantages, strong performance, and well-diversified long-term capital bases will adapt and take share while others struggle.
- Management characterized secondary sales of private credit as old and good rather than new and bad, noting Golub Capital has operated a dedicated sales and trading desk for more than a decade and is a market leader.
- Management explained the trade-off framework among buying back shares, making new investments, and holding leverage in the target range, noting BDC shares trading at a discount trade below what managers say fair value is.
- Management acted as sole or lead lender on 99% of transactions in the quarter, leveraging scale to lead deals.

Market / Macro Commentary

- Management believes the direct lending market has shifted direction, growing more lender friendly since the beginning of the year after a long period of trending more borrower friendly.

- Deal activity picked up in the second quarter relative to the first quarter but remained well below what management considers a normal level, and spreads on new deals are generally up 25 to 50 basis points.
- Management noted light M&A volumes have created more competition and attention around the deals that are getting done, mitigating to a degree the spread widening and term improvement that would otherwise have occurred.
- Management pointed to the Golub Capital Altman Index as showing continued growth in revenues and EBITDA at portfolio companies, though at a moderate pace on an inflation-adjusted basis that is neither bad nor recessionary.
- Management noted there are a lot of pent-up buyers and sellers in the private equity ecosystem and that a period of stability with less uncertainty around rates and energy prices should unlock more M&A.

Risks / Watch Items

- Management anticipated a continued period of elevated credit stress as an industry-wide headwind through the calendar second quarter, which it said has proved right, citing the recently released Fitch default report.
- Management expects lower industry returns on equity and higher dispersion in performance between managers as the earnings season continues.
- Management identified a small but identifiable subset of software loans where companies are susceptible to AI-related issues, and expects software to separate into winners and losers as a continuing industry theme.
- Management noted continued pressure on businesses reliant on or influenced by the amount of home moving activity, a problem it described as self-curing but not immediately.
- Management flagged possible outlier events including the situation in the Middle East that could drive economic conditions in a more negative direction.

Outlook / Guidance

- Management expects payoffs to increase, which will provide more flexibility to participate in new investing activity while simultaneously achieving leverage and repurchase goals.
- Management expects both an increase in M&A activity and further improvement in the terms and conditions available for new private credit loans over the course of the coming quarters.
- Management expects Golub Capital to once again outperform in this environment, citing its focus on first lien loans to resilient businesses and industries and limited exposure to junior debt.
- Management believes there will be opportunities for Golub Capital in the software space in part because many other lenders are leaving the sector or reducing exposures.
- Management plans to publish more detail on the software portfolio re-underwrite in an update to its quarterly investor presentation later in the month.

Other Notes

- Call date: GBDC issued its earnings press release the day before the call, covering the fiscal quarter ended June 30, 2026.
- Management noted the SOFR forward curve switching directions was a useful development from the standpoint of projecting future earnings power.

- Management described a growing separation between what it called the winners and the whiners in private credit, a pattern it began discussing last year.

Gladstone Capital Corporation (GLAD)

Executive Summary

- Gladstone Capital Corporation (GLAD) reported results for its fiscal third quarter ended June 30, 2026, which management characterized as another solid quarter driven by healthy increases in net interest margins.
- Fundings totaled \$82 million, including four new investments totaling \$67 million and \$15 million in advances to existing portfolio companies, against \$40 million of exits and repayments, for net originations of \$42 million.
- Net investment income was \$11 million, or \$0.49 per share, representing 109% of cash distributions per common share, with the sequential decline largely attributable to lower one-time prepayment fees.
- NAV per share rose from \$21.36 to \$21.50 as net portfolio appreciation came in at \$3 million, driven by unrealized appreciation as gainers outnumbered decliners by a 2-to-1 margin.

Key Financial Metrics

- Total interest income rose \$1.1 million, or 4.7%, to \$24.3 million as average earning assets rose \$28.4 million, or 3.6%.
- The weighted average yield on the interest-bearing portfolio was unchanged at 11.8% for the period.
- Total investment income declined \$1.5 million to \$24.5 million as dividends and prepayment fee income declined from the large one-time payments in the prior quarter.
- Total expenses declined \$700,000, or 4.7%, versus the prior quarter, due to a \$1.1 million decrease in net management fees from higher closing fee credits and a \$300,000 decline in other expenses on lower legal costs, offset by a \$700,000 increase in interest expense.
- Net investment income for the quarter fell to \$11 million, or \$0.49 per share.
- The net increase in net assets resulting from operations was \$13.3 million, or \$0.59 per share, for the quarter ended June 30.
- Total assets rose to \$970 million as of June 30, consisting of \$953 million in investments at fair value and \$17 million in cash and other assets.

NAV / NII / EPS

- NAV per share rose from \$21.36 to \$21.50 as of June 30, with net assets rising \$3.1 million to \$485.7 million.
- Net investment income was \$11 million, or \$0.49 per share, down \$800,000 from the prior quarter largely on lower one-time prepayment fees.
- The net increase in net assets resulting from operations was \$13.3 million, or \$0.59 per share.
- Net portfolio appreciation came in at \$3 million, driven by unrealized portfolio appreciation as gainers outnumbered decliners by a 2-to-1 margin.
- Net investment income represented 109% of cash distributions per common share for the quarter.

Dividend / Distribution

- Monthly distributions for August and September will be \$0.15 per common share, an annual run rate of \$1.80 per share.
- The board will meet again in October to determine the monthly distributions to common stockholders for the following quarter.
- At the current distribution run rate and a recent common stock price of about \$19.35 per share, the distribution run rate produces a yield of about 9.3%.
- Net investment income covered 109% of cash distributions per common share for the quarter, and accumulated spillover income was a little over \$6 million.

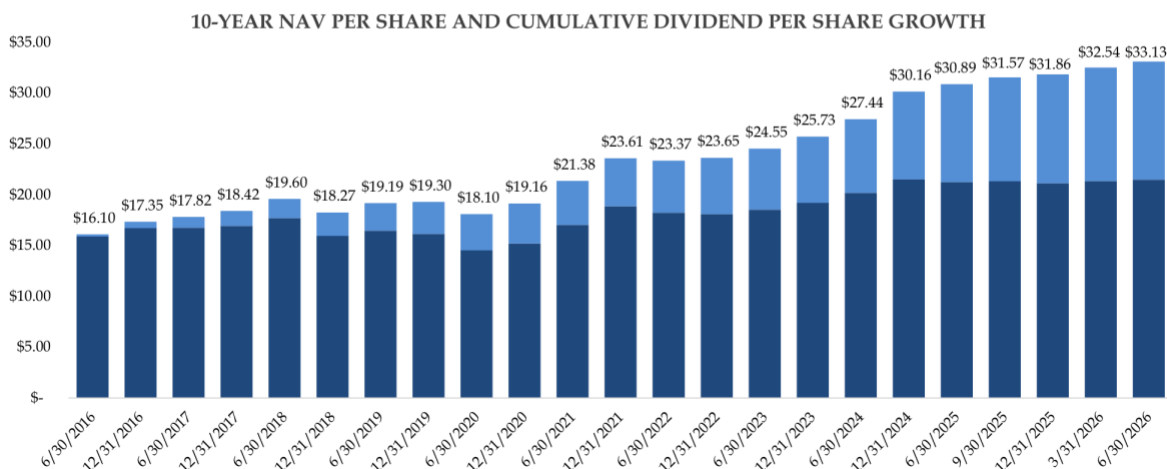
Portfolio / Investment Activity

- The investment portfolio composition was largely unchanged, with first lien debt and total debt investments at 71% and 91% of the portfolio at cost respectively.
- Total investments at fair value were \$953 million as of June 30.
- The leverage and return profile of new debt investments last quarter were all first lien, with weighted average leverage under three times EBITDA and an average 7% spread over SOFR.
- Health care and education sector concentration declined as GLAD elected to exit Giving Home Healthcare and redeploy the capital into higher returning investments.
- Most portfolio companies are pursuing acquisitions, and management sees strategic add-ons to small credits as offering significant equity appreciation opportunities.
- Most of GLAD's businesses are industrial precision manufacturing suppliers to large-scale companies including aerospace and defense, where backlogs are strong and continuing to grow.
- Management has traditionally avoided consumer-facing businesses because they do not provide the revenue visibility needed to support cash flow leverage, though a small number are held.
- Spreads on new investments are typically in the high sixes to low sevens, with portfolio leverage averaging three times EBITDA last quarter.

Gladstone Capital - History of Value Creation

Total Value Creation of \$17.23 over the past decade

- Gladstone has a demonstrated history of value creation for shareholders over the last decade through consistent, growing dividends and book value appreciation
- Net Asset Value per share growth of \$5.61 and cumulative dividends paid per share of \$11.63, resulting in \$17.23 of value creation from 6/30/2016 through 6/30/2026



Source: GLAD_Q2_2026_presentation.pdf, chart/graph selected from page 16

What this picture shows: Gladstone Capital Corporation's gladstone Capital - History of Value Creation.

Originations / Fundings

- Fundings last quarter totaled \$82 million, including four new investments totaling \$67 million and \$15 million in advances to existing portfolio companies.
- Net originations were \$42 million for the quarter after \$40 million of exits and repayments.
- The committed investment pipeline is well more than recent repayments and includes several attractive follow-on investments in existing portfolio companies which are continuing to scale.
- Management expects approximately half a dozen additional add-ons to the portfolio and expects add-ons to be a meaningful percentage of the pipeline going forward.
- Management described roughly \$75 million a quarter in originations as a relatively easy mark, consistent with last year, and noted GLAD reviews 100 to 125 deals a quarter and closes four or five.

Repayments / Sales / Exits

- Exits and repayments came in at \$40 million for the quarter.
- GLAD elected to exit Giving Home Healthcare, reducing health care and education sector concentration and redeploying the capital to higher returning investments.
- Since the end of the quarter, GLAD received an anticipated prepayment from Imperative totaling \$12 million, which will eliminate exposure to the oil and gas sector.
- Management anticipates a slightly larger prepayment which should reduce PIK interest income in coming quarters.
- Management noted repayment velocity has slowed down a fair bit, with \$35 million to \$50 million of repayments and exits a quarter putting GLAD in a position to see fairly consistent net asset growth.

Credit Quality

- Non-earning debt investments increased to five as of the end of the quarter, with a cost basis of \$46 million and a fair value of \$26.7 million, or 3.1% of debt investments at fair value.
- The credits added were Lone Star, a Texas-based printed circuit board contractor, and EG's, an Arizona-based quick-serve sandwich chain.
- Both added credits are GLAD-controlled investments that have recently undergone senior management changes and are in the process of developing additional revenues and expense reductions to return them to earning asset status.
- Management attributed the EG's re-default to the cumulative effect of a difficult operating environment for consumers in heavily Hispanic communities, particularly in Southern Arizona, over the better part of the last year.
- Several initiatives to scale EG's revenues were less successful than expected, and management is retooling the business, with some expenses coming out as a result of the changed strategic direction.
- New debt investments last quarter were all first lien with weighted average leverage under three times EBITDA.
- Net portfolio appreciation of \$3 million reflected gainers outnumbering decliners by a 2-to-1 margin.

Investment Rating / Risk

- Non-earning debt investments represented 3.1% of debt investments at fair value at quarter end.
- Management noted it is raising the bar on new investments given where GLAD sits in its leverage profile.
- Management steers away from businesses with low barriers to entry such as roofing and landscaping, citing marketing-oriented models, labor challenges, and difficulty forecasting consistency of cash flow.
- Management is mindful of sectors where high-quality companies get bid up, noting higher trading multiples lead to requests for higher leverage that increase credit risk significantly.
- Management noted that larger transactions diminish GLAD's control and competitive dynamic, since it is less capable of writing the entire ticket and larger funds or more aggressive banks may compress the underlying spread.

Leverage / Liquidity

- The leverage position ticked up at the end of the quarter, with net debt at a modest 100% of NAV and gross leverage rising to 100% of net assets.
- Liabilities rose \$32 million since the prior quarter to \$439 million, with the decrease in line of credit borrowings funded by the new \$60 million 7% note issue due December 2029.
- The remaining liabilities consist primarily of \$149.5 million of 5.875% convertible debt, \$50 million of 3.75% notes due May 2027, and \$45 million of 6.125% perpetual preferred stock.
- Management expects to continue using floating rate bank facilities to support near-term investment activities.
- Management stated the company has a strong balance sheet and ample borrowing capacity to grow the investment portfolio and continue supporting shareholders with dividends.

Management Commentary

- Management stated the team is doing an excellent job of sourcing attractive private equity-backed lower middle market investment opportunities.
- Management noted that between upsizing existing credits and new investment yields, it is not expecting the weighted average yield to be negatively impacted by reinvestment activities.
- Management referenced GF Data research showing the leverage multiple for sub-\$100 million transactions has been remarkably consistent at roughly seven to seven-and-a-half times EBITDA.
- Management observed that most capital and competition has come at the top of the market rather than where GLAD plays, leaving a fairly wide swath of opportunities in the lower middle market.
- Management pointed to a dental platform add-on funded last quarter that is now approaching \$20 million of EBITDA, noting it would not start a new platform at that level given market challenges in the sector.
- Management believes the opportunity for equity appreciation on existing portfolio assets is particularly attractive and will continue to be a meaningful contributor regardless of the economic environment.

Market / Macro Commentary

- Management noted consumer spending has softened, with transactions, check size, and costs presenting challenges in restaurant businesses, though these represent a very small portion of the portfolio.
- Management sees strong and growing backlogs in industrial precision manufacturing, aerospace, and defense businesses.
- Tariffs and commodity prices are disrupting the trend of bringing production back to the United States, as domestic sourcing remains extremely expensive given steel, copper, and other commodity prices.
- Management observed certain sectors such as roofing, HVAC, and dental have become bidding wars where platform buyers looking to add contribution margin drive multiples up.
- Management continues to see reasonable margins in less actively contested sectors, with both lower middle market buyers and pledge funds or independent sponsors active in the segment.

Risks / Watch Items

- Non-earning debt investments increased to five with the addition of Lone Star and EG's, both GLAD-controlled investments undergoing senior management changes.
- Management acknowledged that additional investment is probably required to reposition the EG's business successfully.
- Management anticipates a prepayment which should reduce PIK interest income in coming quarters.
- Management identified the rate outlook as the primary factor that could dampen origination activity, as rising rates would cause repricing and valuation adjustments that might slow activity.
- Management noted the leverage position ticked up at quarter end, tempering the pace of net asset growth.

Outlook / Guidance

- Management expects originations of roughly \$75 million per quarter to be a relatively easy mark, consistent with last year, and pointed to prior fiscal year originations of roughly \$350 million as the pacing to expect this year.
- Management expects fairly consistent deal flow over the balance of the year, with a seasonal bump in the fourth quarter.

- Management does not expect effective yield degradation from the current 11.8% average, absent changes in underlying rates, given expected participation at spreads in the high sixes and low sevens.
- Management expects to continue to grow modestly in light of competitive dynamics and its current leverage profile.
- Management expects add-ons to existing portfolio companies to be a meaningful contributor over the balance of the year.

Other Notes

- Call date: The earnings conference call covered the quarter ending June 30, 2026, Gladstone Capital's fiscal third quarter.
- Accumulated spillover income was a little over \$6 million at quarter end.
- Management clarified that its reference to the high sixes and low sevens referred to spreads over SOFR, not leverage, with portfolio leverage averaging three times EBITDA.

Horizon Technology Finance Corporation (HRZN)

Executive Summary

- Horizon Technology Finance Corporation (HRZN) reported second quarter 2026 results marking its first full quarter following the April completion of its merger with Monroe Capital Corporation, which significantly enhanced available capital for investments.
- HRZN grew its debt investment portfolio for the third consecutive quarter, funding nine investments totaling \$73 million, with the total portfolio ending at \$677 million.
- Net investment income excluding non-recurring one-time merger expenses was \$0.18 per share, which covered regular distributions, while reported net investment income was \$0.11 per share.
- NAV per share ended the quarter at \$6.23, down \$0.75 per share, primarily due to write-downs of a single large portfolio investment, Solely.

Key Financial Metrics

- Investment income for the second quarter was \$25 million compared to \$24.5 million in the prior year period, primarily due to higher interest income on the debt investment portfolio.
- Total expenses for the quarter were \$17.4 million compared to \$12.7 million in the second quarter of 2025, due primarily to \$4.4 million of non-recurring one-time expenses related to completion of the merger with MRCC.
- Interest expense of \$7.8 million was \$0.4 million lower than last year's second quarter, while the base management fee was \$3.1 million, up \$0.2 million from the prior year period.
- The debt portfolio yield was 14.9% for the second quarter, compared to 15.8% for last year's second quarter, and remains among the highest yielding debt portfolios in the BDC industry.
- Onboarding debt investment yields of 12% during the second quarter remained consistent with historic levels and in line with the first quarter of 2026.
- The debt investment portfolio on a net cost basis stood at \$682 million as of June 30, up 4% compared to \$655 million as of March 31, 2026.

- Nearly 100% of the outstanding principal amount of debt investments bears interest at floating rates, of which approximately 61% are already at their interest rate floors.

NAV / NII / EPS

- NAV per share as of June 30 was \$6.23, compared to \$6.98 on March 31 and \$6.75 as of June 30, 2025.
- The NAV reduction on a quarterly basis was primarily due to the write-downs related to the Solely investments.
- Net investment income for the second quarter of 2026 was \$0.11 per share compared to \$0.19 per share in the first quarter of 2026 and \$0.28 per share for the second quarter of 2025.
- Net investment income was reduced by \$4.4 million, or \$0.07 per share, by the non-recurring one-time merger expenses; excluding those expenses, net investment income would have been \$0.18 per share, covering the regular distribution.
- Undistributed spillover income as of June 30 was \$0.33 per share.

Dividend / Distribution

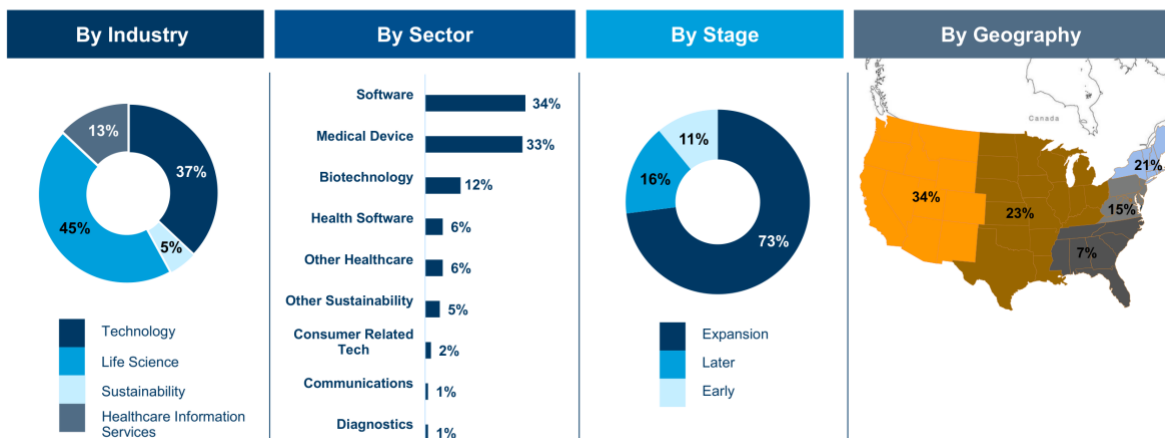
- The board declared regular monthly distributions of \$0.06 per share payable in October, November, and December of 2026.
- Consistent with the announcement prior to the closing of the merger, the board also declared special monthly distributions of \$0.03 per share payable in October, November, and December of 2026.
- Net investment income excluding merger expenses of \$0.18 per share covered the regular distribution for the quarter.
- Management stated it remains the goal to deliver NII at or above declared distributions over time as HRZN prudently deploys capital from the merger and moves toward target leverage.

Portfolio / Investment Activity

- The total investment portfolio ended the quarter at \$677 million, consisting of debt investments in 43 companies with an aggregate fair value of \$648 million and warrant, equity, and other investments in 96 companies with an aggregate fair value of \$28 million.
- HRZN achieved a portfolio yield on debt investments of just under 15% for the second quarter, at or near the top of the BDC industry.
- The committed backlog finished at \$228 million, up \$48 million from \$180 million at the end of the first quarter.
- HRZN funded nine debt investments in its target sectors totaling \$73 million during the quarter.
- Structuring investments with warrants and equity rights is a key component of the venture debt strategy and a potential generator of shareholder value.
- Management has been enhancing underwriting and credit capabilities, optimizing the technology stack, and making key investments in people and the origination platform following the merger.
- Most funding commitments in the backlog are subject to companies achieving certain key milestones.
- One pipeline opportunity, Star Compliance, closed in July.



Well-Diversified Portfolio



Source: HRZN_Q2_2026_presentation.pdf, chart/graph selected from page 12

What this picture shows: Horizon Technology Finance Corporation's Well-Diversified Portfolio, broken out across Expansion Later Early and Healthcare Information Services.

Originations / Fundings

- New originations totaled \$73 million during the second quarter across nine debt investments in target sectors.
- The committed backlog increased by approximately \$50 million from the end of the first quarter to \$228 million, positioning HRZN to further grow the portfolio in the quarters ahead.
- Along with loans already funded in the third quarter, HRZN has been awarded four new venture loan transactions representing \$87 million in total commitments.
- Onboarding debt investment yields were 12% during the second quarter, consistent with historic levels.
- Management stated it will continue to be disciplined in originating and underwriting new loans.

Repayments / Sales / Exits

- HRZN experienced three loan prepayments during the second quarter, totaling \$39 million in prepaid principal.
- New originations of \$73 million were offset by \$6 million in scheduled principal payments and \$42 million in principal prepayments and partial paydowns.
- HRZN realized proceeds of \$2.3 million from the redemption of warrants and equity in two investments during the quarter.
- HRZN repurchased approximately 1.4 million shares of common stock during the quarter at an average price of \$4.54 under its stock repurchase program.
- On August 3, 2026, the board increased the amount of common stock that may be repurchased under the program, allowing repurchase of up to an additional \$20 million of common stock.

Credit Quality

- HRZN learned in June 2026 that portfolio company Solely had its equity-raising plan significantly impacted by cash burn in excess of projections, following a \$32.5 million equity raise completed in two phases at the end of March and the first half of April.
- HRZN wrote down its entire \$20 million equity holding in Solely, which it obtained in August of last year when it converted a portion of its debt investment as part of Solely's strategic merger.
- HRZN also wrote down \$19 million of its debt investment in Solely, and is focused on recovering as much value as possible from these investments.
- Management characterized the Solely situation as company-specific fundraising headwinds without broader read-throughs to other companies or industries.
- Under the new 1 to 5 rating scale, 88% of the fair value of the debt portfolio consisted of 1, 2, or 3 rated debt investments as of quarter end.
- Management continues to collaborate with portfolio companies using a variety of strategies to optimize returns and create future value.
- The third consecutive quarter of debt investment portfolio growth was offset by the write-downs of large investments in the one portfolio company.

Investment Rating / Risk

- Effective June 30, HRZN changed its internal credit rating scale from a 4 to 1 scale, where 4 represented the highest credit rating, to a 1 to 5 scale, where 1 now represents the highest credit rating.
- The change was made to align with the scale used by Monroe Capital and to improve consistency and efficiency across the advisor and organization, especially as HRZN makes and anticipates continuing to make co-investments with Monroe.
- As of quarter end, under the new 1 to 5 scale, 88% of the fair value of the debt portfolio consisted of 1, 2, or 3 rated debt investments.
- 12% of the fair value of the portfolio was rated 4 or 5.
- Management stated it will continue to be disciplined in originating and underwriting new loans as it enhances credit capabilities.

Leverage / Liquidity

- As of June 30, HRZN had \$229 million in available liquidity, consisting of \$135 million in cash and \$94 million in funds available to be drawn under existing credit facilities.
- HRZN had no amount outstanding under its \$150 million KeyBank credit facility, \$181 million outstanding under its \$250 million New York Life credit facility, and \$90 million outstanding on its \$150 million Nuveen credit facility.
- The debt-to-equity ratio stood at 0.97 to 1 as of June 30, and netting out cash, net leverage was 0.65 to 1, well below target leverage.
- Based on cash position and borrowing capacity, potential new investment capacity as of June 30 was \$459 million.
- HRZN's advisor agreed to waive up to \$4 million of base management fees and incentive fees, or \$1 million a quarter, starting in the third quarter of 2026.

Management Commentary

- Management completed the merger with Monroe Capital Corporation in April, describing it as significantly enhancing available capital and kicking off the next chapter of growth.
- Management stated HRZN has the right team, a scalable platform, and the backing of Monroe Capital, and that it is now incumbent upon the company to execute.
- Management repurchased approximately 1.4 million shares in the quarter, reflecting confidence in the near and long-term outlook.
- Management expects to remain opportunistic with respect to the stock repurchase program given the dislocation between the current valuation and management's confidence in HRZN's outlook.
- Management noted that being part of Monroe provides the ability to partner on certain deals, with the goal of growing the platform to take larger bite sizes and larger tickets while playing more into the growth stage.
- Management continues to win attractive venture debt and small-cap public company investments while building its pipeline of loan opportunities.

Market / Macro Commentary

- According to PitchBook, approximately \$146 billion was invested in venture capital backed companies in the second quarter, the second highest quarter on record after the prior quarter's record \$267 billion.
- First half 2026 deal value is already 30% above the full year total for last year, with six months still to go.
- Nearly all the investment, 86%, consists of large investments in AI, and the market remains significantly bifurcated with companies at the very top receiving the lion's share of capital.
- SpaceX completed the largest IPO of all time with a \$1.7 trillion valuation, and potential IPOs from OpenAI and Anthropic later this year also have the potential to reach \$1 trillion valuations.
- Excluding SpaceX, exit value is more in line with prior quarters, and the IPO market continues to remain relatively muted for non-AI companies as geopolitical and macro uncertainty continues.

Risks / Watch Items

- The Solely write-downs of \$20 million in equity and \$19 million in debt drove the \$0.75 per share NAV decline for the quarter.
- The venture capital market remains significantly bifurcated, with companies at the very top receiving the lion's share of capital.
- The IPO market continues to remain relatively muted for non-AI companies as current geopolitical and macro uncertainty continues.
- 12% of the fair value of the portfolio was rated 4 or 5 under the new internal credit rating scale.
- Approximately 61% of floating rate debt investments are already at their interest rate floors, which mitigates the benefit of the floating rate structure if rates decline further.

Outlook / Guidance

- In the third quarter, management expects another quarter of debt investment portfolio growth driven by the current pipeline.
- HRZN has been awarded four new venture loan transactions representing \$87 million in total commitments in addition to loans already funded in the third quarter.

- Management expects to continue generating strong onboarding yields for the current pipeline of opportunities, which it believes will generate strong net investment income over time.
- Management anticipates that the expanded capital base, available leverage, expectation for growth, and pricing strategy will enable HRZN to generate NII that covers its distribution over time.
- Management believes significant opportunities remain for venture loan originations in both life sciences and technology, despite the top-heavy market.

Other Notes

- Call date: The second quarter 2026 conference call covered the quarter ended June 30, 2026, with a subsequent board action on August 3, 2026.
- The merger with Monroe Capital Corporation (MRCC) was completed in April 2026.
- Rising interest rates will increase the earning income on 99% of portfolio investments.

Hercules Capital (HTGC)

Executive Summary

- Hercules Capital (HTGC) delivered what management described as another strong quarter of record operating performance, strong originations, and stable credit in the second quarter of 2026.
- For the first half of 2026, Hercules delivered record originations of \$2.74 billion, an increase of 35.6% year over year, and record fundings of \$1.35 billion, an increase of 8.5% year over year.
- Total investment income was a record \$149.1 million and net investment income was a record \$92.9 million, or \$0.50 per share, covering the base shareholder distribution by 125%.
- The Hercules platform is now managing approximately \$6.1 billion of assets, an increase of 14.4% from a year ago, driven by continued growth of both the public BDC and the private credit funds business.

Key Financial Metrics

- Total investment income in the second quarter was a record \$149.1 million, an increase of 5.4% quarter over quarter and 8.5% year over year.
- Core investment income, a non-GAAP measure excluding the benefit of accelerated prepayment revenue, was \$134.4 million, generally consistent with the record \$134.9 million in the first quarter but up 7.8% year over year.
- Net investment income was a record \$92.9 million, or \$0.50 per share, an increase of 5.5% quarter over quarter and 4.7% year over year.
- Effective and core yields were 13.4% and 12.0% respectively, compared to 12.8% and 12.2% in the prior quarter, with the increase in effective yield driven by elevated prepayment-related revenue.
- Second quarter gross operating expenses were \$61.1 million compared to \$58.1 million in the prior quarter, with net operating expenses of \$56.2 million after cost recharges to the RIA.
- Interest expense and fees were relatively stable at \$31.1 million compared to \$30.8 million in the first quarter, with the weighted average cost of debt increasing modestly to 5.2%.
- Return on average equity was 16.8% in the second quarter compared to 16.9% in the first quarter, while return on average assets increased to 8.3% from 8.1%.

NAV / NII / EPS

- Net asset value per share increased by \$0.25 to \$12.15 per share, up 2.1% quarter over quarter, on net realized and unrealized appreciation of investments.
- The NAV increase reflected a reversal or normalization of the broad-based market volatility experienced in the first quarter.
- Net unrealized appreciation of \$29.6 million during the quarter was driven by approximately \$16.3 million of appreciation on publicly and privately held equity and investment funds, \$13.4 million on debt investments, and \$10.7 million on warrants, partially offset by approximately \$10.8 million of reversals tied to realizations.
- Hercules had net realized gains of \$7.7 million in the second quarter, comprised of gross realized gains of \$8.8 million on equity investments partially offset by \$1.1 million of losses on legacy warrant and equity investments.
- Net investment income was a record \$92.9 million, or \$0.50 per share.

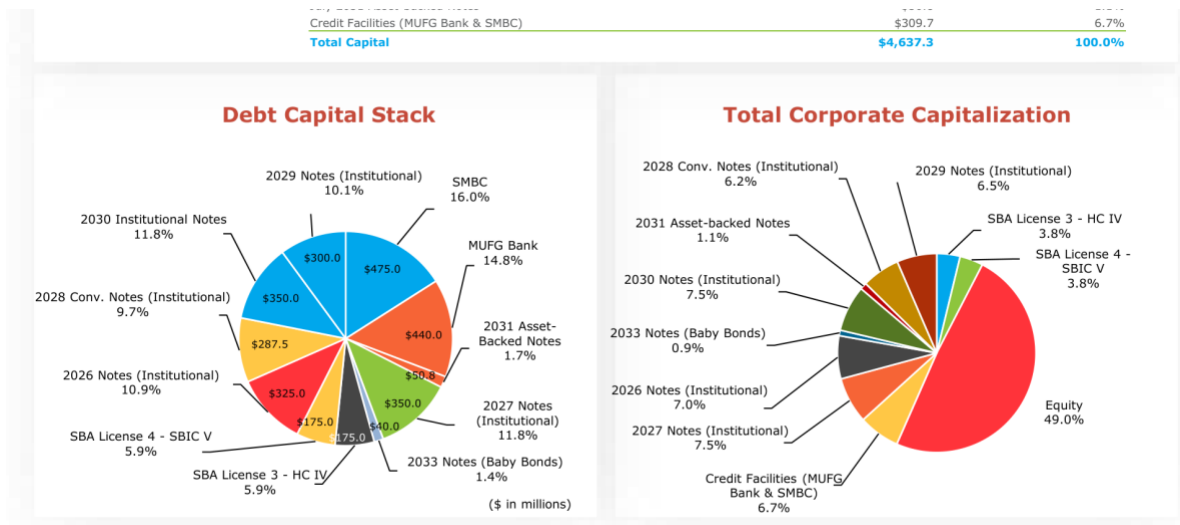
Dividend / Distribution

- Second quarter net investment income covered the base distribution by 125% and the full distribution, including the \$0.07 supplemental distribution, by 106%.
- This marked the 24th consecutive quarter Hercules has provided shareholders with a supplemental distribution in addition to the regular quarterly base distribution.
- Hercules Advisor delivered another quarterly dividend of \$2.1 million to HTGC, which combined with expense reimbursement of \$4.9 million resulted in \$7 million in NII contribution to the BDC for the quarter, a 26% increase from a year ago.
- Management expects a quarterly dividend from the RIA of approximately \$2 million to \$2.5 million per quarter going forward.

Portfolio / Investment Activity

- Debt investments are spread across 136 different companies with a combined fair value of \$4.4 billion in the BDC.
- The asset base remains intentionally diversified with approximately 50% of assets in the life sciences vertical and approximately 50% in the technology vertical, with no single subsector making up more than 25% of the total investment portfolio.
- Hercules holds warrants in 117 companies and equity investments in 73 companies, which combined make up approximately 4.5% of the investment portfolio.
- First lien exposure was maintained at a higher than normal level of approximately 87% in the second quarter.
- 98% of debt investments are floating rate investments with a floor, and as of the end of the second quarter, 75% of prime-based loans were already at their contractual rate floor.
- The average loan duration across the debt portfolio was approximately 21 months, consistent with historical experience.
- Available unfunded commitments increased slightly to \$408.2 million from \$397.4 million in the first quarter, maintaining a more defensive positioning.

- PIK continued to decline as a percentage of total revenue, falling to approximately 8.3% from 9.1% in the first quarter, with approximately 87% of second quarter PIK income coming from PIK that was part of the original underwriting.



Source: HTGC_Q2_2026_presentation.pdf, chart/graph selected from page 28

What this picture shows: Hercules Capital's total Capital, by period from 2026 to 2033.

Originations / Fundings

- Hercules originated total new debt and equity commitments of over \$927 million and gross fundings of over \$647 million in the second quarter.
- Approximately 59% of commitments and 45% of fundings were to life sciences companies, while approximately 41% of commitments and 55% of fundings were to technology companies.
- Hercules funded debt capital to 39 different companies in the second quarter, of which nine were new borrower relationships.
- Since the close of the second quarter and as of July 27, 2026, the investment team closed \$149.3 million of new commitments and funded \$112.5 million, with pending commitments of an additional \$70 million in signed non-binding term sheets.
- Management opportunistically increased commitments and fundings to several portfolio companies that have continued to demonstrate strong performance.

Repayments / Sales / Exits

- Early loan repayments in the second quarter were \$572.1 million, which exceeded the upper range of guidance for the quarter.
- Approximately 60% of the repayments during the quarter came from M&A or balance sheet cash, which management believes speaks to the continued strength of the broader investment portfolio.
- The vast majority of repayments from balance sheet cash were directly attributable to companies that raised new rounds of equity financing and chose to retire the debt.
- The remaining 40% of repayments was split nearly evenly between bank and non-bank refinancings, a lower percentage than typically seen.
- Year to date, Hercules has had 12 M&A events and two IPOs across its portfolio, with three additional M&A events closing after quarter end as of July 27, 2026.

Credit Quality

- Quality of the debt investment portfolio was stable quarter over quarter, with the weighted average internal credit rating of 2.17 slightly increasing compared to 2.11 in the first quarter and remaining well within the normal historical range.
- The number of companies with loans on non-accrual increased by one to two, with investment cost and fair value of approximately \$16 million and \$5.5 million respectively, or 0.3% and 0.1% of the total investment portfolio.
- As of the most recent reporting, 100% of debt investments on accrual are current with respect to the payment of scheduled principal and interest.
- After quarter end, the team successfully completed credit efforts on the one new non-accrual loan added in the second quarter, resulting in a cash recovery approximately \$1 million in excess of the second quarter fair value and a positive realized IRR on the investment.
- More than 93% of second quarter PIK income came from loans rated 1, 2, or 3, and excluding a single convertible loan, every loan with a PIK component on accrual status is also paying cash interest.
- Hercules collected approximately \$12 million in cash payments on accrued PIK during the second quarter and an additional \$12.6 million as of July 27, 2026, bringing year-to-date collections to \$39.9 million.
- During the second quarter, 29 portfolio companies raised approximately \$5.7 billion in new capital, the strongest quarter since Hercules began tracking that data.

Investment Rating / Risk

- Grade 1 and 2 credits decreased to 65.4% compared to 70.5% in the first quarter, while grade 3 credits increased to 32.7% versus 28.6%.
- Rated 4 credits increased to 1.8% from 0.8% in the first quarter, and rated 5 credits were at 0.1% for both quarters, with rated 4 and 5 credits together continuing to make up less than 2% of portfolio fair value.
- Management explained loans move to a rated 3 category if underperformance relative to original expectations emerges, or if a company performing in line with expectations is approaching an equity capital raise, in which case it is proactively downgraded.
- The majority of downgrades in the second quarter were the latter category, and management expects those companies to move back into rated 2 once capital raises are complete assuming performance remains solid.
- Historically, the rated 4 and 5 bucket has been somewhere between 1% and 5%, and at less than 2% it is consistent with where it was for the entirety of 2025.

Leverage / Liquidity

- GAAP and regulatory leverage decreased to 103.9% and 88.5% respectively, compared to 115.4% and 99.7% in the prior quarter; netting out cash on the balance sheet, GAAP and regulatory leverage were 101.8% and 86.3%.
- Hercules ended the quarter with \$652.9 million of available liquidity in the BDC, and inclusive of capital raised by funds managed by the RIA, the platform had more than \$1 billion of available liquidity.
- Subsequent to quarter close, Hercules issued \$325 million of five-year institutional 6.3% unsecured notes due 2031, to be used to repay upcoming secured and unsecured debt maturities, fund originations, and for general corporate purposes.

- Hercules did not utilize the ATM during the quarter, consistent with the reduced need for incremental capital given the record level of prepayment activity and resulting improvement in leverage.
- Management intends to remain disciplined and thoughtful about how and when it uses the ATM, given a long-term focus on maximizing shareholder value and access to numerous non-dilutive capital sources.

Management Commentary

- During the quarter Hercules expanded its leadership team with the appointment of Andrew Olson as CFO and Seth Meyer's transition to the role of President.
- Hercules Capital has approximately 120 full-time employees including nearly 60 dedicated investment team professionals, where average industry experience across the senior level is over 18 years.
- Since inception over 21 years ago, the Hercules platform has committed more than \$28 billion of capital to over 700 different companies, with over 290 M&A and IPO events across its portfolio.
- The platform manages \$6.1 billion of AUM at an annualized operating cost ratio of approximately 2%, with more than a 70 basis point reduction in the OPEX cost ratio since the first quarter of 2021 against platform AUM growth of 134%.
- Hercules Advisor manages exclusively institutional GP/LP funds with predetermined long-term or evergreen investment periods, with no retail investors, no non-traded BDCs, and no near-term redemption risk, and now manages nearly \$2 billion in committed debt and equity capital.
- Hercules has an internal AI governance committee responsible for firm policy on AI use; management emphasized AI does not underwrite investments or make investment decisions, with a person reviewing every output.

Market / Macro Commentary

- Venture capital investment activity came in at \$143.9 billion for the second quarter according to PitchBook NVCA data, with the first half of 2026 reaching unprecedented levels at \$412.7 billion deployed, exceeding the entire 2025 full year figure by nearly 30%.
- AI defines the venture landscape, capturing nearly 86% of all first half 2026 deal value, though management noted the remaining 14% is still incredibly healthy relative to historical periods.
- Fundraising for the first half of 2026 totaled \$72.4 billion, nearly matching total 2025 levels of \$74.9 billion, with capital heavily concentrated among a few established managers.
- First half 2026 M&A exit activity remained strong, with exit value at \$375.4 billion compared to \$140.8 billion for all of 2025.
- Management observed that a handful of lenders, both bank and non-bank, are being very aggressive in terms of deal structures for new opportunities, though it expects that aggressiveness will not last long-term.

Risks / Watch Items

- Management noted that in certain parts of the market, M&A valuations and process timing are less certain, something it will continue to monitor over the coming quarters.
- Management observed an increased level of companies in the market seeking debt capital that do not meet Hercules' quality underwriting standards and that management believes will have trouble raising debt capital.

- Approximately 75% of prime-based loans are at their contractual rate floor, muting the impact of any future rate reductions but also limiting downside protection benefit.
- Management will stay disciplined and not chase the market where aggressive lender behavior does not make sense for shareholders and stakeholders.
- The venture market remains concentrated in AI, capturing nearly 86% of first half 2026 deal value.

Outlook / Guidance

- For the third quarter of 2026, Hercules expects repayments to normalize to a range of \$200 million to \$300 million, roughly half the second quarter level.
- Management expects originations to be seasonally lower in the third quarter and more back-end weighted, consistent with prior history over 21 years.
- Management expects core yield to be in the range of 11.8% to 12.0% in the third quarter, reflecting the continued impact of 2025 rate reductions and current portfolio turnover.
- Management expects third quarter interest expense to be broadly stable or up slightly, gross SG&A expenses of \$25 million to \$26 million, and RIA expense allocation of approximately \$4.7 million.
- Management continues to expect a robust new business environment for Hercules in the second half of 2026, with platform scale, balance sheet, and liquidity allowing it to play offense during periods of volatility.

Other Notes

- Call date: Hercules released second quarter 2026 financial results just after market close on the day of the call, with subsequent activity reported as of July 27, 2026.
- Management targets loan-to-values below 20% and debt-to-equity ratios below 30% on new investments, with no real change quarter over quarter.
- Hercules Advisor has provided over \$78.6 million in cumulative cash flows to the public BDC in the form of expense-sharing reimbursement and dividends, including \$23.4 million in 2025 and \$13.7 million through the first half of 2026.

MidCap Financial Investment Corporation (MFIC)

Executive Summary

- MidCap Financial Investment Corporation (MFIC) reported second quarter 2026 net investment income of \$0.40 per share for the period ending June 30, 2026, while GAAP net loss per share was \$0.21.
- Net asset value per share at the end of June was \$13.37, a 3.2% decline from the prior quarter, with the \$0.45 decrease driven by a net loss of \$0.61 on the portfolio, partially offset by net investment income exceeding the dividend by \$0.09 plus approximately \$0.07 of accretion from stock repurchases executed below NAV.
- The quarter reflected credit pressure within the portfolio, with a net loss of \$50.3 million concentrated among a limited number of positions, five of which contributed approximately 80% of the net loss.
- New commitments were intentionally modest at \$5.8 million for the quarter to support three existing borrowers, while net repayments totaled \$160 million as management prioritizes deleveraging.

Key Financial Metrics

- Total investment income for the June quarter was approximately \$68.2 million, a decline of \$3.6 million, primarily driven by lower interest income resulting from a decrease in the size of the portfolio.
- Prepayment income was approximately \$2.7 million and fee income was approximately \$600,000, both flat compared to the prior quarter, while dividend income was approximately \$200,000.
- Net expenses for the quarter were \$35.5 million, a decline of \$2.1 million or 5.6% from the prior quarter, driven primarily by lower interest expenses on a lower average debt balance as well as lower management fees and administrative service expenses.
- The portfolio had a net loss of approximately \$50.3 million, or \$0.61 per share, which eliminated the incentive fee for the quarter.
- The weighted average yield at cost of the direct origination portfolio was 9.5% on average for the June quarter, compared to 9.6% in the prior quarter.
- At the end of June, the weighted average spread on the directly originated corporate lending portfolio was 539 basis points, down one basis point compared to the end of March.
- Cost of debt for the quarter increased slightly to 5.66%, up from 5.61% in the prior quarter.

NAV / NII / EPS

- Net asset value per share at the end of June was \$13.37, representing a 3.2% decline from the prior quarter.
- The \$0.45 decrease in NAV was driven by a net loss of \$0.61 on the portfolio, partially offset by net investment income exceeding the dividend by \$0.09 plus approximately \$0.07 of accretion from stock repurchases executed below NAV.
- Net investment income per share for the June quarter was \$0.40, while GAAP net loss per share was \$0.21.
- Total net assets stood at \$1.1 billion, or \$13.37 per share.
- Spillover income came in just over \$60 million at mid-year, with management targeting a lower figure through year-end subject to tax implications around Merx and certain equity positions.

Dividend / Distribution

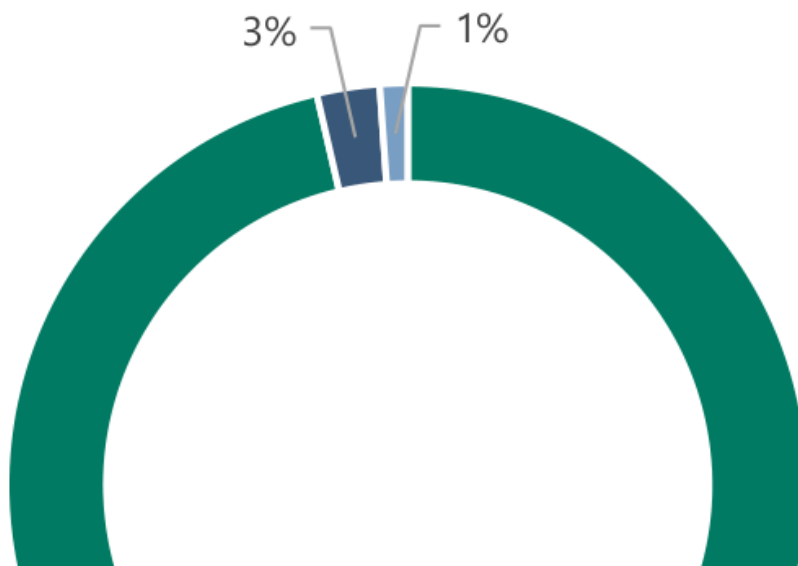
- On August 8, 2026, the board of directors declared a quarterly dividend of \$0.31 per share for stockholders of record as of September 8, 2026, payable on September 24, 2026.
- Net investment income of \$0.40 per share exceeded the dividend by \$0.09 per share during the quarter.
- MFIC repurchased approximately 2.76 million shares at an average price of \$11.58 inclusive of commissions, for a total cost of \$31.9 million through its 10b5-1 trading plan, fully utilizing its authorization.
- Management is currently prioritizing capital allocation toward reducing leverage rather than additional stock repurchases.

Portfolio / Investment Activity

- At the end of June, the portfolio had a fair value of \$2.77 billion and was invested in 229 companies across 45 different industries.
- Direct origination and other represented 97% of the portfolio, Merx represented approximately 2.5%, and liquid positions from the 2024 mergers with two funds totaled approximately 1%, all on a fair value basis.

- Within the direct origination portfolio, 97% was first lien and 95% was backed by financial sponsors on a fair value basis, with an average funded position of \$12.1 million and median EBITDA of approximately \$53 million.
- Approximately 94% of the direct origination portfolio had one or more financial covenants on a cost basis.
- Software exposure was essentially flat quarter over quarter in dollar terms and represented just 11.9% of MFIC's portfolio at fair value as of June 30, 2026, well below the BDC industry average.
- MFIC's investment in Merx totaled approximately \$68.6 million at fair value, representing 2.5% of the portfolio, reflecting a \$12.5 million paydown during the June quarter from the sale of one aircraft in a joint venture plus a modest rental.
- Merx earns income from its servicing activities for Navigator, its dedicated aircraft leasing fund, and receives a remarketing fee on each aircraft.
- PIK income represented 6.2% of total investment income for the June quarter.

Portfolio by Strategy



Source: MFIC_Q2_2026_presentation.pdf, chart/graph selected from page 4

What this picture shows: MidCap Financial Investment Corporation's portfolio by Strategy.

Originations / Fundings

- MFIC's new commitments in the second quarter were \$5.8 million, all in support of three existing borrowers.
- New commitments were intentionally modest given management's focus on reducing leverage.
- Management noted that MFIC's non-participation in loans originated by MidCap Financial does not compromise the broader franchise, as MFIC represents roughly \$3 billion of a \$50 billion business.

- Management indicated it did see some spread widening post-Iran hostilities, particularly in the middle market, though much of it has been given back, so the current market does not present an overly compelling redeployment opportunity.
- Management will make capital allocation decisions going forward based on leverage and market conditions.

Repayments / Sales / Exits

- Net repayments for the quarter totaled \$160 million in aggregate.
- Merx received a \$12.5 million paydown during the June quarter from the sale of one aircraft in a joint venture plus a modest rental.
- Subsequent to quarter end, Merx sold one aircraft and is in the process of closing on the sale of an engine, while Navigator is in the process of selling a large portfolio of aircraft which will generate servicing income for Merx.
- Management expects to receive additional payouts from Merx in the September quarter from these transactions.
- Management characterized repayment activity as relatively healthy against a tepid M&A environment, noting the broadly syndicated loan market is receptive and getting deals done, offering opportunities for certain borrowers to graduate.

Credit Quality

- The portfolio generated a net loss of \$50.3 million driven by credit-related weakness concentrated in a limited number of positions, with five names contributing approximately 80% of the net loss.
- The largest contributor was Kyron Ego, a provider of workflow technology for graphics creation and real-time data visualization for news and sports productions; MFIC completed a debt-for-equity exchange converting \$60 million of term debt into preferred equity and reducing the revolver commitment, and the contraction in market multiples plus a decline in EBITDA drove a \$21.5 million net loss.
- The next four contributors to the net loss were Midwest Vision Partners, New Era Technology, American Restoration, and Thomas Scientific, each experiencing EBITDA pressure and rising leverage.
- No investments were placed on non-accrual status during the quarter, and two investments were restructured and restored to accrual status.
- At quarter end, investments on non-accrual status totaled \$77.6 million, representing 2.8% of the total portfolio at fair value.
- Borrower net leverage, or debt to EBITDA, increased to 5.36 times from 5.29 times at the end of March, while the weighted average interest coverage ratio remained at 2.3 times.
- Borrower revolver utilization was roughly flat quarter over quarter.

Investment Rating / Risk

- Management noted many of the names in the closely watched bucket are from the 2020 and 2021 vintage capital structures, done in a different industry environment.
- Management cautioned that the recent slight tick up in rates and the prospect for higher-for-longer or upside risk to rates could challenge cash flow prospects for those credits.

- Management stated that when evaluating stressed credits, it is having conversations with the company, the sponsor, and other lenders, with potential outcomes including divestitures that deleverage, sponsor equity injections, or lender concessions to free up cash flow.
- Management expects some of those situations to resolve satisfactorily and others to remain challenged, and will evaluate quarter by quarter whether there is reasonable prospect of maintaining accrual status.
- Software exposure of 11.9% of the portfolio at fair value is well below the BDC industry average.

Leverage / Liquidity

- MFIC ended the quarter at 1.54 times net leverage, declining only modestly; excluding stock buyback activity during the quarter, net leverage would have declined to 1.5 times.
- Total principal debt outstanding was \$1.74 billion against total net assets of \$1.1 billion.
- After quarter end, MFIC refinanced \$125 million of 4.5% notes that matured in July with its revolving credit facility; at current base rates the revolver carries a higher cost relative to the notes, which is expected to modestly increase cost of debt.
- Undrawn capacity under the revolving credit facility was \$925 million as of the end of the quarter, or \$800 million adjusting for the recent maturity of the 2026 notes.
- Management expects the liquidity position to improve as MFIC continues to reduce leverage, with the ability to utilize revolver capacity subject to compliance with a borrowing base applying varying advance rates to different asset types.

Management Commentary

- Management stated its focus remains, and always has been, on maximizing value for stockholders, a principle that informs every decision, and views the buyback as very much within that framework.
- Management declined to comment on press reports regarding a potential strategic alternatives review, noting as a matter of policy it does not comment on third-party reporting or rumors, and that any required disclosures would be made through appropriate channels if and when required.
- Management emphasized that MFIC benefits from being a relatively small piece of a much bigger business, at roughly \$3 billion of a \$50 billion MidCap Financial franchise.
- Management stated that MidCap and MFIC remain proactive in managing underperforming credits.
- Management acknowledged that even at the lower end of its target range, MFIC's leverage level is high, and said the team debates that internally.
- Management said future capital allocation between buybacks and new originations will depend on where the stock is trading, the forward prepayment pipeline, and redeployment opportunities.

Market / Macro Commentary

- Management noted a relatively tepid M&A environment, while still expressing confidence in the ability to reduce leverage based on the quantum of companies in process or soon to be in process.
- Management observed spread widening following the Iran hostilities, particularly in the middle market, much of which has since been given back.
- Management described the broadly syndicated loan market as not white hot but receptive and getting deals done, creating opportunities for certain borrowers to refinance out.
- Management noted many private equity holdings are getting long in the tooth, supporting an eventual pickup in sale processes that have been deferred amid bid-ask gaps.

- Management called for humility on M&A prognostications, noting market participants have expected M&A to come back strongly for many quarters and years.

Risks / Watch Items

- Five names contributed approximately 80% of the quarter's \$50.3 million net loss, with four of them experiencing EBITDA pressure and rising leverage.
- Borrower net leverage increased to 5.36 times from 5.29 times at the end of March.
- Investments on non-accrual status totaled \$77.6 million, or 2.8% of the total portfolio at fair value.
- Management flagged that names from the 2020 and 2021 vintage capital structures could be challenged by a higher-for-longer rate environment.
- Refinancing the \$125 million of matured 4.5% notes with the revolving credit facility is expected to modestly increase MFIC's cost of debt.

Outlook / Guidance

- Management is targeting net leverage at the bottom end of its guidance range, in the low 1.4 times area, describing it as a modest rather than a huge decline.
- Management is currently prioritizing capital allocation toward reducing leverage rather than additional stock repurchases, and will reevaluate upon reaching the lower end of the range.
- Management expects to receive additional payouts from Merx in the September quarter from aircraft and engine sale transactions.
- Management feels good about its ability to get leverage down, subject to market conditions, based on a probability-weighted view of transactions in process or soon to be in process.
- Whether MFIC recycles capital into new investments as repayments pick up will be evaluated at the time based on market conditions and successful completion of the deleveraging.

Other Notes

- Call date: MFIC issued its press release and filed its Form 10-Q for the period ending June 30, 2026 on the morning of the call, with the board declaring the quarterly dividend on August 8, 2026.
- Management refers to MidCap Financial Investment Corporation as MFIC or the BDC, and uses MidCap Financial to refer to the lender headquartered in Bethesda.
- Having fully deployed its commitments, Navigator is in its harvest period and is opportunistically monetizing assets to optimize fund-level returns.

Nuveen Churchill Direct Lending Corp. (NCDL)

Executive Summary

- Nuveen Churchill Direct Lending Corp. (NCDL) reported second quarter 2026 net investment income of \$0.41 per share, fully covering its \$0.36 per share base quarterly distribution.
- Net asset value at June 30 was \$17.19 per share compared to \$17.50 at March 31, a 1.8% decline driven by unrealized markdowns and realized losses on two amendments of underperforming debt investments.

- Gross originations totaled approximately \$12 million compared to \$83 million in the first quarter, an intentional reduction reflecting management's desire to manage leverage toward the upper end of its target range plus timing of transactions underwritten in the second quarter that closed in July.
- In July, after quarter end, NCDL closed a joint venture with an institutional partner with a total equity commitment of up to \$106 million, which management believes will be accretive to NCDL's long-term earnings profile.

Key Financial Metrics

- Total investment income declined to \$44.3 million compared to \$46.3 million in the first quarter of 2026, primarily driven by a modest decline in the size of the investment portfolio and a modest decline in portfolio yields.
- Net investment income was \$0.41 per share, in line with first quarter NII.
- Total GAAP net income in the second quarter was \$0.07 per share, compared to \$0.18 per share in the first quarter.
- The weighted average yield on debt and income-producing investments at cost remained consistent with the prior quarter at 9.3%.
- Spreads on new investments in the second quarter were modestly higher than the prior quarter, with the average spread on first lien loans at approximately 475 basis points.
- Weighted average net leverage across the portfolio was 5.2 times with interest coverage of 2.5 times as of the end of the second quarter.
- Pro forma weighted average cost of debt was SOFR plus 188 basis points, largely unchanged from the prior quarter.

NAV / NII / EPS

- Net asset value was \$17.19 per share at June 30, compared to \$17.50 per share on March 31, representing a 1.8% decline quarter over quarter.
- Second quarter net income included \$0.34 per share of net realized and unrealized losses.
- Net realized losses of approximately \$0.23 per share were primarily driven by amendments of two underperforming debt investments during the quarter.
- Net unrealized losses of \$0.11 per share were primarily due to a decrease in the fair value of certain underperforming portfolio companies, as market spreads remained broadly stable, partially offset by the reversal of unrealized losses on positions that were restructured or amended.
- Net investment income of \$0.41 per share generated \$0.05 per share of incremental earnings above the regular distribution.

Dividend / Distribution

- The board declared a total third quarter distribution of \$0.38 per share, consisting of a regular quarterly distribution of \$0.36 per share and a supplemental distribution of \$0.02 per share, both payable October 28 to shareholders of record as of September 30.
- NCDL paid its second quarter distribution of \$0.38 per share in July.
- NCDL continues to operate a base plus supplemental dividend program that pays out a portion of excess earnings above the regular \$0.36 per share dividend.

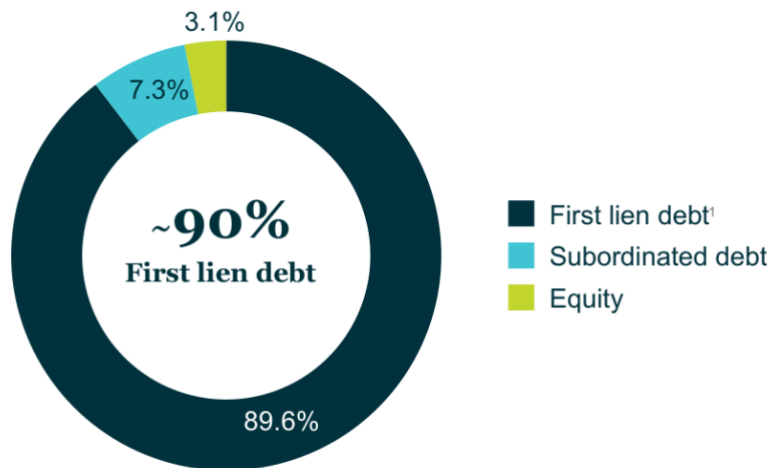
- For the most recent quarter, NCDL generated \$0.05 per share of incremental earnings above the regular distribution and is distributing \$0.02 of that excess as a supplemental distribution.

Portfolio / Investment Activity

- At the end of the second quarter, the investment portfolio had a fair value of \$1.9 billion, modestly down from \$2 billion at the end of the first quarter.
- The total investment portfolio consisted of 244 names compared to 236 names at the end of the first quarter, with the top 10 portfolio companies representing only 13.2% of fair value, consistent with the prior quarter.
- The largest exposure is only 1.6% of the total portfolio, and the average position size remains at 0.4%.
- At June 30, first lien loans represented approximately 89.6% of the total portfolio, while junior debt and equity comprised 7.3% and 3.1% respectively.
- NCDL targets companies with \$10 million to \$100 million of EBITDA, which management believes helps insulate it from more aggressive structures and loosening terms prevalent in the upper middle market and broadly syndicated loan space.
- Software businesses represented approximately 2.4% of NCDL's total investment portfolio at fair value as of June 30, reflecting management's decision to pass on many software deals given the rapid pace of innovation coupled with higher leverage attachment points.
- The allocation strategy remains unchanged, targeting a portfolio comprised of roughly 90% senior loans with the balance allocated to junior debt and equity.
- At the Churchill platform level, the firm closed or committed to over 80 transactions totaling approximately \$4.3 billion during the second quarter, with the majority concentrated in senior lending.

Portfolio Overview

Portfolio composition by investment type



Source: NCDL_Q2_2026_presentation.pdf, chart/graph selected from page 11

What this picture shows: Nuveen Churchill Direct Lending Corp.'s portfolio Overview, covering First lien debt.

Originations / Fundings

- Gross originations at NCDL totaled \$12.1 million and gross investment fundings totaled \$24.8 million, compared to \$82.9 million and \$85.4 million respectively in the first quarter of 2026.
- Of the \$12.1 million of gross originations, \$5.9 million were in senior loans and \$4.8 million were invested in equity positions across five names, with the balance deployed into subordinated debt positions.
- Management has intentionally deployed more dollars into the equity bucket in recent quarters versus junior debt, focusing on slightly increasing the equity percentage from roughly 1.5% to 2% toward 3% to 4% to drive capital appreciation.
- Roughly 40% of the capital deployed in the quarter went into junior debt positions, which management noted shows equity is not being emphasized at the expense of junior capital.
- In June and July, NCDL experienced a material increase in deals reviewed over prior months, with transaction activity across the platform returning to a more normalized level.

Repayments / Sales / Exits

- During the second quarter, sales and repayments totaled \$67.5 million, a rate of approximately 3.4%, relatively in line with last quarter but still below the long-range assumption of 5% per quarter, attributable to lower sponsor M&A activity.
- NCDL had full repayments on three larger positions totaling \$59 million and partial prepayments for another \$9 million.
- Management has been actively reinvesting capital received from repayments with a view toward maintaining leverage at the upper end of the target range.

- At the July joint venture closing, NCDL sold a portfolio of approximately \$150 million of first lien loans to the joint venture.
- Management expects to continue ramping the joint venture toward a portfolio of approximately \$300 million over the coming quarters.

Credit Quality

- During the second quarter, NCDL placed four new portfolio companies on non-accrual status with a cost basis of \$33.3 million and a fair value of \$18.7 million.
- At quarter end, NCDL had nine total names on non-accrual, representing 1.5% on a fair value basis and 2.7% at cost, compared to 0.6% and 1.3% respectively at the end of the first quarter.
- Management believes these percentages continue to compare favorably versus current BDC industry averages and the long-term historical BDC average.
- The internal watch list increased to approximately 10.8% of fair value compared to 8.4% at the end of the first quarter, largely driven by a few underperforming names.
- Interest coverage increased during the quarter to 2.5 times on traditional middle market first lien loans, up from 2.3 times at the end of the first quarter.
- Management noted the four new non-accruals were across four separate industries with no discernible common theme, and stated there is no AI theme among them at all.
- In each of the four cases, NCDL had ongoing sponsor support, with sponsors stepping up and providing incremental capital to address the issues.

Investment Rating / Risk

- The weighted average internal risk rating was 4.3 at the end of the second quarter, consistent with the prior quarter and versus an original rating of 4.0 for all investments at the time of origination.
- NCDL employs a dynamic internal risk rating system with a 1 through 10 rating scale, with the watch list starting at a 6 rating.
- Management ensures the workout team is involved early in the process of a potential credit challenge or event.
- The percentage of watch list names for NCDL remains consistent with the Churchill platform and long-term historical averages.
- Management noted the credit metrics are a direct result of conservative structuring and relatively low attachment points targeted when underwriting new transactions.

Leverage / Liquidity

- The gross debt-to-equity ratio was 1.29 times at June 30 compared to 1.32 times on March 31, and the net debt-to-equity ratio was 1.23 times compared to 1.26 times at the end of the first quarter.
- The goal remains to redeploy capital received from repayments and maintain leverage toward the upper end of the target range of 1.0 to 1.25 times debt to equity.
- In July, NCDL redeemed NCDL CLO III with an aggregate principal balance of \$297.9 million inclusive of accrued interest, in full at par; CLO III had an interest rate of SOFR plus 211 basis points.
- Also in July, NCDL completed a \$100 million tap of its existing 2030 unsecured notes, bringing aggregate unsecured notes issued to \$400 million, with parent company TIAA purchasing 100% of the notes issued.

- Pro forma for the incremental issuance, unsecured notes represent approximately 41% of NCDL's outstanding debt, and NCDL maintains investment grade ratings from both Moody's and Fitch.

Management Commentary

- Management stated it continues to be pleased with the operating performance of NCDL and its investment portfolio despite a challenging market environment.
- Management believes there is a significant disconnect between the narrative in the media and the underlying fundamentals in private credit, particularly with respect to NCDL's portfolio and credit metrics.
- In connection with the July joint venture tap, NCDL entered into an interest rate swap covering the incremental issuance, resulting in a floating rate of SOFR plus 2.55% on the incremental debt maturing March 15, 2030.
- NCDL committed 87.5% of the equity to the joint venture with its institutional partner committing the remainder, targeting leverage at the joint venture in the range of two times.
- Management noted Churchill has investment commitments in over 350 U.S. middle market private equity funds, generating attractive co-investment opportunities from high-quality mid-market sponsors.
- Management believes very strongly in the levered senior trade, expecting senior secured first lien to continue to comprise approximately 90% of the portfolio.

Market / Macro Commentary

- The first half of 2026 has been one of the most closely watched periods in private credit history, unfolding against a backdrop of elevated public market volatility, geopolitical tensions, and negative headlines driven by concerns around AI disruption, software exposure, and increased redemption activity in private BDCs.
- Private equity M&A activity was highly selective in the second quarter, with financial sponsor deal activity slowing compared to the first quarter despite overall global M&A recording new highs.
- The gap between strategic acquirers and private equity sponsors widened as financial sponsors faced disciplined underwriting and tighter credit constraints.
- Direct lending spreads widened early in the second quarter driven by market concerns, volatility, and disruption, and have since stabilized around a more normalized level of between 475 and 500 basis points over for traditional first lien loans.
- Given that inflation remains above the Fed's targets, expectations for rate cuts for the remainder of the year have diminished, with the forward SOFR curve now showing potential rate hikes.

Risks / Watch Items

- Four new portfolio companies were placed on non-accrual status during the quarter, bringing total non-accruals to nine names at 1.5% of fair value and 2.7% at cost.
- The internal watch list increased to approximately 10.8% of fair value from 8.4% at the end of the first quarter.
- Management noted that in a higher-for-longer rate environment, some businesses may be a bit more challenged.
- Sales and repayments at approximately 3.4% remain below the long-range assumption of 5% per quarter, attributable to lower sponsor M&A activity.

- Management continues to monitor AI and its potential impact across the portfolio, noting the full impact of AI disruption in the technology sector remains difficult to assess at this time.

Outlook / Guidance

- Management expects the joint venture portfolio to ramp from approximately \$150 million to roughly \$300 million over the medium term, within about 12 months, focused on almost 100% senior secured first lien loans.
- Management remains focused near term on optimizing the asset mix within the portfolio and actively reinvesting cash received from repayments and sales into high quality assets.
- Management remains confident NCDL is well positioned for the second half of the year with an experienced investment team and the ability to originate high quality investments across market conditions.
- Management remains optimistic about the long-term outlook for the private credit industry despite market noise, believing systemic risk concerns are overstated.
- Management will continue to look for ways to optimize NCDL's debt capital structure going forward.

Other Notes

- Call date: The second quarter 2026 earnings call covered the quarter ended June 30, 2026, with capital structure transactions completed in July.
- Management noted dispersion among private credit managers has started to emerge and will continue to be a focus area with investors.
- Management believes risk-adjusted returns in the core traditional middle market segment remain among the most compelling in private credit, particularly for scaled, highly selective managers with deep private equity relationships.

New Mountain Finance Corporation (NMFC)

Executive Summary

- New Mountain Finance Corporation (NMFC) reported second quarter 2026 adjusted net investment income of \$0.26 per share, covering the \$0.25 per share dividend paid in cash on June 30.
- Net asset value per share of \$10.89 declined three cents, or just 30 basis points, compared to the first quarter, reflecting stable credit performance across the portfolio.
- Non-accruals at fair value improved meaningfully from 2.6% last quarter to 1.5%.
- Management stated NMFC continues to be oversold, noting book value has been stabilizing and that blind fears of a universal SaaS apocalypse have been excessive.

Key Financial Metrics

- Total investment income for the second quarter was \$61 million, down 11% from the prior quarter, primarily due to the smaller, more senior, and more diversified portfolio following the secondary sale.
- Total net expenses were approximately \$37 million, broadly unchanged from the prior quarter, as lower interest expense was offset by resumption of the incentive fee that had been fully waived in the first quarter.

- NMFC's effective incentive fee rate for the second quarter was 15%, reflecting a voluntary waiver of \$1.4 million of incentives ahead of the previously announced permanent reduction to 15% in 2027.
- Adjusted net investment income for the quarter was \$0.26 per share, more than covering the second quarter dividend.
- The loan-to-value ratio is just 49%, including the latest view of enterprise value at portfolio companies, recalculated every quarter.
- NMFC is paying a cash yield of 15% at the recent closing stock price, approximately two times as high as high yield bond index averages.
- Since its IPO in 2011, NMFC has returned over \$1.5 billion to shareholders through its dividend program, generating an annualized return of approximately 10%.

NAV / NII / EPS

- Net asset value per share was \$10.89, a \$0.03 decline compared to \$10.92 for the first quarter.
- The main driver of the decline was the write-down on the non-accrual position in Convey, partially offset by a handful of unrealized gains and accretive share repurchases.
- Adjusted net investment income for the quarter was \$0.26 per share, covering the \$0.25 per share dividend.
- Total assets were \$2.4 billion, total liabilities were \$1.4 billion, and net asset value was \$1 billion at June 30.
- Management noted many well-performing loans have been marked lower based on negative market sentiment and fair value accounting standards, and believes there could be upside in coming quarters as those loans move back toward par.

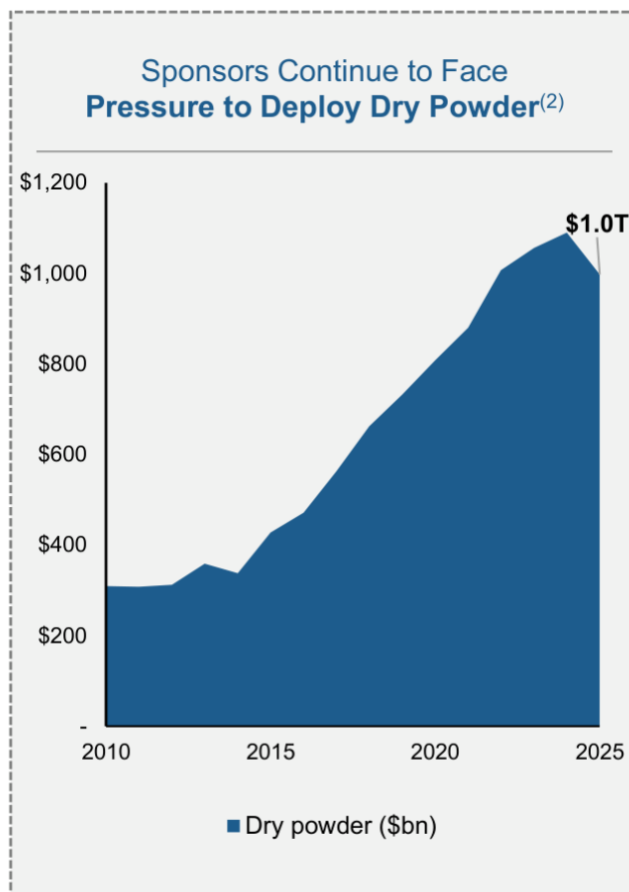
Dividend / Distribution

- Adjusted net investment income of \$0.26 per share covered the \$0.25 per share dividend paid in cash on June 30.
- The board declared a \$0.25 per share third quarter dividend payable on September 30 to shareholders of record as of September 16.
- Management projects that net investment income will continue to cover the quarterly dividend in upcoming quarters, consistent with historical practice.
- NMFC is paying a cash yield of 15% at the recent closing stock price, a level management believes is sustainable based on the anticipated earnings power of the portfolio for the foreseeable future.

Portfolio / Investment Activity

- The portfolio is diversified across 113 companies, and excluding investments in the SLPs and net lease funds, the top 10 single-name issuers represent 24% of total fair value.
- Approximately 80% of the portfolio, including first-lien investments, SLPs, and net lease investments, is senior in nature, broadly consistent with the prior quarter.
- Equity positions represent approximately 6% of the portfolio.
- NMFC focuses only on select parts of the economy that management believes are defensive and have sustainable tailwinds, with businesses that tend to have recurring or naturally reoccurring revenue models, stable margins, and cash flow generation across economic environments.
- NMFC provides heightened transparency around its industry niches rather than using broad sector classifications.

- Most of NMFC's portfolio sits in sectors where New Mountain has direct private equity experience and dedicated industry resources, giving underwriting depth management believes generalist lenders cannot replicate.
- NMFC continues to acquire select positions in the secondary market at meaningful discounts, where management believes its differentiated perspective creates the potential for book value appreciation.
- PIK income generated by assets structured with PIK from origination represented 13% of total investment income, while modified PIK resulting from amendments or restructuring represented only 3%, consistent with the prior quarter.



Source: NMFC_Q2_2026_presentation.pdf, chart/graph selected from page 13

What this picture shows: New Mountain Finance Corporation's enhanced yields relative to other asset classes, by period from 2010 to 2025.

Originations / Fundings

- NMFC originated \$73 million of investments during the quarter, offset by \$105 million of sales and repayments, effectively remaining fully invested.
- Origination activity was relatively light during the quarter.
- Management balances three priorities when thinking about origination: maintaining leverage within the target range, deploying capital into select high-conviction opportunities, and repurchasing shares at a discount to book value.

- Yields on new investments exceeded those on repayments, in part due to discounted secondary market purchases.
- Management believes risk-adjusted returns in direct lending are improving in a market environment characterized by slightly higher pricing and lower average leverage multiples on new originations.

Repayments / Sales / Exits

- Sales and repayments totaled \$105 million during the quarter.
- The portfolio sale which closed in late in the first quarter reduced PIK income and improved position diversity.
- Management sees potential realization opportunities over the next year for many of its most concentrated positions, which would catalyze more diversity in the portfolio and in many cases reduce PIK income.
- Management identified several smaller preferred and common stock positions that could be sold in the near term, with a high degree of near-term optimism about exiting some of those positions within the next quarter or two.
- Management described having a lot of irons in the fire on monetizing certain larger positions, though timing is difficult to predict.

Credit Quality

- Non-accruals at fair value stood at 1.5%, a meaningful improvement from 2.6% last quarter.
- 88% of the portfolio carried a green risk rating, with the red and orange categories representing the most challenged positions both declining during the quarter.
- The yellow category, which represents modestly underperforming positions, increased during the quarter.
- Non-green names carry a weighted average mark of approximately \$0.67, reflecting substantial de-risking already captured in current portfolio marks.
- Since its IPO, NMFC has made \$10.6 billion of investments while realizing losses, net of realized gains, of \$101 million.
- The main driver of the NAV decline this quarter was the write-down on the non-accrual position in Convey.
- Investments generating non-cash income during the quarter are marked at a weighted average fair value of approximately 95% of par, and 89% of this income is generated by names rated green on the internal heatmaps.

Investment Rating / Risk

- 88% of the portfolio carried a green risk rating as of quarter end.
- The red and orange categories, representing the most challenged positions, both declined this quarter.
- The yellow category, representing modestly underperforming positions, increased during the quarter.
- Non-green names carry a weighted average mark of approximately \$0.67.
- The loan-to-value ratio is just 49% and is recalculated every quarter to reflect evolving market conditions and their impact on borrower valuations.

Leverage / Liquidity

- The net debt-to-equity ratio was 1.11 times, below the midpoint of the target range of 1.0 times to 1.25 times.

- NMFC has more than \$2 billion of total borrowing capacity, including approximately \$830 million available under credit facilities subject to borrowing-base limitations, more than covering approximately \$160 million of unfunded commitments and 2027 maturities.
- During the second quarter, NMFC closed a \$150 million private placement with a delayed funding date as part of proactive management of upcoming maturities.
- After quarter end, NMFC extended the maturity of its corporate revolving credit facility to 2031, and continues to ladder maturities with nearly 60% of outstanding debt maturing in 2029 or later.
- As of June 30, 89% of the loan portfolio was floating rate and 11% fixed rate, while liabilities were 74% floating rate and 26% fixed rate; management has meaningfully increased the floating-rate portion of liabilities to reduce asset-liability mismatches.

Management Commentary

- NMFC repurchased approximately \$9 million of stock during the quarter at approximately \$8.00 per share, about a 27% discount to book value, bringing year-to-date repurchases to approximately \$66 million with roughly \$80 million of total remaining capacity.
- Future buybacks will be predicated on having adequate excess capital and remaining appropriately within the stated leverage range.
- Management has pledged to voluntarily and permanently reduce fees to be shareholder-friendly, with the permanent reduction to a 15% incentive fee rate scheduled for 2027.
- Chairman Steve Klinsky and fellow NMFC executives remain the largest shareholders of NMFC stock, with New Mountain ownership increasing 100 basis points sequentially and 400 basis points versus the prior year to approximately 18% of total shares outstanding as of June 30.
- Management is executing a stated strategy of finding bargains in the secondary market to build book value as they trade up.
- Management stated NMFC is just a couple of moves away from delivering a portfolio with really strong diversity and much better income-quality and performance characteristics.

Market / Macro Commentary

- Muted second quarter M&A activity led to lower industry-wide direct lending volume, with PitchBook LCD data indicating second quarter volume was down approximately 55% from the first quarter and down about 13% year-to-date versus the first half of 2025.
- The backlog of potential private equity exits remains substantial and sponsors continue to face pressure to deploy significant dry powder.
- Several cross-currents contribute to an uncertain investing environment, including conflicting macroeconomic signals around inflation, consumer health, labor markets, and commodity prices, ongoing geopolitical conflicts, the impact of AI and accelerating technological change, and persistent valuation gaps.
- Spreads have stabilized around SOFR plus 500 basis points for sectors viewed as relatively insulated from AI disruption, maintaining an attractive spread premium over liquid below investment grade assets.
- Management noted an unusual dynamic in which some smaller companies can price debt more tightly than larger companies, in part because fewer lenders are required to complete those smaller transactions.

Risks / Watch Items

- Current economic risks management is monitoring include supply chain disruptions, weak consumer confidence, and persistent inflationary pressure.
- The yellow risk rating category, representing modestly underperforming positions, increased during the quarter.
- The write-down on the non-accrual position in Convey drove the quarterly NAV decline.
- Several cross-currents contribute to an uncertain investing environment, including geopolitical conflicts and persistent valuation gaps.
- Management noted timing on monetizing larger equity positions remains uncertain, with work still to do executing the deals it has in mind.

Outlook / Guidance

- Management projects that net investment income will continue to cover the quarterly dividend in upcoming quarters.
- Management remains cautiously optimistic about activity through the balance of the year, supported by an uptick in deal activity in recent weeks.
- Management sees the biggest catalyst for the back half of the year as simply a better environment, with more activity visible in the pipeline than in the first half.
- Management believes there could be upside in coming quarters as well-performing loans marked lower on negative sentiment move back toward par.
- Management views the rotation of its liability stack as a real opportunity, noting a lot of maturing debt is not its lowest-cost debt, and expects to remain active in the unsecured debt market.

Other Notes

- Call date: The second quarter 2026 earnings call referenced a dividend paid June 30, 2026, with the next call expected in November for third quarter results.
- Management believes the M&A market is getting better and that a more active fall environment will help both new originations and equity monetizations.
- Management noted that no matter the environment, a well-performing business is much easier to exit than a struggling one.

Neostellar Capital Corp. (NSLR)

Executive Summary

- Neostellar Capital Corp. (NSLR), formerly SuRo Capital, held its first earnings call under the Neostellar name, reporting second quarter 2026 net assets of approximately \$355.9 million, or \$13.44 per share, compared with \$14.24 per share at March 31 and \$9.18 a year ago.
- Following stockholder approval on June 10, the company's transition from an internally managed BDC to an externally managed structure became effective July 15, 2026, with Neostellar Advisors LLC becoming the investment advisor.

- Principal investment activity during the quarter centered on two companies, funding the remaining \$15 million of a \$20 million commitment to a special purpose vehicle investing in TensorWave and investing approximately \$9.5 million in ClickHouse.
- Subsequent to quarter end, a Magnetar-affiliated entity invested \$20 million in Neostellar through a redeemable promissory note, which management views as a meaningful expression of Magnetar's commitment and confidence.

Key Financial Metrics

- Net assets at the end of the second quarter were approximately \$355.9 million, or \$13.44 per share.
- There were 26,473,222 shares of common stock outstanding at June 30.
- Liquidity at quarter end was approximately \$14.6 million of liquid assets, including approximately \$12.9 million in cash and approximately \$1.7 million in unrestricted public securities.
- Approximately \$15.4 million of public securities were subject to lock-up or other sales restrictions at quarter end, representing the remaining CoreWeave investment via the Class A interest of CW Opportunity 2 LP.
- Approximately \$20 million of accelerated and non-recurring expenses were incurred in connection with the externalization.
- The remaining principal balance of the 6.5% convertible notes due 2029 was approximately \$27 million at quarter end, after \$8 million of the \$35 million principal was converted into 1,092,504 common shares.
- The top five positions accounted for approximately 69% of the investment portfolio at fair value, and the top 10 positions accounted for approximately 86%.

NAV / NII / EPS

- Net asset value per share was \$13.44 at the end of the second quarter, down from \$14.24 at the end of the first quarter of 2026 and up from \$9.18 a year ago.
- The decrease in NAV per share was primarily driven by a \$0.88 per share decrease due to net investment loss, which includes approximately \$20 million of accelerated and non-recurring externalization expenses.
- A \$0.29 per share decrease related to the issuance of common shares from partial conversions of the 6.5% convertible notes due 2029.
- A \$0.02 per share decrease came from the net change in unrealized depreciation of investments during the quarter.
- These decreases were offset by a \$0.20 per share increase related to stock-based compensation net of share withholding settlements and a \$0.19 per share increase from net realized gains on portfolio investments.

Dividend / Distribution

- The redeemable promissory note issued to a Magnetar-affiliated entity bears interest at 6.5% per year with a three-year maturity.
- The note is mandatorily redeemable through the issuance of common stock upon the completion of a qualifying equity financing resulting in the issuance of at least \$230 million of common equity.
- The 6.5% convertible notes due 2029 had \$8 million of principal converted into common stock during the quarter, leaving approximately \$27 million outstanding.

- Management emphasized full alignment with stockholders and a commitment to creating durable long-term value.

Portfolio / Investment Activity

- The top five positions as of June 30 were WHOOP, OpenAI, Vast Data, TensorWave, and Blink Health, accounting for approximately 69% of the investment portfolio at fair value.
- Segmented by seven general investment themes, the top allocation was consumer goods and services at approximately 41% of the portfolio at fair value.
- Artificial intelligence infrastructure and applications, and software as a service, were the next largest categories at approximately 34% and 10% of the portfolio respectively.
- Approximately 6% of the portfolio was invested in education technology companies, 4% in logistics and supply chain, 4% in financial technology and services, and 2% in sports.
- The portfolio already includes investments in OpenAI, CoreWeave, Vast Data, and Canva, providing exposure across model development, compute, data infrastructure, and AI-enabled applications.
- TensorWave is building an AI cloud around AMD's ecosystem to provide specialized compute capacity for increasingly demanding AI training and inference workloads.
- ClickHouse enables companies to analyze massive volumes of data quickly and in real time; the company reports its cloud offering has surpassed \$250 million in annual run rate revenue, more than tripling from a year earlier, and has added more than 1,000 net new customers since January to reach approximately 4,000 total.
- Management noted it is not seeking to assemble a passive basket of the largest or best-known private companies, but rather to identify exceptional businesses early and invest on terms that appropriately balance risk and return.

Investment Portfolio Activity

Investments – During Q2 2026

Portfolio Company	Investment	Transaction Date	Amount ⁽¹⁾
Huntress Labs Inc.	Common Shares	4/8/2026	\$0.2 million
ClickHouse, Inc.	Series A Preferred Shares	4/22/2026	\$9.5 million
Magnetar Opportunity 2025-4 LP ⁽²⁾	Class B Interest	6/3/2026	\$15.0 million

Source: NSLR_Q2_2026_presentation.pdf, chart/graph selected from page 6

What this picture shows: Neostellar Capital Corp.'s investment Portfolio Activity, by period from 2025 to 2026.

Originations / Fundings

- Neostellar funded the remaining \$15 million tranche of its \$20 million commitment to Magnetar Opportunity 2025-4 LP on June 3, a special purpose vehicle invested in TensorWave, having funded the initial \$5 million tranche on January 2, 2026.
- The TensorWave investment was made in connection with the company's \$350 million Series B financing, co-led by Magnetar and AMD Ventures.
- Neostellar invested approximately \$9.5 million in ClickHouse Series A preferred shares through a secondary transaction in April.
- Neostellar also invested approximately \$225,000 in Huntress Labs common shares through a secondary transaction during the quarter.

- Management noted the staged structure of the TensorWave commitment allowed Neostellar to increase exposure as the company executed rather than committing the full amount at once, preserving access while reinforcing risk discipline.

Repayments / Sales / Exits

- Neostellar received four distributions from CW Opportunity 2 LP during the quarter totaling approximately \$6.5 million in net proceeds, categorized as approximately \$1.9 million return of capital and a \$4.6 million realized gain.
- The aggregate CoreWeave-related distribution represented approximately 12.2% of the \$15 million initial investment in CW Opportunity 2 LP, with distributions received to date representing approximately 44.1% of the initial investment.
- Neostellar sold 147,135 common shares of GrabAGun Digital Holdings during the quarter for net proceeds of approximately \$467,000 and a realized gain of approximately \$311,000, holding 452,619 shares or approximately 44% of the original position at June 30.
- Neostellar received a \$5.2 million distribution reflecting a full exit from its investment in HL Digital Assets, resulting in a realized gain of approximately \$45,000.
- Subsequent to quarter end, Neostellar sold an additional 143,655 GrabAGun shares at an average net price of \$3.12 for net proceeds of approximately \$448,000 and a realized gain of approximately \$295,000, leaving 308,964 shares or 30% of the original position.

Credit Quality

- Net realized gains from portfolio investments during the quarter contributed a \$0.19 per share increase to net asset value.
- The net change in unrealized depreciation of investments reduced NAV per share by only \$0.02 during the quarter.
- Management emphasized that enthusiasm for AI is not a substitute for discipline, noting valuations have risen, competition has intensified, and growth expectations have become very ambitious.
- Management evaluates each opportunity on its own merits, including company execution, entry price, transaction structure, and downside risk.
- Management stated that attractive long-term returns begin with disciplined underwriting, thoughtful portfolio construction, and patience.

Investment Rating / Risk

- Management noted that in an environment of rising valuations and intensified competition, selectivity matters more, not less.
- The portfolio remains concentrated, with the top five positions representing approximately 69% and the top 10 approximately 86% of investment portfolio fair value.
- Management acknowledged WHOOP has become a large part of the portfolio, describing the position as somewhat a victim of its own success following an \$11 million investment now worth considerably more.
- Management stated it will remain selective and stay focused on risk-adjusted returns.
- Management will continue to pursue opportunities where its experience, access, or structuring capabilities can create a genuine advantage.

Leverage / Liquidity

- Liquidity at quarter end was approximately \$14.6 million of liquid assets, including approximately \$12.9 million in cash and approximately \$1.7 million in unrestricted public securities.
- Approximately \$15.4 million of public securities were subject to lock-up or other sales restrictions at quarter end.
- Subsequent to quarter end on July 17, Neostellar received \$20 million in gross proceeds from the issuance of a redeemable promissory note to a Magnetar-affiliated entity bearing interest at 6.5% per year with a three-year maturity.
- The remaining principal balance of the 6.5% convertible notes due 2029 was approximately \$27 million at quarter end.
- The purchaser of the convertible notes elected to exercise their conversion option on multiple occasions during the quarter, converting an aggregate of \$8 million of the \$35 million principal amount into 1,092,504 common shares plus cash in lieu of fractional shares.

Management Commentary

- Management described the quarter as an important moment, marking the first earnings call as Neostellar Capital after more than 15 years pursuing a mission to provide public market investors access to high-growth, venture-backed private companies.
- Management emphasized the investment strategy is unchanged and the team responsible for the portfolio remains in place; what has changed is the breadth of resources, expertise, and capabilities supporting the strategy.
- On July 21, the team and Magnetar formally announced the launch of Neostellar Advisors, combining a 15-year history of venture-backed private company investing with Magnetar's institutional capabilities across credit, structured capital, technology, and AI infrastructure.
- Neostellar Advisors LLC is jointly owned by certain members of the former SuRo Capital management team and Magnetar Holdings LLC.
- The company continues to trade on the NASDAQ Global Select Market under the ticker NSLR and continues to be led by Mark Klein as chairman, president, and CEO and Alison Green as CFO, treasurer, and corporate secretary.
- Eric Falk, partner and head of strategy at Magnetar, joined the board of directors in connection with the externalization.

Market / Macro Commentary

- Management noted companies are staying private longer, raising more capital, and increasingly seeking financing solutions that extend beyond traditional equity.
- AI is rapidly establishing itself as a foundational technology layer across the global economy and remains a major investment theme for the team.
- When Neostellar made its initial investment in OpenAI, ChatGPT had approximately 200 million weekly active users; today OpenAI reports more than 900 million weekly active users.
- Combined capital expenditures across Alphabet, Amazon, Meta, Microsoft, and Oracle were approximately \$154 billion in 2023 and \$239 billion in 2024, while Morgan Stanley Research estimates capital expenditures by the five largest U.S. technology companies will approach \$800 billion in 2026 and approximately \$1.2 trillion in 2027.

- Management expects demand for supporting infrastructure including compute capacity, data and networking infrastructure, cybersecurity, and power to continue expanding as AI becomes more deeply embedded across industries.

Risks / Watch Items

- Management noted valuations have risen, competition has intensified, and growth expectations have become very ambitious in the private AI investment market.
- Approximately \$20 million of accelerated and non-recurring expenses tied to the externalization drove the \$0.88 per share net investment loss for the quarter.
- Portfolio concentration remains high, with the top five positions representing approximately 69% of investment portfolio fair value.
- Liquid assets at quarter end were approximately \$14.6 million, with an additional \$15.4 million of public securities subject to lock-up or sales restrictions.
- The redeemable promissory note is mandatorily redeemable through common stock issuance upon completion of a qualifying equity financing of at least \$230 million of common equity.

Outlook / Guidance

- Management believes the Magnetar relationship expands the opportunity set available to Neostellar while preserving the same core investment team, public company structure, and commitment to disciplined underwriting.
- Management believes TensorWave is well-positioned as the AI compute market expands and customers seek additional sources of high performance capacity, greater flexibility, and a more diversified hardware ecosystem.
- Management believes continued demand for real-time analytics and observability can support further growth for ClickHouse across AI and broader enterprise workloads.
- On WHOOP, management noted the company has publicly stated its intention to go public and suspects it will try to do so at some time next year, historically tracking a quarter or two behind peer Oura in fundraising efforts.
- Management stated Neostellar expands what the company can do but does not change how it invests, and expects to continue allocating capital with discipline.

Other Notes

- Call date: The second quarter 2026 earnings call followed the July 15, 2026 effectiveness of the externalization, with a Form 8-K on the promissory note filed July 21.
- On April 2, the board of directors including all independent directors unanimously approved the transition from an internally managed BDC to an externally managed structure.
- Subsequent to quarter end on July 10, Neostellar exercised 86,076 common warrants of Shogun Enterprises, doing business as Hearth, acquiring 86,076 shares of Class A common stock for an aggregate exercise price of approximately \$861.

Blue Owl Capital Corporation (OBDC)

Executive Summary

- Blue Owl Capital Corporation (OBDC) reported second quarter 2026 results for the quarter ended June 30, 2026, with adjusted net investment income per share of \$0.34 and net asset value per share of \$14.26.
- Adjusted NII translated into a 9.6% annualized return on equity, up over 100 basis points from the prior quarter, comfortably covering the base dividend that was reset last quarter.
- OBDC ended the quarter with net leverage at 1.11 times, its lowest level in over two years, giving substantial flexibility to deploy as attractive opportunities emerge.
- The NAV decline was primarily driven by one credit-specific markdown, with marks across the rest of the portfolio relatively consistent as spreads were generally stable, a distinction from the first quarter when roughly three quarters of the NAV decline came from broad spread widening.

Key Financial Metrics

- Adjusted net investment income was \$0.34 per share, up from \$0.31 per share last quarter, driven primarily by elevated non-recurring income from the realization of Mavis Tire and higher dividend income from LSI.
- The Mavis repayment generated approximately three cents per share of fee income.
- Base dividend coverage for the quarter was 110%.
- Adjusted NII translated into a 9.6% annualized return on equity, up over 100 basis points from the prior quarter.
- PIK as a percentage of total investment income declined to 10.7% in the second quarter, down from peak levels of over 13% two years ago.
- Portfolio company net leverage averaged 5.8 times, which has modestly declined over the past two years.
- Loan-to-values remained stable at 47%, providing cushion below OBDC's loans in the capital structure.

NAV / NII / EPS

- Net asset value per share was \$14.26 at quarter end, down from \$14.41 last quarter.
- The NAV decline was driven primarily by a write-down on a specific credit, partially offset by over-earning the dividend and continued share repurchase activity.
- Adjusted net investment income was \$0.34 per share, up from \$0.31 per share in the prior quarter.
- Share repurchases of \$35 million in the second quarter were accretive to NAV per share by three cents.
- Management noted the rate environment stabilized and the lagged impact of last year's rate cuts is now fully reflected in portfolio yields.

Dividend / Distribution

- The board declared a third quarter base dividend of \$0.31 per share, payable October 15 to shareholders of record as of September 30.
- OBDC also declared a \$0.02 per share supplemental dividend in accordance with its framework, payable September 15 to shareholders of record as of August 31.
- Base dividend coverage for the quarter was 110%, providing a healthy cushion above the reset base dividend level.

- Spillover income of approximately \$0.29 per share provides a meaningful additional cushion in support of the base dividend.

Portfolio / Investment Activity

- OBDC had fundings of \$429 million against \$747 million of repayments during the quarter, resulting in ending net leverage of 1.11 times.
- The portfolio remains highly diversified across 30 industries with an emphasis on large defensive businesses and an average position size of approximately 40 basis points.
- Software exposure sits at approximately 18% of the portfolio, relatively stable compared to prior quarters, and remains one of the best-performing segments with the strongest revenue and EBITDA growth of any sector.
- Software investments are primarily first lien senior secured loans to mission-critical enterprise software providers with conservative attachment points.
- Borrower fundamentals remained stable during the quarter, with revenue and EBITDA continuing to grow in the mid to high single digits year over year while liquidity and risk indicators were stable.
- Management proactively avoids sectors such as energy, transportation, building products, and consumer discretionary end markets.
- Several originations during the quarter were the last of the carryovers from commitments made before the recent widening in spreads.
- Management remains focused on the upper middle market and larger scale companies, where it believes the best risk-adjusted returns continue to be found.

Borrower Diversification

I:



Source: OBDC_Q2_2026_presentation.pdf, chart/graph selected from page 8

What this picture shows: Blue Owl Capital Corporation's borrower Diversification, broken out across Wingspire, Associa, Blue Owl Credit SLF and Winland Foods.

Originations / Fundings

- OBDC funded \$429 million during the second quarter, with transaction activity described as muted.
- Management attributed lower activity to a slowdown in refinancing driven by asset price volatility and spread widening, plus M&A pulling back amid geopolitical volatility and commodity price moves.
- In prior quarters as much as 50% to 75% of activity in any given quarter came from refinancing or extension activity within the existing portfolio, which has largely ground to a halt in a spread-widening environment.
- Management continues to have constructive dialogue on the transaction front and is seeing activity within the existing portfolio, including add-ons and other opportunities to support known borrowers.
- Underwriting discipline continues to take precedence over deployment volume, with a pipeline that remains active.

Repayments / Sales / Exits

- Repayments totaled \$747 million during the quarter, moderating from recent peaks but remaining healthy, giving additional flexibility for deployment going forward.
- The most notable realization was the full repayment of OBDC's preferred equity investment in Mavis Tire, collecting approximately \$274 million in cash including \$66 million in accrued PIK interest.
- The Mavis realization was Blue Owl's largest PIK investment realization to date and generated a 1.5x multiple on invested capital; Mavis has roughly quadrupled in size since the initial preferred equity investment.
- Within LSI, OBDC's life sciences focused specialty finance vehicle, the repayment of ITM Radio Pharma came with call protection and delivered over a 20% IRR on a \$149 million position.
- LSI has generated returns of more than 15% to OBDC since inception.

Credit Quality

- Non-accruals were 0.8% at fair value at the end of the quarter, slightly down from last quarter and below industry averages, with one name removed and one new addition.
- The new non-accrual was Loparex, which had been pursuing a transformative M&A transaction that would have recapitalized the business with fresh equity; the transaction fell apart, leading to the markdown of the position during the quarter.
- The non-accrual position at cost was approximately 90 basis points, with very little value at the current mark, which drove the divergence between rising cost-basis and falling fair-value non-accrual figures.
- Interest coverage ratios remained healthy at approximately two times, revolver draws are at conservative levels, and amendment activity is stable.
- Management has not seen broad-based deterioration in the fundamentals of its borrowers, and the overall portfolio continues to perform in line with expectations.
- Across Blue Owl's broader direct lending platform, non-accruals are low at 1% at cost and realized losses remain limited.
- Since inception, the platform loss rate has been just 12 basis points.

Investment Rating / Risk

- Three-rated to five-rated names improved slightly as a percentage at fair value, with no meaningful migrations of any high-focus names to lower ratings.

- Five-rated loans increased in the quarter while four-rated loans decreased by roughly twice that amount, which management attributed almost entirely to the migration of Loparex to non-accrual as its fair value decreased.
- Management stated it did not see many other migrations within the portfolio away from that one non-accrual name.
- Management continues to watch other areas of risk across the market, including commodity price volatility, geopolitical uncertainty, and consumer demand trends, which have had little impact across the portfolio overall.
- Management will continue to be cautious about deployment in software, noting the picture improved this quarter versus last quarter but the area is moving quickly.

Leverage / Liquidity

- Net leverage was 1.11 times at quarter end, within the target range of 0.9 to 1.25 times and lower quarter over quarter, driven by repayments exceeding new deployment.
- OBDC raised approximately \$800 million of unsecured debt during the quarter against approximately \$1 billion of legacy maturities successfully addressed in July.
- OBDC amended and extended its revolver, maintaining the facility size at \$4 billion of capacity with pricing unchanged; every bank in the facility extended as part of the transaction.
- Two higher-cost secured facilities were eliminated as part of ongoing efforts to reduce costs and optimize the capital structure.
- Taking into account the July bond maturity, total liquidity including cash and undrawn capacity on credit facilities remains robust at approximately \$3.5 billion, comfortably exceeding unfunded commitments.

Management Commentary

- Management said it is very pleased with the quarter, citing quarter-over-quarter NII growth, strong overall credit quality, and increased financial flexibility.
- OBDC repurchased \$35 million of shares in the quarter and approximately \$220 million in total since the fourth quarter of last year, reflecting conviction in long-term value while maintaining capacity to deploy capital.
- Management approaches every dollar of capital as an allocation decision among the best available investments, balancing buybacks, leverage, and new originations based on where the stock is trading.
- Management stated the repurchase program operates in open windows without a 10b5-1 plan, which is why no repurchases occurred in July while the second quarter NAV was being finalized.
- Management declined to consider a management fee waiver, noting fees have been exactly the same for OBDC's entire existence as a BDC.
- Management highlighted that the vast majority of PIK exposure was structured that way at inception where it saw an opportunity to enhance returns, and pointed to Mavis as validation of that approach.

Market / Macro Commentary

- The second quarter was much more stable than the first, with spreads stabilizing, the rate outlook improving, and sentiment becoming more balanced after a volatile start to the year.

- Transaction activity was modest as sponsors and borrowers remained cautious given earlier macro uncertainty, and refinancing activity was more limited as wider spreads made refinancing less attractive for many borrowers.
- The forward rate curve is now roughly 100 basis points higher than at the start of the year, spreads remain wider, and financing terms have become more attractive, which management views as constructive for a scaled direct lender with available capital.
- Management noted private equity activity has been modest and a disappointment to both lenders and sponsors in the first half of the year, with geopolitical issues slowing activity.
- Management observed the syndicated market is quite strong, with some large deals going syndicated that direct lenders might otherwise have liked as private investments.

Risks / Watch Items

- The quarter's NAV decline was driven primarily by one credit-specific markdown at Loparex following a failed recapitalization transaction.
- Management continues to watch commodity price volatility, geopolitical uncertainty, and consumer demand trends across the market.
- Funding costs have continued to trend modestly higher as lower-coupon legacy unsecured notes mature and are refinanced at current market rates.
- Management will continue to be cautious about deployment in software given how quickly the AI landscape is moving.
- Management noted private equity valuations need to come in line with where sponsors hope to exit before deal activity really accelerates.

Outlook / Guidance

- Management is increasingly optimistic about the opportunity set ahead, encouraging a longer-term view despite a muted deal environment this year.
- Management expects to operate around current leverage levels as a good home base within the 0.9 to 1.25 times target range, without drastic movements from here.
- Management expects to continue declaring supplemental dividends in accordance with its framework as incremental earnings above the base dividend allow.
- Roughly a month and a half into the third quarter, management was not seeing a dramatic uptick in M&A activity or refinancing, describing activity as still muted while remaining hopeful it picks up.
- Management remains confident in the sustainability of the reset \$0.31 per share base dividend.

Other Notes

- Call date: OBDC issued its second quarter results the day before the call, covering the quarter ended June 30, 2026.
- Management stated OBDC generally holds investments to maturity and does not actively look to sell its portfolio, though it completed a sizable portfolio sale earlier in the year at 99.7.
- Management said it has no concern that OBDC is missing deployment opportunities, citing over \$10 billion of available capital across the platform and daily engagement with private equity firms.

Oaktree Specialty Lending (OCSL)

Executive Summary

- Oaktree Specialty Lending Corporation (OCSL) reported third fiscal quarter 2026 results for the quarter ended June 30, 2026, with adjusted net investment income of \$32.2 million, or approximately \$0.37 per share, down slightly from \$33.7 million or \$0.38 per share in the prior quarter.
- Non-accruals were approximately 1.8% of the total debt portfolio at fair value, down 80 basis points sequentially and down 140 basis points year over year; in the last two quarters alone OCSL exited five non-accrual positions, leaving six investments on non-accrual.
- The most significant portfolio development was Thrasio, which through a series of asset sales repaid approximately \$25 million, or a little over 80% of OCSL's loans, including paying off the entire first out term loan and about 75% of the second out term loan.
- OCSL ended the quarter with net leverage of approximately 1.02 times and available liquidity of nearly \$700 million, positioning it below the midpoint of its 0.9 to 1.25 times target range.

Key Financial Metrics

- Adjusted total investment income was \$69.2 million, down slightly compared to \$69.7 million in the prior quarter, primarily reflecting a smaller average portfolio balance from operating with lower leverage and a decrease in non-recurring income, partially offset by placing the Thrasio second out loan back onto accrual status.
- Non-recurring income came in slightly below \$2 million this quarter, compared to an average of about \$3.8 million for the trailing eight quarters.
- Adjusted net investment income was \$32.2 million, or approximately \$0.37 per share, compared to \$33.7 million or \$0.38 per share in the prior quarter.
- OCSL paid a \$2.4 million Part 1 incentive fee, or approximately \$0.03 per share, versus a full incentive fee of approximately \$6 million or about \$0.07 per share, roughly half of what it otherwise would have been.
- The weighted average yield on debt investments was 9.3%, while the weighted average yield on new debt investments was 10.0%, up from 9.2% in the prior quarter.
- PIK income represented approximately 7.8% of adjusted total investment income during the quarter, compared to 5.5% last quarter.
- The weighted average interest rate on debt outstanding was 5.9% as of June 30, unchanged from the prior quarter.

NAV / NII / EPS

- NAV per share was \$15.70 as of June 30, 2026, stable compared to \$15.69 as of March 31, 2026.
- Adjusted net investment income was \$32.2 million, or approximately \$0.37 per share.
- The slight quarter-over-quarter decline in adjusted NII was driven by lower total investment income and higher income-based Part 1 incentive fees, partially offset by lower interest expense.
- Last quarter OCSL paid no Part 1 incentive fee as a result of its total return hurdle; this quarter it paid \$2.4 million, reflecting progress in reducing non-accruals partially offset by the continuing overhang from prior quarters' losses under the total return hurdle.

- OCSL recorded approximately \$50 million of realized losses this quarter, which management described as crystallization of long-standing markdowns rather than new losses, with the largest realized loss on Dominion, an asset that came over in connection with a 2017 BDC acquisition.

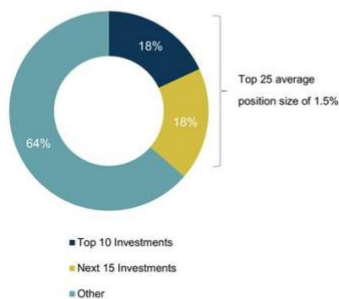
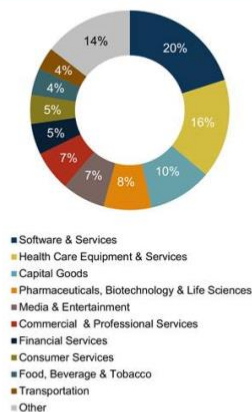
Dividend / Distribution

- The board declared a total cash dividend of \$0.33 per share for the quarter, composed of a base cash dividend of \$0.30 per share and a supplemental dividend of \$0.03 per share.
- The dividends are payable in cash on September 30, 2026 to stockholders of record as of September 15, 2026.
- The supplemental dividend is consistent with OCSL's policy of paying a supplemental dividend equal to 50% of adjusted net investment income in excess of the base dividend.
- Management believes the incentive fee mechanism is working as designed, aligning the fees Oaktree earns with the total returns shareholders receive.

Portfolio / Investment Activity

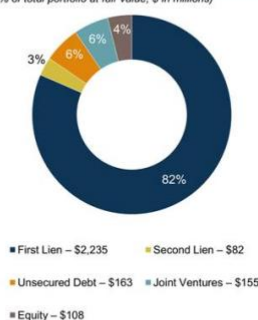
- As of June 30, 82% of the portfolio at fair value was first lien senior secured debt, with a weighted average yield on debt investments of 9.3%.
- The portfolio remains well diversified with the average debt position representing approximately 65 basis points of the total portfolio at fair value and no single position exceeding 2.1% of fair value.
- The median EBITDA of portfolio companies was approximately \$189 million, up about 4% sequentially.
- Portfolio company weighted average leverage was 5.1 times, slightly better than 5.2 times last quarter, and interest coverage improved to 2.4 times from 2.1 times.
- Based on GICS Industry Group classification, software represents 20% of the portfolio at fair value, down slightly from the prior quarter, with high AI risk software exposure unchanged at approximately 3% of the performing debt portfolio at fair value.
- OCSL's joint ventures together held approximately \$524 million of investments across 135 portfolio companies and generated aggregate returns on equity of approximately 11.3% during the quarter, with leverage at the JVs of 2.1 times compared to 1.9 times last quarter.
- During the quarter, OCSL converted approximately 25% of the Kemper JV's subordinated note into equity, which did not materially impact total JV earnings but shifted the income mix toward a combination of interest and dividend income.
- Approximately two-thirds of PIK income relates to investments structured with the option to PIK at origination, and the EBITDA, leverage, and interest coverage of portfolio companies electing to PIK are roughly in line with the overall portfolio.

Portfolio Summary

Diverse Portfolio¹Industry Composition^{1,2}

Senior Secured Emphasis

(As % of total portfolio at fair value; \$ in millions)


\$2.7 Billion in Total Investments
163 Portfolio Companies
9.3% Weighted Average Yield on Debt Investments
Median Portfolio EBITDA of \$189 million³

As of June 30, 2026

Note: Numbers may not sum due to rounding.

1. Excludes multi-sector holdings, which is primarily composed of investments in Senior Loan Fund JV I LLC (the "Kemper JV") and OCSL Glick JV LLC (the "Glick JV"), joint ventures that invest primarily in senior secured loans of middle market companies.

2. Based on GICS industry group classification.

3. Excludes investments in negative EBITDA borrowers, life sciences lending, royalty interest financings, structured products, non-accruals, recurring revenue businesses and other non-EBITDA borrowers.

3

Source: OCSL_Q2_2026_presentation.pdf, chart/graph selected from page 4

What this picture shows: Diverse Portfolio 1 — this shows the portfolio mix by sector/industry, which supports the portfolio section and gives a quick view of diversification.

Originations / Fundings

- New investment commitments totaled \$206 million in the quarter, stable compared to \$204 million in the prior quarter.
- The weighted average yield on new debt investments was 10.0%, up from 9.2% in the prior quarter, reflecting higher spreads on new private originations.
- The median spread on opportunities in OCSL's pipeline has ranged from SOFR plus 550 to 575 basis points, above broader market averages, which management believes reflects differentiated sourcing capabilities.
- A notable new origination was Zayo Group, a fiber infrastructure company, where OCSL alongside other Oaktree funds funded approximately 60% of a private junior warehouse securitization facility supporting Zayo's acquisition of Crown Castle's fiber infrastructure network.
- The Zayo facility is priced at SOFR plus 675 basis points with a junior lien supported by Crown Castle's fiber network assets, carries a corporate guarantee from a parent entity ahead of sponsor equity, and features lender-friendly terms uncommon in traditional public ABS deals.

Repayments / Sales / Exits

- Proceeds from prepayments, exits, other paydowns, and sales were \$263 million, down from \$334 million last quarter.
- Thrasio sold several of its largest brands, including Stain Remover H-Stains to Church & Dwight for a \$325 million gross purchase price, with proceeds used to repay 100% of the first out term loan and the majority of the second out.

- OCSL marked the remaining Thrasio second out position up from 80 in the prior quarter to 99, returned it to accrual status, and expects it to be fully repaid over the next few months from additional asset sale proceeds.
- Avery, an investment in a condominium project, continues to perform ahead of underwriting expectations, with 12 units closed year-to-date through June 30 compared with a full year 2026 budget of six units, and the blended mark up from 65 at March 31 to 79 at June 30.
- Prior to the new Zayo transaction, OCSL had purchased Zayo's first lien first out post-LME broadly syndicated term loan at a discount to par, which has since been partially repaid with ABS issuance proceeds and appreciated to approximately par.

Credit Quality

- Non-accruals were approximately 1.8% of the total debt portfolio at fair value at quarter end, down from 2.6% last quarter and 3.2% one year ago, with six investments remaining on non-accrual.
- More than 85% of the decline in non-accrual dollars over the past year is due to proceeds received and investments returning to accrual status, and 97% of the sequential decline was a result of proceeds received to pay down debt.
- OCSL's non-accruals are down approximately 280 basis points from their peak in March 2025.
- Portfolio company weighted average leverage was 5.1 times, slightly better than 5.2 times last quarter, and interest coverage improved to 2.4 times from 2.1 times.
- Thrasio, an Amazon aggregator, had been on non-accrual since December 2023 due to an overly aggressive growth strategy after COVID; over the last two years the company reduced its cost infrastructure and streamlined operations to focus on its strongest brands.
- Management stated Thrasio illustrates the value of its workout expertise and cooperative efforts with other creditor owners to reposition a company through restructuring and maximize recoveries in a relatively short timeframe.
- Management has successfully pursued monetization, restructured investments, and when necessary made difficult decisions to exit positions to avoid tying up capital and minimize losses.

Investment Rating / Risk

- High AI risk software exposure remains unchanged at approximately 3% of the performing debt portfolio at fair value.
- Software represents 20% of the portfolio at fair value based on GICS Industry Group classification, down slightly from the prior quarter.
- Management noted software is not a monolithic category and AI exposure is not evenly distributed, with the greatest risk likely concentrated where business model disruption intersects with high leverage, limited free cash flow, and a near or medium-term refinancing need.
- Management identified that many loans originated in 2020 and 2021 were underwritten when base rates were near zero and valuation multiples were at peak levels, with a meaningful portion of that cohort, especially ARR-based loans, maturing in 2027 and 2028.
- Interest coverage continues to be a metric management monitors closely, as higher rates support higher income from floating rate loans but also increase borrower interest burdens.

Leverage / Liquidity

- Net leverage was approximately 1.02 times at quarter end, down slightly from 1.04 times last quarter and below the midpoint of the 0.9 to 1.25 times target range, with total debt outstanding of \$1.45 billion.
- Available liquidity was approximately \$699 million, including \$40 million of cash and \$659 million of undrawn capacity under credit facilities.
- Unsecured debt represented 65% of total debt at quarter end.
- Unfunded commitments, excluding those related to joint ventures, were approximately \$208 million.
- Management plans to address the \$350 million of unsecured notes that mature in January 2027 over the next several quarters.

Management Commentary

- Management assessed progress against two primary fiscal 2026 objectives: reducing non-accruals through exit and monetization events, and maintaining a flexible balance sheet.
- Management views leverage as an output of the investment environment rather than a way to achieve a particular earnings or dividend target, deploying capital when compelling investments with appropriate downside protection emerge and maintaining greater liquidity when the opportunity set is less attractive.
- OCSL is a permanent capital vehicle and does not face redemption risk, which management views as an advantage amid headwinds in the non-traded BDC market.
- Management believes the Zayo investments highlight Oaktree's strengths in considering relative value across a capital structure, identifying mispriced public credit, structuring complex private transactions, and collaborating across investment teams.
- Management noted the three areas of focus in dialogue with rating agencies have been reducing non-accruals, stabilization of NAV, and running leverage prudently at around one time.
- Management said it is not actively working on platform M&A and shareholders should not expect OCSL to be a meaningful participant in industry consolidation based on information at hand.

Market / Macro Commentary

- The June quarter was less volatile than the March quarter, with credit and equity markets stabilizing and a less bearish tone, although dispersion continued to be a dominant theme.
- The broadly syndicated loan market showed a bifurcated recovery, with spreads for single B and single B plus loans retracing most of the March quarter widening while spreads on traded B minus credits remained wider than late 2025 levels.
- The direct lending market was more subdued, with spreads remaining wider than 2025 levels while direct lending deal value declined to a two-and-a-half-year low.
- During the June quarter, new sponsor-backed first lien direct loans were pricing in the range of SOFR plus 500 to 550 basis points, above the 2025 tights of SOFR plus 450 to 475, though competition increased toward the end of June and compressed average spreads closer to 500 basis points.
- Redemption requests at several large non-traded vehicles remained elevated during the June quarter, in some cases reaching the mid-to-high teens as a percentage of equity, which management views as a net positive for permanent capital public BDCs with dry powder.

Risks / Watch Items

- Management expects it may take several quarters for existing redemption queues in non-traded BDCs to normalize and for net flows to inflect positive.
- Refinancing the 2020 and 2021 vintage loan cohort maturing in 2027 and 2028, especially ARR-based loans, will be an important test for the market with issuer-specific outcomes.
- Persistent inflation has reduced confidence in the pace of future rate cuts and increased the possibility that base rates will remain higher for longer, which increases interest burdens for borrowers.
- Management noted that beneath a generally okay 50,000-foot economic picture, there are a whole host of macro indicators indicating some weakness.
- Management flagged that current spreads do not fully bake in expected inflation from continued conflict with Iran or the full extent of AI-driven software disruption.

Outlook / Guidance

- Management sees investment opportunities under review today as generally more attractive than what it saw over the past two years, featuring more lender-friendly terms including stronger documentation and structural protections, lower leverage, and lower loan to value.
- Management is conserving capital and maintaining a more defensive, risk-averse posture in order to lean into the market on the back of what it expects will be more volatility ahead.
- Management characterized current conditions as roughly 50 to 75 basis points wide of six months ago, and stated it does not believe the maximum opportunity set is available at this time.
- Management expects the remaining Thrasio second out loan to be fully repaid over the next few months from additional asset sale proceeds.
- Management noted a recovery in M&A and private equity exits could increase demand for financing at a time when the supply of direct lending capital has become more disciplined, which would be positive for deal flow and spreads.

Other Notes

- Call date: The third fiscal quarter 2026 earnings release was issued the morning of the call, covering the quarter ended June 30, 2026.
- Management sees a meaningful opportunity unmet by capital in the asset-backed finance space, providing capital to specialty lenders developing diversified portfolios of contractual cash flow streams, though it is not a qualified asset for BDCs.
- Management noted that on a relative value basis, private credit looks better today relative to public credit than it did, as public credit has tightened over the last 12 to 24 months while private spreads widened over the past six months.

OFS Capital Corporation (OFS)

Executive Summary

- OFS Capital Corporation (OFS) reported second quarter 2026 net investment income of \$0.08 per share, compared to \$0.18 per share in the prior quarter, which had benefited from a large non-recurring dividend from the equity position in Pfanstiehl.
- Net asset value at quarter end was \$8.41 per share compared to \$8.16 per share in the prior quarter, an increase of approximately 3% driven primarily by the performance of the equity investment in Pfanstiehl.
- One new loan was placed on non-accrual during the quarter, marked at 79% of par at quarter end and representing 3.5% of the total portfolio at fair value.
- With the balance sheet strengthened and leverage reduced over the past several quarters, management said its focus is shifting toward prudently redeploying capital into new income-generating investments.

Key Financial Metrics

- Net investment income was \$1 million, or \$0.08 per share, for the second quarter of 2026, a decline of \$0.10 per share from the first quarter.
- Total investment income decreased approximately 23% to \$6.8 million this quarter, driven by the roll-off of the non-recurring \$874,000 dividend from Pfanstiehl, ongoing deleveraging efforts that reduced the interest-bearing portfolio, and the impact of the new non-accrual investment.
- Total expenses decreased by approximately 9% during the period to \$5.8 million, primarily attributable to a \$408,000 decrease in the incentive fee and a decline in interest expense on lower outstanding debt balances.
- Top-line income decreased \$2.1 million quarter over quarter, partially offset by a \$610,000 decrease in total expenses.
- The weighted average performing investment income yield on the interest-bearing portion of the portfolio decreased approximately 0.4 percentage points to 12.1% quarter over quarter.
- The regulatory asset coverage ratio was 161% at quarter end, an increase of 7 percentage points from the prior quarter.
- Since 2011, the BDC has invested more than \$2.1 billion with an annualized net realized loss of just 0.3%.

NAV / NII / EPS

- Net asset value per share increased by approximately 3%, or \$0.25, this quarter to \$8.41 from \$8.16.
- The improvement in NAV was largely related to unrealized appreciation on the equity investment in Pfanstiehl, which totaled \$14.1 million.
- This was partially offset by net realized and unrealized losses in the credit portfolio totaling \$6.5 million, most pronounced in CLO equity holdings.
- Net investment income was \$1 million, or \$0.08 per share, compared to \$0.18 per share in the prior quarter.
- Management noted net interest margin compressed following the final redemption of the February 2026 unsecured notes, which carried a low 4.75% coupon priced during the near-zero rate environment in early 2021.

Dividend / Distribution

- OFS is maintaining its quarterly distribution at \$0.17 per share for the third quarter of 2026.
- At June 30, the quarterly distribution rate represented a 19.2% annualized yield based on the market price of the common stock.
- Net investment income of \$0.08 per share remained below the distribution level for the quarter.
- Management stated it remains focused on improving long-term returns and portfolio diversification while closely monitoring its leverage position.

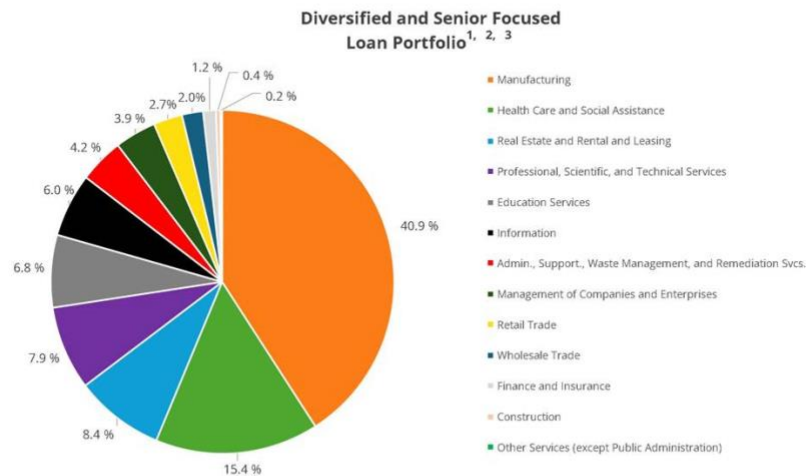
Portfolio / Investment Activity

- At the end of the quarter, OFS had investments in 51 unique issuers totaling \$297.8 million at fair value.
- Based on amortized cost, the investment portfolio was comprised of approximately 66% senior-secured loans, 22% structured finance securities, and 12% equity securities.
- The loan portfolio is entirely composed of first- and second-lien senior-secured loans, with 97% of loan holdings in first-lien positions based on fair value.
- Pfanstiehl, the largest position in the portfolio, had a fair value of \$94.6 million at quarter end, representing approximately 32% of the total portfolio at fair value.
- Since an initial \$200,000 investment in 2014, the position in Pfanstiehl has generated approximately \$5.1 million in distributions to date, representing roughly a 23 times return on cost.
- OFS has limited direct enterprise software exposure and no reliance on annual recurring revenue, or ARR-based lending, instead originating loans based on borrower cash flow and profitability.
- CLO equity continues to experience valuation pressures attributable to spread tightening in the underlying loan collateral and overall challenging market sentiment.
- OFS maintains a diversified portfolio with limited exposure to highly cyclical industries.

Senior Secured Focused Portfolio (cont'd)

OFS

- » \$264 million invested in portfolio companies¹
- » 41 portfolio companies / \$6.4 million average investment¹
- » No material exposure to cyclical sectors (no direct oil and gas exposure)



1. Based on fair value as of June 30, 2026. A debt or equity investment in a portfolio company. Excludes investments in structured finance securities.

2. "Public Administration" sector excluded since it makes up less than 0.1% of the portfolio at fair value. Percentages may not sum to 100% due to rounding.

3. As of June 30, 2026, our common equity investment in Pfanstiehl Holdings, Inc., a global manufacturer of high-purity pharmaceutical ingredients, accounted for 35.9% of our total debt and equity investments, at fair value, and 31.8% of our total portfolio at fair value, respectively.

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Source: OFS_Q2_2026_presentation.pdf, chart/graph selected from page 12

What this picture shows: Senior Secured Focused Portfolio (cont'd) — this shows the portfolio mix by sector/industry, which supports the portfolio section and gives a quick view of diversification.

Originations / Fundings

- While middle-market M&A activity has remained low, OFS continues to work closely with existing portfolio companies for add-on acquisition and growth financing opportunities.
- Management believes OFS is now better positioned to deploy capital into both existing portfolio companies and new investments as attractive opportunities arise, having strengthened the balance sheet and bolstered liquidity.
- From a deployment perspective, OFS continues to focus on add-on opportunities for growth with existing issuers while selectively evaluating new opportunities.
- As of quarter end, OFS had \$6.0 million in unfunded commitments to portfolio companies.
- Management remains committed to being senior in the capital structure, with 97% of loan holdings in first-lien positions based on fair value.

Repayments / Sales / Exits

- OFS made \$16.7 million of aggregate debt repayments during the quarter, making meaningful progress on its goal to improve its leverage position.
- Over the last 12 months, OFS has reduced its total debt balance by \$57.6 million.
- Management continues to pursue opportunities to monetize its position in Pfanstiehl.
- Management noted it remains disciplined in balancing a Pfanstiehl monetization transaction with optimizing overall returns, while being cognizant of the outsized concentration of that portfolio company.

- The prior quarter benefited from a large non-recurring \$874,000 dividend from the Pfanstiehl equity position which did not recur this quarter.

Credit Quality

- One new loan was placed on non-accrual during the quarter, marked at 79% of par at quarter end and representing 3.5% of the total portfolio at fair value.
- Non-accrual investments as a percentage of the total portfolio at fair value increased quarter over quarter by 3.7%, primarily related to the new non-accrual.
- Management is actively working with the borrower and other stakeholders to support a return to accrual status, and believes the underlying value of the business will support the recovery of principal over time.
- Management believes the company has the liquidity to make debt service payments but is preserving cash as it executes initiatives designed to strengthen the business and maximize long-term enterprise value.
- The loan portfolio at fair value was relatively stable quarter over quarter based on internal credit ratings.
- Most loan portfolio investments continue to perform to expectations, though management continues to closely monitor certain borrowers experiencing idiosyncratic stresses.
- Management continues to monitor potential disruptions related to AI and to date has not observed material impacts on the loan portfolio.

Investment Rating / Risk

- The loan portfolio at fair value was relatively stable quarter over quarter based on internal credit ratings.
- The loan portfolio is entirely composed of first- and second-lien senior-secured loans, with 97% in first-lien positions based on fair value.
- OFS maintains a diversified portfolio with limited exposure to highly cyclical industries.
- OFS has limited direct enterprise software exposure and no reliance on ARR-based lending.
- Management noted the outsized concentration of Pfanstiehl at approximately 32% of the total portfolio at fair value.

Leverage / Liquidity

- The regulatory asset coverage ratio was 161% at quarter end, an increase of 7 percentage points from the prior quarter.
- OFS made \$16.7 million of aggregate debt repayments during the quarter and has reduced total debt by \$57.6 million over the past year.
- All near-term debt maturities have been extended, with the earliest remaining maturity in 2028 and maturities now spanning from 2028 to 2031.
- Management believes actions over the last several quarters to extend debt maturities and deleverage have improved operational flexibility.
- OFS had \$6.0 million in unfunded commitments to portfolio companies as of quarter end.

Management Commentary

- Management stated that while current net investment income remains below its long-term objective, OFS is now better positioned to concentrate on improving NII going forward.

- Management said the focus over the past several quarters has been to strengthen the balance sheet by extending maturities and reducing overall debt, and with that foundation in place OFS is increasingly focused on prudently deploying capital into attractive interest-earning investments.
- Management remains confident in the experience and capabilities of its adviser, with approximately \$4.1 billion in assets under management across the loan and structured credit markets and a track record spanning more than 25 years and multiple credit cycles.
- The adviser is affiliated with a \$32 billion asset management group, providing deep credit experience and long-standing banking and capital markets relationships.
- The adviser and affiliates remain strongly aligned with shareholders, maintaining approximately 23% ownership in the BDC.
- Management remains disciplined in balancing a Pfanstiehl monetization transaction with optimizing overall returns.

Market / Macro Commentary

- Management noted continuing macroeconomic uncertainty surrounding interest rates, inflation, and geopolitical events, and believes the loan portfolio is generally well positioned to navigate these conditions.
- Middle-market M&A activity has remained low.
- CLO equity continues to experience valuation pressures attributable to spread tightening in the underlying loan collateral and overall challenging market sentiment.
- Management continues to monitor potential disruptions related to AI and to date has not observed material impacts on the loan portfolio.
- Management believes its positioning higher in the capital structure supports resilience across a range of market conditions.

Risks / Watch Items

- The new non-accrual loan represents 3.5% of the total portfolio at fair value and was marked at 79% of par at quarter end.
- Pfanstiehl represents approximately 32% of the total portfolio at fair value, an outsized single-name concentration.
- Net investment income of \$0.08 per share remains well below the \$0.17 per share quarterly distribution.
- CLO equity holdings drove \$6.5 million of net realized and unrealized losses in the credit portfolio during the quarter.
- Net interest margin compressed following the redemption of the low-coupon 4.75% February 2026 unsecured notes.

Outlook / Guidance

- Management is increasingly focused on prudently deploying capital into attractive interest-earning investments to drive higher net investment income while maintaining disciplined underwriting standards.
- With the reduction in leverage levels, management's focus is shifting toward prudently redeploying capital into new income-generating investments.
- Management continues to pursue opportunities to monetize the Pfanstiehl position, while remaining encouraged by the company's operational momentum and compelling long-term outlook.

- Management believes OFS is well positioned to navigate the current landscape and respond to evolving conditions.
- Management believes the loan portfolio remains well diversified across multiple industries and will continue to emphasize investing higher in the capital structure.

Other Notes

- Call date: OFS reported second quarter results the afternoon before the call, covering the quarter ended June 30, 2026.
- No analyst questions were asked during the question-and-answer session.
- Pfanstiehl delivered another period of strong operating results during the quarter, contributing to \$14.1 million of unrealized appreciation.

Oxford Square Capital Corp. (OXSQ)

Executive Summary

- Oxford Square Capital Corp. (OXSQ) reported second quarter 2026 net investment income of approximately \$5.1 million, or \$0.05 per share, compared with approximately \$4.1 million in the prior quarter.
- Net asset value per share was \$1.29, compared to \$1.32 in the prior quarter.
- Combined net realized and unrealized losses on investments were approximately \$1.1 million, or \$0.01 per share, a substantial improvement from approximately \$29.7 million, or \$0.34 per share, in the prior quarter.
- Investment activity consisted of purchases of approximately \$19.9 million, all CLO equity acquired in the secondary market, and repayments of approximately \$500,000.

Key Financial Metrics

- Total investment income was approximately \$9.4 million for the second quarter, compared to approximately \$8.9 million in the prior quarter.
- Net investment income was approximately \$5.1 million, or \$0.05 per share, compared with approximately \$4.1 million in the prior quarter.
- Combined net realized and unrealized losses on investments were approximately \$1.1 million, or \$0.01 per share.
- The prior quarter recorded combined net realized and unrealized losses of approximately \$29.7 million, or \$0.34 per share.
- The CLO equity purchases made during the quarter carried a cash-on-cash yield in the low 20s, with the effective yield also in that range.
- OXSQ issued approximately 11.3 million shares of common stock pursuant to an at-the-market offering, resulting in net proceeds of approximately \$17.8 million.

NAV / NII / EPS

- Net asset value per share was \$1.29, compared to \$1.32 in the prior quarter.

- Net investment income was approximately \$5.1 million, or \$0.05 per share, up from approximately \$4.1 million in the prior quarter.
- Net investment income per share remains below the current distribution level.
- The unrealized gains recorded in the quarter were principally a rebound off the prior quarter's depressed marks rather than being driven by other factors.
- Combined net realized and unrealized losses narrowed to approximately \$0.01 per share from \$0.34 per share in the prior quarter.

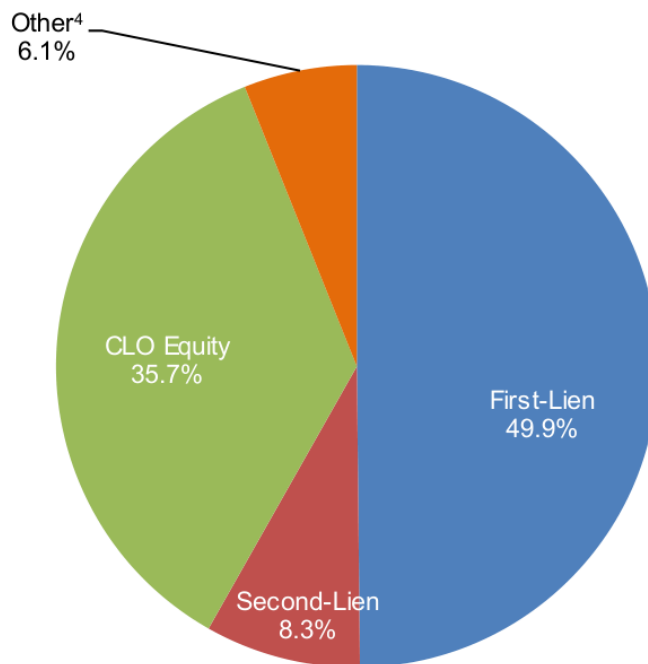
Dividend / Distribution

- During the quarter, OXSQ distributed \$0.105 per share to common stock shareholders.
- On July 29, the board of directors declared monthly distributions of \$0.035 per share for each of the months ending October, November, and December 2026.
- Net investment income per share of \$0.05 remains below the quarterly distribution level of \$0.105 per share.
- Management stated it does not make forward projections or forward-looking performance estimates but is broadly optimistic about the capital being deployed presently.

Portfolio / Investment Activity

- Investment activity during the second quarter consisted of purchases of approximately \$19.9 million and repayments of approximately \$500,000.
- All purchases during the quarter were CLO equity, and management believes all of those purchases were made in the secondary market.
- Management stated the purchases are consistent with its current thesis that CLO equity tranche investments represent a fairly compelling cash-on-cash opportunity, particularly for purchases made in the secondary market.
- The CLO equity purchases carried a cash-on-cash yield in the low 20s, with the effective yield also in that range.
- One debt position that had been on non-accrual went through a restructuring transaction that closed during the quarter, resulting in a new manageable capital structure in which OXSQ holds a new first-lien term loan on accrual status plus some common equity.
- Management continues to focus on portfolio management strategies designed to maximize long-term total return.
- As a permanent capital vehicle, OXSQ historically has been able to take a longer-term view toward its investment strategy.

Total Investments by Asset Type^{1,3,4,5}



Source: OXSQ_Q2_2026_presentation.pdf, chart/graph selected from page 7

What this picture shows: Oxford Square Capital Corp.'s total Investments by Asset Type, broken out across First-Lien, Second-Lien, CLO Equity and Other⁴.

Originations / Fundings

- Purchases during the second quarter totaled approximately \$19.9 million, all in CLO equity.
- Management believes all of those purchases were made in the secondary market.
- The purchases carried a cash-on-cash yield in the low 20s and an effective yield in that same range.
- Management's current thesis is that CLO equity tranche investments represent a fairly compelling cash-on-cash opportunity, particularly in the secondary market.
- Management is broadly optimistic about the capital deployed during the quarter.

Repayments / Sales / Exits

- Repayments during the second quarter totaled approximately \$500,000.
- One debt position that had been on non-accrual went through a restructuring transaction that closed during the quarter.
- The restructuring resulted in a new manageable capital structure in which OXSQ holds a new first-lien term loan, which is on accrual, as well as some common equity.
- The mark on the restructured position was consistent with the prior quarter, so no additional losses or gains were recorded as a result of the restructuring.
- OXSQ did not make a sale of the previously non-accrual position; it was resolved through restructuring.

Credit Quality

- The one debt position that had been on non-accrual last quarter was resolved through a restructuring transaction that closed during the quarter and is now back on accrual status.
- The mark on the restructured position was consistent with the prior quarter, with no additional losses or gains recorded.
- Combined net realized and unrealized losses on investments narrowed to approximately \$1.1 million, or \$0.01 per share, from approximately \$29.7 million, or \$0.34 per share, in the prior quarter.
- According to PitchBook LCD, the 12-month trailing default rate for the loan index decreased to 0.97% by principal amount at the end of the quarter from 1.44% at the end of March.
- The default rate including various forms of liability management exercises remained at an elevated level of 2.77% but declined from 3.48% as of March 31.
- The distress ratio, defined as the percentage of loans with prices below 80% of par, ended the quarter at 6.87% compared to 7.23% at the end of March.
- Unrealized gains recorded during the quarter were principally a rebound off the prior quarter's marks.

Investment Rating / Risk

- Management continues to focus on portfolio management strategies designed to maximize long-term total return.
- As a permanent capital vehicle, OXSQ historically has been able to take a longer-term view toward its investment strategy.
- Management's current thesis favors CLO equity tranche investments, particularly those purchased in the secondary market.
- The restructured non-accrual position now sits in a manageable capital structure with a new first-lien term loan on accrual plus common equity.
- Management noted pricing dispersion during the quarter across loan rating categories.

Leverage / Liquidity

- OXSQ issued approximately 11.3 million shares of common stock pursuant to an at-the-market offering during the quarter, resulting in net proceeds of approximately \$17.8 million.
- Investment purchases of approximately \$19.9 million during the quarter were broadly funded by the ATM proceeds.
- Repayments during the quarter totaled approximately \$500,000.
- As a permanent capital vehicle, OXSQ does not face redemption risk.
- U.S. loan fund inflows, as measured by Lipper, were approximately \$1 billion for the quarter ended June 30.

Management Commentary

- Management stated it does not make forward projections or forward-looking performance estimates.
- Management is broadly optimistic about the capital being deployed presently, including the capital deployed in the second quarter.
- Management confirmed all second quarter purchases were CLO equity, consistent with the current thesis that CLO equity tranche investments represent a compelling cash-on-cash opportunity.

- Management continues to focus on portfolio management strategies designed to maximize long-term total return.
- Management emphasized OXSQ's permanent capital structure allows it to take a longer-term view toward its investment strategy.

Market / Macro Commentary

- During the quarter ended June 30, the U.S. loan market's performance improved versus the prior quarter, with loan prices as defined by the Morningstar LSTA U.S. Leveraged Loan Index increasing from 94.63% of par as of March 31 to 94.96% of par as of June 30.
- According to LCD there was some pricing dispersion, with double-B-rated loan prices increasing 32 basis points, B-rated loan prices increasing 42 basis points, and triple-C-rated loan prices increasing six basis points on average.
- U.S. leveraged loan primary market issuance excluding amendments and repricing transactions was \$101.8 billion during the quarter, representing a 33% increase versus the quarter ended June 30, 2025.
- The increase in issuance was driven by higher refinancing and amendment activity, partly offset by lower LBO and dividend activity versus the prior-year comparable quarter.
- U.S. loan fund inflows, as measured by Lipper, were approximately \$1 billion for the quarter ended June 30.

Risks / Watch Items

- Net investment income per share of \$0.05 remains below the quarterly distribution level of \$0.105 per share.
- The default rate including various forms of liability management exercises remained at an elevated level of 2.77%, despite declining from 3.48% as of March 31.
- The distress ratio, defined as the percentage of loans with prices below 80% of par, ended the quarter at 6.87%.
- Net asset value per share declined to \$1.29 from \$1.32 in the prior quarter.
- Management declined to provide a timeframe for returning earnings power to full dividend coverage.

Outlook / Guidance

- Management does not make forward projections or forward-looking performance estimates.
- Management is broadly optimistic about the capital being deployed presently, including the capital deployed in the second quarter.
- Management will continue to focus on portfolio management strategies designed to maximize long-term total return.
- Management's current thesis favors CLO equity tranche investments, particularly secondary market purchases.
- Monthly distributions of \$0.035 per share have been declared through December 2026.

Other Notes

- Call date: The second quarter 2026 earnings press release was issued the morning of the call, with the board declaring distributions on July 29.
- Additional information about second quarter performance has been posted to the company website.

- Management noted additional details regarding record and payment date information can be found in the press release.

Palmer Square Capital BDC (PSBD)

Executive Summary

- Palmer Square Capital BDC (PSBD) reported second quarter 2026 total investment income of \$27.3 million and net investment income of \$12 million, or \$0.39 per share, and paid a \$0.39 per share total dividend including a \$0.03 supplemental distribution.
- The team deployed \$72.4 million of capital during the quarter while realizing approximately \$109.8 million through repayments and sales.
- June NAV per share was \$13.21, reflecting fair value adjustments resulting from pricing moves within the broadly syndicated loan market.
- With deal activity across both private credit and the broadly syndicated loan market remaining subdued, the board and management expanded the share repurchase program to \$30 million, which they concluded represented a compelling use of capital.

Key Financial Metrics

- Total investment income was \$27.3 million for the second quarter of 2026, down 13.8% from \$31.7 million for the comparable prior year period, reflecting lower base rates versus the prior year plus a modest amount of paydown related income and fee income.
- Total net expenses for the second quarter were \$15.3 million compared to \$17.8 million in the prior year period.
- Net investment income was \$12 million, or \$0.39 per share, compared to \$13.8 million, or \$0.43 per share, for the comparable period last year.
- The weighted average total yield to maturity of debt and income producing securities at fair value was 11.95%, and at amortized cost was 8.43%.
- The dividend payout represents an attractive 11.8% yield on NAV and 16.3% yield on the stock price as of July 31.
- PIK income represents approximately 1.37% of total investment income, which management described as well below peers and the industry average.
- New private credit loans comprised 24.1% of overall new investments at a weighted average spread of 534 basis points over the reference rate.

NAV / NII / EPS

- NAV per share was \$13.21 at the end of the second quarter compared to \$13.30 at the end of the first quarter of 2026.
- Net investment income was \$12 million, or \$0.39 per share.
- The company had total net realized and unrealized losses of \$3.6 million, compared to total net realized and unrealized losses of \$6.7 million in the second quarter of 2025.

- This consisted of net unrealized depreciation of \$6.3 million related to existing portfolio investments and net unrealized appreciation of \$6 million related to exited portfolio investments.
- Management highlighted its enhanced level of transparency, particularly its monthly disclosed net asset value per share, as providing meaningful value to investors.

Dividend / Distribution

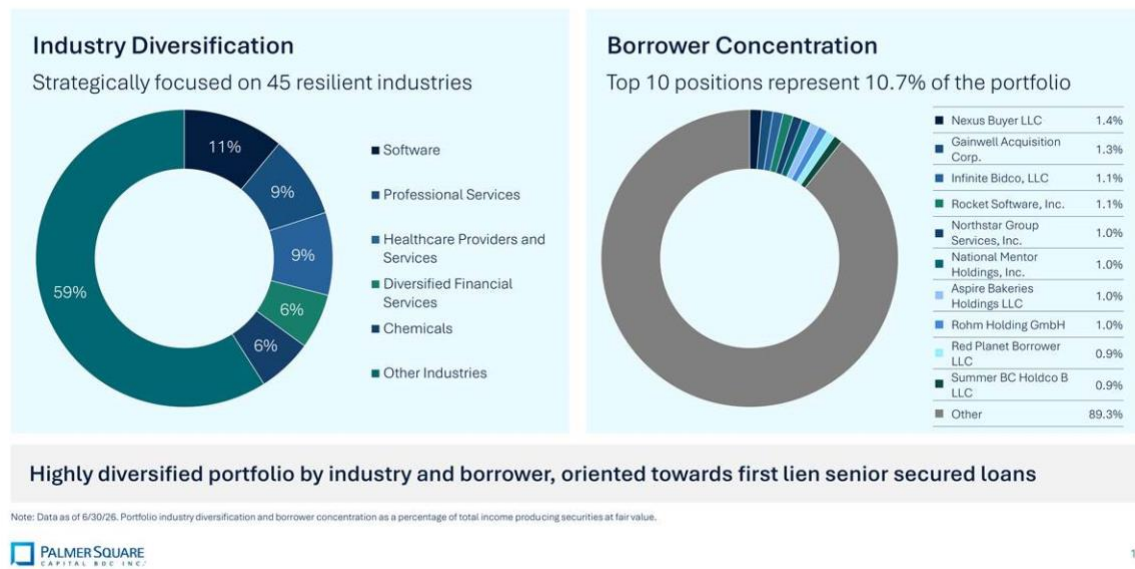
- PSBD paid a \$0.39 per share total dividend for the quarter, which includes a \$0.03 supplemental distribution above the base dividend, matching net investment income for the quarter.
- On August 3, the board of directors declared a third quarter 2026 base dividend of \$0.36 per share, with the supplemental dividend to be determined in the normal course.
- The dividend payout represents an 11.8% yield on NAV and a 16.3% yield on the stock price as of July 31.
- Management's policy continues to be to distribute excess earnings in the form of a quarterly supplemental distribution, aiming over the long term to pay out as much or nearly all income generated.

Portfolio / Investment Activity

- The total investment portfolio as of June 30, 2026 had a fair value of approximately \$1.11 billion, diversified across 45 industries, compared to \$1.15 billion at the end of the first quarter, a decrease of approximately 3.6%.
- The portfolio is 96% senior secured with an average hold size of approximately \$4.2 million, and the 10 largest investments account for just 10.74% of the overall portfolio.
- On a fair value weighted basis, first lien borrowers have a weighted average EBITDA of \$463 million, senior secured leverage of 5.6 times, and interest coverage of 2.5 times.
- Private credit loans comprise approximately 14% of the portfolio, with median revenue and EBITDA growth of approximately 9% each.
- Management has been deliberate in allocating capital to software businesses operating in areas such as cybersecurity, IT infrastructure, and ERP systems, segments it believes are well-positioned to benefit from increased AI adoption.
- As one of the industry's leading global CLO managers, Palmer Square provides visibility across the entire universe of broadly syndicated loan issuance, which management believes is a sourcing advantage that may be underappreciated by equity investors.
- Management is increasingly seeing discounted opportunities in the broadly syndicated market, whether in software or certain cyclicals, but remains disciplined and prudent in underwriting them.
- Management maintains an average internal rating of 3.6 on a fair value weighted basis for all loan investments, derived from a unique relative value-based scoring system.

Q2 2026 EARNINGS

► Strong Value Creation Through Bouts of Uncertainty



Source: PSBD_Q2_2026_presentation.pdf, chart/graph selected from page 14

What this picture shows: Q2 2026 EARNINGS — this shows the portfolio mix by sector/industry, which supports the portfolio section and gives a quick view of diversification.

Originations / Fundings

- PSBD invested \$72.4 million of capital during the second quarter, which included 21 new investment commitments at an average value of approximately \$3.3 million.
- New private credit loans comprised 24.1% of overall new investments at a weighted average spread of 534 basis points over the reference rate.
- Management remained focused on diversification when allocating new capital across the portfolio, believing recent market turbulence has reinforced the importance of risk management.
- An increasing allocation of new capital deployed has gone to the private credit space, given spreads there have widened out more than for relatively new issue in the syndicated markets.
- Management intends to deploy availability under the Wells Fargo facility primarily toward private credit opportunities where it currently sees more attractive spreads.

Repayments / Sales / Exits

- PSBD realized approximately \$109.8 million through repayments and sales during the second quarter.
- Management saw a pickup in refinancing activity toward the back end of the quarter, predominantly on the broadly syndicated side, resulting in portfolio shrinkage that management viewed as sensible.
- A large portion of the syndicated market has continued to be relatively tight on spread, with borrowers able to return to market and reprice or refinance their debt at tighter spreads than management thought made sense for the portfolio.
- Management noted the elevated repayment trend has continued into the third quarter, with some pickup in new activity including refinancing for credits PSBD had not previously been involved in.

- Year to date, PSBD has realized approximately \$14 million in net realized losses, concentrated in a handful or fewer positions that had moved to non-accrual, with First Brands a significant one coming out of the end of last year.

Credit Quality

- PSBD's non-accrual rate was 0.29% on a fair value basis and 149 basis points on an at-cost basis.
- Management believes the portfolio's underlying credit quality remained resilient despite elevated macro uncertainty during the quarter.
- On a fair value weighted basis, first lien borrowers have senior secured leverage of 5.6 times and interest coverage of 2.5 times.
- Management maintains an average internal rating of 3.6 on a fair value weighted basis for all loan investments.
- Management stated realized losses have been pretty accurate relative to prior marks, given the positions were in the broadly syndicated market with active quotes.
- Management noted it has not seen much dispersion between its marks and where positions have traded or been quoted on the secondary markets.
- Management noted credit performance remains healthy and believes current trading discounts imply default expectations disconnected from underlying portfolio performance.

Investment Rating / Risk

- PSBD maintains an average internal rating of 3.6 on a fair value weighted basis for all loan investments, derived from a unique relative value-based scoring system.
- The portfolio is 96% senior secured with exposure to 45 different industries and an average hold size of approximately \$4.2 million.
- PIK income represents approximately 1.37% of total investment income, which management believes underscores the quality of disclosed investment income.
- Management approaches troubled credits company by company, seeking to identify and sell out early where possible, but willing to go through restructuring and own a business where positions trade well below intrinsic value.
- Management cited LifeScan as a prior example of a restructuring where PSBD ultimately realized a par-plus recovery.

Leverage / Liquidity

- The debt to equity ratio was 1.71 times at the end of the second quarter, compared to 1.70 times at the end of the first quarter of 2026.
- Available liquidity consisting of cash and undrawn capacity on credit facilities was approximately \$331 million, compared to approximately \$325.3 million at the end of the first quarter.
- Total assets were \$1.1 billion and total net assets were \$406.2 million as of June 30, 2026.
- PSBD successfully reset and extended its BDC CLO, lowering the weighted average cost of debt to SOFR plus 1.39% from SOFR plus 1.72%, while extending the reinvestment period to July 2031 and maturity to July 2039; the transaction closed July 15 and is expected to be fully accretive after refinancing costs beginning in the fourth quarter.

- PSBD reduced excess capacity on its Bank of America BSL funding facility to lower associated unused fees, given the lower cost of its term finance CLO, while maintaining availability under the Wells Fargo facility.

Management Commentary

- Management remains committed to a disciplined capital allocation strategy that prioritizes long-term shareholder value.
- The expanded \$30 million share repurchase program includes \$10 million in a 10b5-1 program, which is formulaic, and an additional \$20 million in the open market with more discretion on timing and deployment.
- PSBD used approximately \$4 million of the existing program through the second quarter, leaving essentially the full \$30 million availability going forward.
- Management believes current market valuations across the BDC sector imply a more pessimistic outlook for portfolio performance than is warranted.
- Management noted media coverage often conflates unrelated market developments into a single broader narrative, further weighing on investor sentiment as it relates to private credit.
- Management is comfortable with leverage on the higher end of where it would traditionally target, noting the underlying liquidity in the vast majority of the portfolio allows it to be managed on a day-to-day basis.

Market / Macro Commentary

- The second quarter included several mini-cycles driven by geopolitical and macroeconomic factors, with markets navigating the conflict in Iran, ceasefire discussions, and continued scrutiny around software and AI exposure.
- Federal Reserve policy remains a subject of active debate, creating continued uncertainty around the interest rate outlook, with persistent inflation driven in part by the Iran war's impact on energy prices.
- Software loans weakened meaningfully toward quarter end as sentiment deteriorated, despite signs of stabilization earlier in the quarter.
- With fewer market transactions available to help inform valuations, it has become increasingly challenging for investors to benchmark private assets, which management believes has contributed to the disconnect between public market sentiment and underlying portfolio performance.
- Management is seeing the effects of 2021 and 2022 loan vintages reaching maturity in a more constrained exit environment with a higher interest rate backdrop, with outcomes likely to become increasingly company-specific.

Risks / Watch Items

- Leverage at 1.71 times is on the higher end of where management would traditionally target, driven largely by NAV movement in the first quarter tied to syndicated software loans.
- Software loans weakened meaningfully toward quarter end as sentiment deteriorated.
- Management noted 2021 and 2022 loan vintages reaching maturity in a more constrained exit environment may lead some businesses to face meaningful challenges, though many will refinance successfully at a higher cost of capital.
- Persistent inflation, driven in part by the Iran war's impact on energy prices, remains an important consideration for portfolio companies.

- Management noted lack of clarity on where some software credits will play out, and that assets trading at a discount usually trade there for a reason.

Outlook / Guidance

- Management is constructive about the outlook for the portfolio for the remainder of 2026 and remains focused on maintaining its prudent approach to underwriting.
- Management believes improving refinancing activity, greater pricing transparency, and a strong balance sheet position PSBD well to identify attractive opportunities across both the broadly syndicated and private credit markets.
- The BDC CLO reset is expected to be fully accretive after refinancing costs beginning in the fourth quarter of 2026, driving additional earnings power for shareholders.
- Management expects to deploy a fair amount of the \$30 million share repurchase authorization in the near term while maintaining appropriate leverage levels.
- Management expects increased refinancing activity in the coming quarters to be a catalyst helping establish valuation and spread benchmarks.

Other Notes

- Call date: Second quarter 2026 financial results were released the day of the call, with the board declaring the third quarter base dividend on August 3, 2026.
- Management noted PSBD discloses net asset value per share monthly, which it believes provides confidence in the stated value of the portfolio.
- Management expects the M&A environment to improve at some point but finds it difficult to predict when, and has therefore focused on other tools to drive value.

Rand Capital Corporation (RAND)

Executive Summary

- Rand Capital Corporation (RAND) reported second quarter 2026 results that management described as a period of meaningful portfolio activity, with accelerated deployment into new income-producing investments, a realized gain on one exit, and a maintained regular dividend.
- Portfolio investment income for the quarter was \$1.4 million and net investment income was \$0.24 per share, below the prior year period primarily because portfolio non-accruals continued to weigh on interest income and reported yield.
- RAND invested \$6.9 million into two new portfolio companies during the quarter and completed the exit of Applied Image, generating a realized gain of \$959,000.
- BMP Swanson ceased operations during the quarter, resulting in a full write-down and a \$2.5 million quarter-over-quarter fair value decline.

Key Financial Metrics

- Total investment income was \$1.4 million, compared with \$1.6 million in the prior year period, with the decline primarily reflecting lower interest income from portfolio companies due to non-accruals, partially offset by \$153,000 of dividend and other investment income.

- Non-cash PIK interest totaled \$116,000 for the quarter, representing 10% of interest income from portfolio companies, compared with 40% in the prior year period.
- Total expenses were \$647,000, compared with a benefit of \$864,000 in the second quarter of 2025, which had included a \$1.5 million capital gain incentive fee benefit.
- Adjusted expenses, which exclude capital gains incentive fees, were \$647,000 compared with \$626,000 in the prior year period.
- The annualized weighted average yield on debt investments including PIK interest was 8.98% at quarter end, compared with 11.3% at December 31, 2025.
- Total assets were \$57.7 million at June 30, with the net portfolio accounting for \$56.5 million, or \$19.02 per share, and consolidated cash of approximately \$430,000.
- New investments RAND is underwriting are generally priced in the low to mid-teens.

NAV / NII / EPS

- Net asset value was \$17.33 per share at quarter end, an increase from the prior quarter, with ending net assets of approximately \$51.5 million.
- Net investment income was \$710,000, or \$0.24 per share, compared with \$2.5 million, or \$0.83 per share, in the second quarter of 2025.
- Adjusted net investment income per share, a non-GAAP measure, was also \$0.24, compared with \$0.33 a year ago.
- The NAV waterfall shows RAND began the quarter with net assets of approximately \$51 million, generated \$710,000 of net investment income and a \$959,000 realized gain on the Applied Image exit, partially offset by \$302,000 of net unrealized depreciation and \$861,000 of dividends declared.
- Management noted the quarter-over-quarter change in net asset value was modestly positive, reflecting that current period earnings and realized gains more than offset the dividend and remaining unrealized markdowns.

Dividend / Distribution

- RAND paid its regular quarterly dividend of \$0.29 per share for the second quarter of 2026.
- RAND declared a \$0.29 per share dividend for the third quarter of 2026.
- Dividends declared during the quarter totaled \$861,000.
- Management stated the regular cash dividend remains an important part of its strategy and value proposition to shareholders, and continues to manage the business with a focus on supporting the dividend through recurring income, liquidity management, and steady portfolio rebuilding over time.

Portfolio / Investment Activity

- At June 30, the portfolio had a fair value of \$56.5 million across 21 portfolio companies, up from \$48.5 million at year-end 2025.
- The portfolio remains primarily debt-oriented, with 79% invested in debt and 21% in equity at fair value.
- Professional and business services remains the largest industry area, followed by health and wellness, distribution, manufacturing, and consumer-related investments.

- The top five investments represented \$24.1 million of fair value, or 43% of the portfolio at June 30, and include INEA (International Electronic Allies), High Tech, Feature Healthcare, Highland's All About People, and BNP Food Service Supply Holdco.
- Feature Healthcare entered the top five group following the new investment during the quarter.
- Management is not building the portfolio around any single sector theme, instead focusing on identifying companies with sound structure, cash yield, management quality, and a strong deal sponsor.
- Management continues to believe a predominantly debt-oriented portfolio is the right positioning for RAND as it rebuilds earning assets and manages through a mixed market backdrop.
- The overall portfolio is larger than at the end of 2025, reflecting investment activity executed in the first half of the year.

Net Asset Value Composition

At June 30, 2026

Per Share	Assets and Liabilities
\$0.15	\$430,000 consolidated cash
\$19.02	\$56.5 million in private investments
\$(1.84)	\$(5.5) million other assets & liabilities, net
\$17.33	Net Asset Value (NAV) per share

Source: RAND_Q2_2026_presentation.pdf, chart/graph selected from page 12

What this picture shows: Rand Capital Corporation's net Asset Value Composition, broken out across Per Share Assets and Liabilities, consolidated cash, million in private investments and million other assets.

Originations / Fundings

- RAND invested \$6.9 million into two new portfolio companies during the quarter.
- RAND closed a new \$4.5 million investment in Feature Healthcare, which does business as Four Seasons Home Healthcare, consisting of a term loan carrying 12% cash interest plus 2% PIK.
- RAND completed a new \$2.4 million investment in Termite Guy Corporation, consisting of a \$2.1 million term loan at 13% plus 1% PIK and a \$300,000 equity investment.
- For the Termite Guy investment, RAND again partnered with the deal sponsor of a prior successful RAND investment, the RAC Group or Cybirds.

- Management is seeing origination opportunities in the lower middle market and intends to pursue them with a measured approach keeping underwriting structure and risk-adjusted return front and center.

Repayments / Sales / Exits

- RAND completed the exit of Applied Image, receiving full repayment of its \$1.7 million debt investment and recognizing a \$959,000 realized gain on its warrant.
- RAND received a \$250,000 repayment on another debt investment during the quarter.
- Management described these transactions as reflecting the capital recycling dynamic embedded in RAND's model.
- BMP Swanson ceased operations during the quarter, resulting in a full write-down and a \$2.5 million quarter-over-quarter fair value decline.
- Management characterized the BMP Swanson outcome as a specific portfolio event recognized through valuation during the quarter rather than a change in the broader investment approach.

Credit Quality

- Portfolio investment non-accruals continued to weigh on interest income and on the portfolio's reported yield during the quarter.
- The annualized weighted average yield on debt investments including PIK interest declined to 8.98% at quarter end from 11.3% at December 31, 2025, dragged down by non-accruals.
- BMP Swanson ceased operations, resulting in a full write-down and a \$2.5 million quarter-over-quarter fair value decline, which management described as an unexpected and disappointing outcome.
- Management noted the BMP Swanson situation demonstrates the ongoing challenging economic and business environment in which its companies operate, where a supplier interruption or a senior lender's action can quickly disrupt a business.
- Net unrealized depreciation for the quarter was \$302,000.
- The decline in PIK as a percentage of interest income from 40% to 10% largely reflects the impact of investments being placed on non-accrual status.
- Management continued to address challenged positions directly while also adding new investments during the quarter.

Investment Rating / Risk

- Management is focused on identifying companies with sound structure, cash yield, management quality, and a strong deal sponsor rather than building around any single sector theme.
- The portfolio continues to reflect balance across multiple end markets within RAND's lower middle market focus, which management believes supports portfolio resilience and more consistent income generation over time.
- Management emphasized distinguishing between the reported portfolio yield and the return profile on newly deployed capital, as new investments are generally priced in the low to mid-teens.
- The top five investments represented 43% of the portfolio at June 30, and management's objective is to preserve value in these larger positions while building additional portfolio investments around them.
- Management remains focused on active portfolio oversight as a practical approach to protecting value where challenges arise.

Leverage / Liquidity

- RAND ended the quarter with \$5.1 million outstanding on its senior credit facility and approximately \$12.4 million in remaining availability.
- Consolidated cash was approximately \$430,000, or \$0.15 per share.
- Other assets and liabilities net reduced net asset value by approximately \$5.5 million, or \$1.84 per share.
- Management believes the balance sheet remains in a sound position to support follow-on funding where warranted and continued flexibility in capital allocation.
- Management emphasized preserving flexibility and maintaining discipline today to build a better foundation for supporting both earnings and shareholder returns over time.

Management Commentary

- Management stated the quarter reflected progress on both sides of the portfolio equation, continuing to address challenged positions directly while also adding new investments.
- Management believes the second quarter showed progress by recycling capital through realizations and continuing to shape the portfolio around performing income-producing lower middle-market investments.
- Management said the Feature Healthcare investment fits well within its strategy of financing lower middle market companies in sectors where it sees attractive risk-adjusted return potential.
- Management noted the Termite Guy investment structure is consistent with the way RAND seeks to combine current income with selective participation in long-term equity upside.
- Management's approach is to balance current shareholder returns with long-term portfolio development by identifying new investments and supporting the current portfolio where appropriate.
- Management stated that in a competitive and at times uneven private credit market, experience, selectivity, and portfolio discipline all matter.

Market / Macro Commentary

- Management described the broader private credit market as remaining competitive and at times uneven.
- Management noted the ongoing challenging economic and business environment in which portfolio companies operate, where a supplier interruption or a senior lender's action can quickly disrupt a business.
- Management is seeing origination opportunities in the lower middle market and intends to pursue them with a measured approach.
- Management noted portfolio businesses can still experience volatility along the way even as the overall portfolio improves.
- Management continues to believe a predominantly debt-oriented portfolio is the right positioning as it manages through a mixed market backdrop.

Risks / Watch Items

- Portfolio non-accruals continue to weigh on interest income and the reported portfolio yield, which declined to 8.98% from 11.3% at year-end 2025.
- BMP Swanson ceased operations, resulting in a full write-down and a \$2.5 million fair value decline.
- Net investment income of \$0.24 per share remains below the \$0.29 per share quarterly dividend.
- The top five investments represent 43% of portfolio fair value, a meaningful concentration.

- Management noted RAND is still managing through the effects of portfolio non-accruals and isolated portfolio stress.

Outlook / Guidance

- Management's priorities for the balance of 2026 are to continue building the portfolio, maintain active portfolio oversight, and balance portfolio growth with overall shareholder returns.
- Management is gaining traction on the deployment side of the business, as shown by new investments completed during the quarter and growth in the portfolio's fair value in the first half of 2026.
- Management intends to pursue lower middle market origination opportunities with a measured approach keeping underwriting structure and risk-adjusted return front and center.
- Management believes RAND remains well positioned with a predominantly debt-oriented portfolio, available liquidity, and a disciplined approach to capital allocation as attractive opportunities emerge.
- Management aims to continue building a portfolio of income-producing assets while staying disciplined on credit quality, structure, and overall portfolio construction.

Other Notes

- Call date: The second quarter of fiscal year 2026 financial results conference call covered the quarter ended June 30, 2026.
- Feature Healthcare may be referenced under both the Feature Healthcare and Four Seasons Home Healthcare names in public filings and online.
- The portfolio grew to \$56.5 million in fair value across 21 portfolio companies, up from \$48.5 million at year-end 2025.

SLR Investment Corporation (SLRC)

Executive Summary

- SLR Investment Corp. (SLRC) reported second quarter 2026 net investment income of \$0.33 per share and net income of \$0.15 per share for the quarter ended June 30, 2026.
- Net asset value per share was \$18.00, down less than 90 basis points from the prior quarter, with the decline primarily driven by markdowns on two loans placed on non-accrual during the quarter, moving from zero non-accruals.
- SLRC originated \$471 million of new investments across the comprehensive portfolio, weighted 98% to specialty finance and 60% higher than average gross origination since 2018.
- Management emphasized its specialty finance platform as a differentiator, noting nearly all originations last quarter were in specialty finance and that this trend is continuing in the third quarter pipeline.

Key Financial Metrics

- Gross investment income totaled \$48.8 million for the three months ended June 30, versus \$49.3 million for the three months ended March 31.
- Net expenses totaled \$31.1 million for the three months ended June 30, compared to \$31.4 million for the prior quarter.

- Net investment income totaled \$17.8 million, or \$0.33 per average share, in line with the prior quarter.
- The weighted average asset level yield was 11.1% at June 30, consistent with the prior quarter.
- The net increase in net assets resulting from operations was \$8.3 million for the three months ended June 30, 2026, compared to a net increase of \$17.1 million for the three months ended March 31, 2026.
- Only 2% of gross income is derived from restructured PIK resulting from amendments.
- Management noted the portfolio has been less impacted by changes in base rates and spread compression compared to the broader peer group due to its higher allocation to specialty finance loans.

NAV / NII / EPS

- Net asset value at June 30, 2026 was \$982 million, or \$18.00 per share, compared to \$18.16 per share at March 31, 2026, a decline of less than 90 basis points.
- The decline was primarily driven by markdowns on two loans placed on non-accrual during the quarter.
- Net investment income was \$17.8 million, or \$0.33 per average share, in line with the prior quarter, while net income was \$0.15 per share.
- The company had net unrealized losses of \$9.5 million in the second quarter versus net unrealized losses of \$0.7 million for the first quarter of 2026.
- Management pointed to stability in net asset value per share over the last three years following what was labeled the golden period of private credit, resulting in a total economic return exceeding the average of externally managed BDC peers.

Dividend / Distribution

- On August 4, 2026, the board of directors declared a quarterly distribution of \$0.31 per share payable on September 25, 2026 to holders of record as of September 11, 2026.
- Net investment income of \$0.33 per share covered the \$0.31 per share quarterly distribution.
- Management is advancing several growth initiatives that it expects will lift net investment income over the next year.
- The entire SLR team owns over 8% of the company's stock, with a significant percentage of annual incentive compensation invested in SLR stock each year.

Portfolio / Investment Activity

- The comprehensive portfolio was approximately \$3.2 billion at fair value at quarter end with an average exposure of \$3.7 million; the on-balance sheet investment portfolio had a fair value of approximately \$2.1 billion across 79 portfolio companies in 24 industries.
- Measured at fair value, approximately 98% of the portfolio consisted of senior secured loans, with approximately 96% invested in first lien loans; the 2% in second lien investments consists entirely of asset-based loans with underlying borrowing bases and no second lien cash flow loans.
- Over 86% of the comprehensive portfolio is comprised of specialty finance investments.
- The asset-based lending portfolio totaled just over \$1.4 billion across 246 borrowers, representing over 43% of the comprehensive portfolio, with a weighted average asset level yield of 12% compared to 12.3% the prior quarter.
- The equipment finance portfolio totaled just over \$1.1 billion, representing 34% of the comprehensive portfolio, diversified across 580 borrowers, with a weighted average asset level yield of 10.7%.

- The life science portfolio had \$190 million of senior secured investments across six borrowers, representing just under 6% of the total portfolio, down from a peak of 15% in 2020.
- The sponsor cash flow portfolio was \$450 million across 26 borrowers including loans held in the SSLP, with weighted average EBITDA of approximately \$116 million, 100% first lien structures, and a weighted average loan to value of approximately 39%.
- Following the repayment of a software investment at a premium to par in the second quarter, direct software exposure accounts for less than 1% of the total portfolio.

Chart not inserted: No Q2 2026 presentation available

Originations / Fundings

- SLRC originated \$471 million of new investments across the comprehensive portfolio during the second quarter, weighted 98% to specialty finance and 60% higher than average gross origination since 2018.
- Asset-based lending originations were just over \$280 million during the quarter.
- Equipment finance originations were \$154 million, with the majority coming from the business providing leases predominantly to investment-grade corporate borrowers for mission-critical equipment.
- Life science originations were \$24 million and sponsor cash flow originations were \$9 million in first lien cash flow loans.
- SLRC's advisor recently established a sourcing arrangement for asset-based lending investments with a large U.S. commercial bank spanning many of its ABL strategies, and is in discussions for other partnership opportunities.

Repayments / Sales / Exits

- SLRC received repayments of \$431 million during the second quarter for net originations of approximately \$40 million.
- Asset-based lending repayments were \$246 million, equipment finance repayments were just under \$140 million, life science repayments were \$11 million, and sponsor cash flow repayments were approximately \$34 million.
- Management views this level of portfolio churn favorably, as repayments typically represent successful realizations at par or better, with associated prepayment and exit fees adding a further source of income.
- A software investment was repaid at a premium to par during the second quarter, reducing direct software exposure to less than 1% of the total portfolio.
- Management noted high valuations in life sciences have led to some repayments taking out existing portfolio positions across both drugs and devices.

Credit Quality

- SLRC increased its non-accrual loans from zero to two investments during the quarter, which management described as isolated situations that do not represent a systemic trend in the portfolio.
- The first non-accrual is a cash flow loan to RQM Corporation, a contract research organization and consulting firm focused on medical devices and diagnostics, where after strong initial performance following a \$26 million investment the company faced challenges from a regulatory change that delayed market need for its services.
- The second non-accrual is Omniguide Holdings, a manufacturer of advanced surgical lasers and proprietary single-use fibers used predominantly for urological indications, adversely affected by

operational and supply chain issues; SLRC placed the \$34 million par value loan on non-accrual in anticipation of liquidity challenges.

- The watch list accounts for only 2.5% of the portfolio, with the two non-accruals accounting for the majority of it.
- Portfolio companies continue to exhibit healthy business fundamentals and perform at or above expectations.
- The average interest coverage ratio for sponsor finance cash flow loans was 2.25 times at quarter end, with underlying borrower fundamentals remaining solid and growth in average year over year revenue and EBITDA.
- Management noted the life science team has deployed \$3 billion of capital over close to 15 years generating 16% asset-level returns with zero defaults and zero losses prior to this quarter's non-accrual.

Investment Rating / Risk

- The weighted average investment risk rating was under two based on SLRC's one to four risk rating scale, with one representing the least amount of risk.
- 97.5% of the portfolio is rated two or higher at quarter end.
- The watch list accounts for only 2.5% of the portfolio.
- Earlier this year SLRC formed an AI committee that assesses the risk of AI disruption on potential new as well as existing investments.
- Management has historically avoided software lending given questions about the long-term durability of software IP, a decision it says is currently paying off, while preferring the more defensible IP profile of late-stage life science companies.

Leverage / Liquidity

- At June 30, the company had approximately \$1.16 billion of debt outstanding with a net debt-to-equity ratio of 1.16 times, within the target range of 0.9 to 1.25 times.
- Including available credit facility capacity at SSLP and specialty finance portfolio companies, SLRC had over \$900 million of available capital to deploy at June 30.
- More than 40% of the company's debt capital is comprised of unsecured debt as of June 30, and the company is investment grade rated by Fitch, Moody's, and DBRS.
- During the second quarter, the company increased its revolving facility capacity by \$25 million with the addition of a new lender, bringing total revolving commitments across two credit facilities to \$995 million.
- The company has three unsecured debt maturities: \$75 million in December 2026, \$135 million in January 2027, and \$50 million in March 2027, and expects to continue prudently accessing the debt capital markets.

Management Commentary

- This summer marks 20 years of Michael Gross and Bruce Spohler managing SLRC, and management emphasized that patience and discipline pay off in the long run.
- Over 15 years ago management saw the need to diversify its investment focus toward specialty lending strategies with higher barriers to entry and consistent performance across economic cycles.

- Management noted it is not seeing the level of competition in specialty finance strategies that has gripped the sponsor cash flow market, given the retrenchment of regional banks and the experience and skill set needed to underwrite and monitor collateral.
- Management stated specialty finance now makes up the majority of its near-term pipeline, describing this as a deliberate relative value response to the current cycle rather than style drift.
- Management is executing growth strategies to expand its specialty finance footprint through new hires, acquisitions, and sourcing partnerships, including tuck-in ABL acquisitions to fill out regional and industry coverage.
- Management is actively rolling out AI across its ABL platforms to make teams more efficient in monitoring and structuring borrowing bases, while emphasizing ABL is a business of judgment that AI cannot replicate.

Market / Macro Commentary

- Fixed income markets are now pricing in more rate hikes rather than relief, and management is treating this as a lasting rise in operating interest expense rather than a temporary peak.
- Companies growing EBITDA organically are managing well, while those with flat or declining cash flows are seeing interest coverage erode, with prolonged high rates turning manageable strain into real stress for that group.
- Management is concerned that many software loans currently outstanding, which according to KBRA represent \$224 billion, or 22% of total private debt exposure, may be challenging to refinance.
- The life science industry and corresponding capital market conditions continue to recover, with the biotech index up 100% since the trough a year ago and up 25% year to date, M&A activity up over two times in the first half versus last year, and FDA approvals up 44% year over year.
- Commercial banks have continued to retreat from the asset-based lending market, and competition from other private credit firms remains limited given the significant investment in experienced human capital and infrastructure required.

Risks / Watch Items

- SLRC placed two loans on non-accrual during the quarter, RQM Corporation and Omniguide Holdings, moving from zero non-accruals.
- Management is concerned about the approaching software maturity wall, with \$224 billion of software loans representing 22% of total private debt exposure potentially challenging to refinance.
- Prolonged high interest rates are turning manageable strain into real stress for companies with flat or declining cash flows.
- Management noted new competitors in life sciences are winning transactions by offering terms and structures that do not align with SLRC's approach to long-term capital preservation.
- Management noted capital deployment is a genuine challenge for the industry right now, with more capital chasing a narrower set of attractive opportunities than at almost any point in recent memory.

Outlook / Guidance

- Based on the current pipeline, management expects another solid quarter of origination with a similar weighting toward specialty finance investments.

- Management expects to produce net portfolio growth across its ABL strategy this year based on the third quarter pipeline and longer-term outlook.
- Management expects growth across the healthcare life science book as well as the healthcare ABL book in tandem, with the life science pipeline up 20% over the prior year.
- Management is advancing several growth initiatives it expects will lift net investment income over the next year, including expanding ABL personnel and infrastructure and adding life science investment professionals.
- Management indicated it is comfortable taking the leverage ratio up to the higher end of its 0.9 to 1.25 times range, with the pace of repayments having kept it stable around 1.15 times.

Other Notes

- Call date: The earnings call covered the quarter ended June 30, 2026, with the earnings press release dated August 4, 2026.
- Management is evaluating an active pipeline of specialty finance acquisition opportunities, noting there are not many ABL platforms of scale and its focus has been on tuck-in acquisitions.
- During the quarter SSLP invested just over \$6.5 million and had \$12 million of repayments, earning SLRC income of \$1.4 million representing an annualized yield of 11.8% compared to 12.2% in the prior quarter, with \$55 million of undrawn capacity at quarter end.

BlackRock TCP Capital Corporation (TCPC)

Executive Summary

- BlackRock TCP Capital Corp. (TCPC) reported second quarter 2026 results alongside the announcement of a major portfolio sale transaction that management described as a milestone accelerating work already underway to strengthen the financial position and reshape the investment portfolio.
- TCPC transferred approximately \$523 million of investments across 78 portfolio companies into a continuation vehicle sponsored by Pantheon, representing approximately 48% of the fair market value of the pre-transaction debt portfolio.
- The transaction materially lowers leverage, reduces investment position sizes, and significantly enhances investment capacity, with pro forma net leverage falling to approximately 0.4 times.
- The board engaged Keefe, Bruyette & Woods to assist with a strategic review considering options including reinvesting the portfolio, returning capital to shareholders, pursuing strategic combinations, or other corporate transactions.

Key Financial Metrics

- Total investment income was \$40.0 million, or \$0.48 per share, including recurring cash interest income of \$0.35 per share, non-recurring income of \$0.04 per share, recurring discount and fee amortization of \$0.02 per share, PIK income of \$0.04 per share, and dividend income of \$0.03 per share.
- Operating expenses for the second quarter were \$21.9 million, or \$0.26 per share, including \$15.0 million or \$0.18 per share of interest and other debt expenses.
- PIK income represented 7.6% of total investment income, down from 8.5% in the first quarter.

- As of June 30, 2026, cumulative total return did not exceed the total return hurdle, and therefore no incentive compensation was accrued for the quarter.
- The weighted average expected yield on the portfolio was 10.5% at quarter end, while new investments carried a weighted average yield of 9.4%.
- The combined weighted average interest rate on debt outstanding was 6.03% as of June 30, 2026.
- The decrease in net assets for the quarter was \$13.1 million.

NAV / NII / EPS

- Net asset value declined approximately 2.1%, or \$0.14 per share, to \$6.58 per share at June 30, 2026.
- The NAV decline primarily reflected developments at Pluralsight, PVHC, and Zillion, as well as realized losses on the exits of AutoAlert and B.com.
- Net investment income was \$18.1 million, or \$0.22 per share, and adjusted net investment income was \$17.5 million, or \$0.21 per share.
- The portfolio sale transaction is expected to result in an additional NAV decline of approximately 10.4%, or \$0.68 per share, based on June 30 NAV, inclusive of transaction-related expenses.
- Net realized losses for the quarter were \$14.8 million, or \$0.18 per share, driven primarily by a \$10 million loss on the exit of AutoAlert.

Dividend / Distribution

- On July 30, 2026, the board declared a third quarter dividend of \$0.17 per share, payable on September 30 to shareholders of record as of September 16.
- Quarterly distributions to shareholders totaled \$0.17 per share during the second quarter.
- TCPC repurchased 156,370 shares of stock during the second quarter at a weighted average price of \$3.78 per share.
- Management indicated the strategic review will evaluate shareholder-friendly initiatives including buybacks alongside reinvestment and other alternatives.

Portfolio / Investment Activity

- At quarter end, the portfolio had a fair market value of \$1.29 billion invested across 134 portfolio companies in 35 industry sectors, with an average position size of \$9.6 million.
- 91.5% of the portfolio was invested in senior secured loans, all of which were floating rate, with the balance in equity.
- Substantially all new investments during the quarter were in first-lien loans, bringing total first-lien exposure to 89.8% on a fair value basis.
- The largest investment represented 8.9% of the portfolio at fair value, and the five largest investments accounted for 27.6%.
- Software represented 29.7% of the portfolio at fair value across 45 portfolio companies, with approximately 97% invested in debt and 3% in equity, down from 30.5% across 47 companies in the first quarter.
- The current software portfolio was originated at a loan-to-value of approximately 26%, providing a considerable equity cushion.
- On a pro forma basis following the transaction, the portfolio has a fair market value of \$671 million invested across 132 portfolio companies with an average position size of approximately \$5.1 million.

- Pro forma software exposure would represent approximately 23% of the portfolio, falling to approximately 17% factoring in the expected repayment of Domo.

Q2 continued progress against strategic initiatives

Apart from the Transaction, we continued to make progress toward our strategic priorities during the second quarter, including reducing non-accruals, strengthening the balance sheet and advancing our portfolio repositioning efforts.

Non-accruals declined to 1.6% of the portfolio at fair value and 7.4% at cost at the end of Q2 2026, from 2.8% and 7.6%, respectively, at the end of Q1 2026

PIK income was 7.6% of total investment income at the end of Q2 2026, down from 8.5% at the end of Q1 2026

Disciplined deployment continued with 98% of new capital invested during the quarter in first lien positions, bringing senior secured exposure to 91.5% of the portfolio as of the end of Q2 2026

Average position size of portfolio investments decreased to \$9.6 million at the end of Q2 2026 from \$10.0 million in Q1 2026, further aligning with our diversification strategy

Portfolio repositioning efforts benefitted from strong repayment activity, totaling \$111.6 million during the quarter

Net leverage declined to 1.38x at the end of Q2 2026 from 1.48x at the end of Q1 2026

BlackRock

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Source: TCPC_Q2_2026_presentation.pdf, chart/graph selected from page 7

What this picture shows: Q2 continued progress against strategic initiatives — this shows the portfolio mix by investment type or lien position, which helps explain credit quality and senior-secured exposure.

Originations / Fundings

- Investment activity was intentionally kept limited and highly selective in the second quarter, with \$25 million of capital deployed.
- The majority of capital deployed during the quarter was directed toward previously committed investments, and TCPC added one new borrower.
- Substantially all new investments during the quarter were in first-lien loans.
- New investments carried a weighted average yield of 9.4%, reflecting lower base rates and spread compression consistent with the past several quarters.
- Management stated that capitalizing on incumbency remains a priority, continuing to find compelling opportunities among existing portfolio companies where TCPC has long-standing relationships and industry experience.

Repayments / Sales / Exits

- Repayment activity was strong in the second quarter, totaling \$111.6 million in payoffs and paydowns and resulting in net repayments of \$86.6 million.
- Repayments included \$22 million from Thrasio, \$14.9 million from StarRes, \$13.1 million from AutoAlert, and an additional \$48.7 million across five other companies.

- Subsequent to quarter end, TCPC received \$97.4 million in additional repayments, including \$55.2 million from Motive Technologies, formerly known as Keep Truckin, and \$39 million from Pico Quantitative Trading.
- Domo announced a definitive agreement to sell substantially all of its operating businesses to Progress Software, which is expected to result in full repayment of TCPC's \$69 million debt investment when the transaction closes in the fourth quarter.
- Together these developments address more than \$150 million of exposure across three larger portfolio positions, representing meaningful progress toward reducing concentration.

Credit Quality

- Non-accruals declined to 1.6% of the portfolio at fair value and 7.4% at cost, from 2.8% and 7.6% respectively at the end of the first quarter.
- The improvement was driven in large part by positive developments at Thrasio, which repaid \$22 million; TCPC removed its remaining \$3.7 million position at Thrasio from non-accrual status, expecting the position to be paid down in full given the current health of the business.
- TCPC restructured its investment in Thrasio in early 2024, and management said the outcome reflects the benefits of active portfolio management and patience.
- Quarterly NAV performance reflected issuer-specific developments at a small number of portfolio companies, with broader portfolio performance generally in line with expectations.
- Markdowns in Pluralsight, PVHC, and Zillion together accounted for approximately \$9.5 million of unrealized losses.
- Net unrealized gains were \$1.3 million, or \$0.01 per share, driven primarily by \$11.3 million in reversals of previous unrealized losses related to AutoAlert and Thrasio.
- Management noted increasing repayment volumes as a sign of general borrower health.

Investment Rating / Risk

- Management stated it does not view software and potential AI risk as monolithic, because certain segments are fundamentally more resilient than others.
- Underwriting has focused on systems of record with proprietary data assets and solutions deeply embedded in customer workflows or serving regulated end markets, which management believes are generally more insulated from AI-related disruption.
- The software portfolio was originated at a loan-to-value of approximately 26%, providing a considerable equity cushion.
- Software exposure decreased modestly to 29.7% of the portfolio from 30.5%, primarily reflecting the successful exits of Persado and StarRes during the period.
- The assets transferred into the continuation vehicle have broadly similar sector, lien, and credit characteristics to the retained portfolio.

Leverage / Liquidity

- Net leverage declined to 1.38 times at quarter end from 1.48 times at the end of the first quarter, resulting in a total debt-to-equity ratio of 1.66 times.

- Following the portfolio sale transaction and post-quarter end repayments, net leverage is expected to decline to approximately 0.4 times on a pro forma basis, and to less than 0.3 times after additional announced portfolio company paydowns.
- Total liquidity at the end of the second quarter was \$533.7 million, including \$376.2 million in available borrowing capacity under revolvers and \$157.5 million in cash; following recent repayments and the transaction, TCPC has approximately \$395 million of liquidity.
- In May, TCPC issued \$406 million of CLO debt and used the proceeds to fully repay its TCPC Funding II and merger sub facilities, terming out a significant portion of secured debt.
- TCPC elected to repay the remaining \$107 million outstanding on its SBIC debt and subsequently surrendered its SBIC license, concluding there was limited benefit to maintaining the structure.

Management Commentary

- Management described the portfolio sale transaction as a milestone that pulls forward the realization of a year of progress strengthening the financial position and reshaping the investment portfolio.
- Management explained that leverage bumping up against 1.3 to 1.4 times over the last several quarters had inhibited the ability to reposition the portfolio, make meaningfully sized new investments, diversify, and buy back shares in a more meaningful way.
- TCPC retained a direct interest in substantially all of the portfolio companies, transferring on average approximately two-thirds of each investment position to the vehicle, and retained a 5% equity interest in the continuation vehicle.
- TCPC's investment advisor will also act as investment advisor for the continuation vehicle without compensation, and the vehicle assumed all of the CLO liabilities.
- The transaction was priced at 95% of the December 31, 2025 gross fair market value of the assets sold, subject to customary adjustments, and the board obtained a third-party fairness opinion from Lincoln International.
- Management stated it has no preconceived notion of what will come out of the strategic evaluation process and is not going into it with a specific agenda except generating long-term shareholder value.

Market / Macro Commentary

- Current portfolio yields reflect lower base rates and spread compression, consistent with the past several quarters.
- Management noted the transaction realized a substantial premium to the value implied by TCPC's current share price.
- Management said the approximately \$152 million of proceeds were used primarily to reduce debt.
- Management continues to benefit from the capabilities of the broader platform, which provides access to a wide opportunity set while allowing TCPC to remain highly selective and focused on granular, high-quality first-lien investments.
- Management noted the transaction was complex and required significant effort, reflecting the sponsor's commitment to TCPC and its shareholders.

Risks / Watch Items

- The portfolio sale transaction is expected to result in a NAV decline of approximately 10.4%, or \$0.68 per share, based on June 30 NAV.

- Quarterly NAV performance reflected issuer-specific developments at Pluralsight, PVHC, and Zillion.
- There is no specific timetable on the strategic review, and management declined to indicate a likely outcome.
- Management noted that with a concentrated book, a single credit issue has a significant impact on NAV, which was part of the rationale for the transaction.
- Unfunded loan commitments represented 7.0% of the \$1.29 billion investment portfolio, or \$90 million including \$53 million in revolver commitments, reduced to approximately \$36 million pro forma.

Outlook / Guidance

- Management expects to continue the organic path of portfolio repositioning in the interim while the strategic review proceeds.
- The new investment capacity provides the ability to invest in new deals, accelerate diversification of the portfolio, and evaluate shareholder-friendly initiatives such as buybacks.
- Management expects full repayment of the \$69 million Domo debt investment when the Progress Software transaction closes in the fourth quarter.
- Net leverage is expected to reach less than 0.3 times after additional announced portfolio company paydowns.
- Management will continue to be prudent about capital allocation, with the strategic review lens applied as it proceeds through this period.

Other Notes

- Call date: The board declared the third quarter dividend on July 30, 2026, and the second quarter results covered the period ended June 30, 2026.
- The assets transferred include all collateral underlying the recently issued BlackRock DLF 2026C CLO plus additional contributed investments.
- Additional detail on the transaction can be found in the subsequent events disclosure section of the Form 10-Q and in Appendix A of the Form 8-K filed the morning of the call.

TriplePoint Venture Growth BDC Corp. (TPVG)

Executive Summary

- TriplePoint Venture Growth BDC Corp. (TPVG) reported second quarter 2026 net investment income of \$8.3 million, or \$0.21 per share, compared to \$9.1 million, or \$0.23 per share, in the prior quarter.
- TPVG funded more than \$47 million in debt investments, up more than 80% from the previous quarter and finishing at the high end of its guided range as it took advantage of strong market demand.
- During and subsequent to the quarter, TPVG monetized two significant investments, exiting its largest outstanding loan position and selling another portion of its equity stake in Revolut, generating collectively total cash proceeds of approximately \$57 million.
- Net asset value increased modestly to \$8.67 per share from \$8.65 per share at the end of the prior quarter, and the board declared a supplemental distribution of \$0.12 per share.

Key Financial Metrics

- Total investment and other income for the second quarter was \$22.1 million.
- The weighted average annualized portfolio yield on debt investments was 12.9%, compared to 13.5% in the prior quarter, with the decrease primarily reflecting lower accelerated income from prepayment activity.
- Excluding accelerated income from prepayments, the weighted average annualized portfolio yield was 12.3%, compared to 12.6% in the prior quarter, with the decline primarily reflecting lower fees from the expiration of unfunded commitments.
- Net investment income was \$8.3 million, or \$0.21 per share, compared to \$9.1 million, or \$0.23 per share, in the prior quarter.
- Total operating expenses for the quarter were \$13.6 million, net of the income incentive fee waiver, compared to \$13.2 million in the prior quarter, with the increase primarily reflecting the higher cost of debt associated with the March refinancing.
- PIK income declined during the quarter to approximately \$3 million, representing less than 14% of total investment income, compared to 15% in the prior quarter and down from nearly 23% in the same prior year period.
- The advisor earned approximately \$1.3 million of income incentive fees during the quarter, all of which were waived.

NAV / NII / EPS

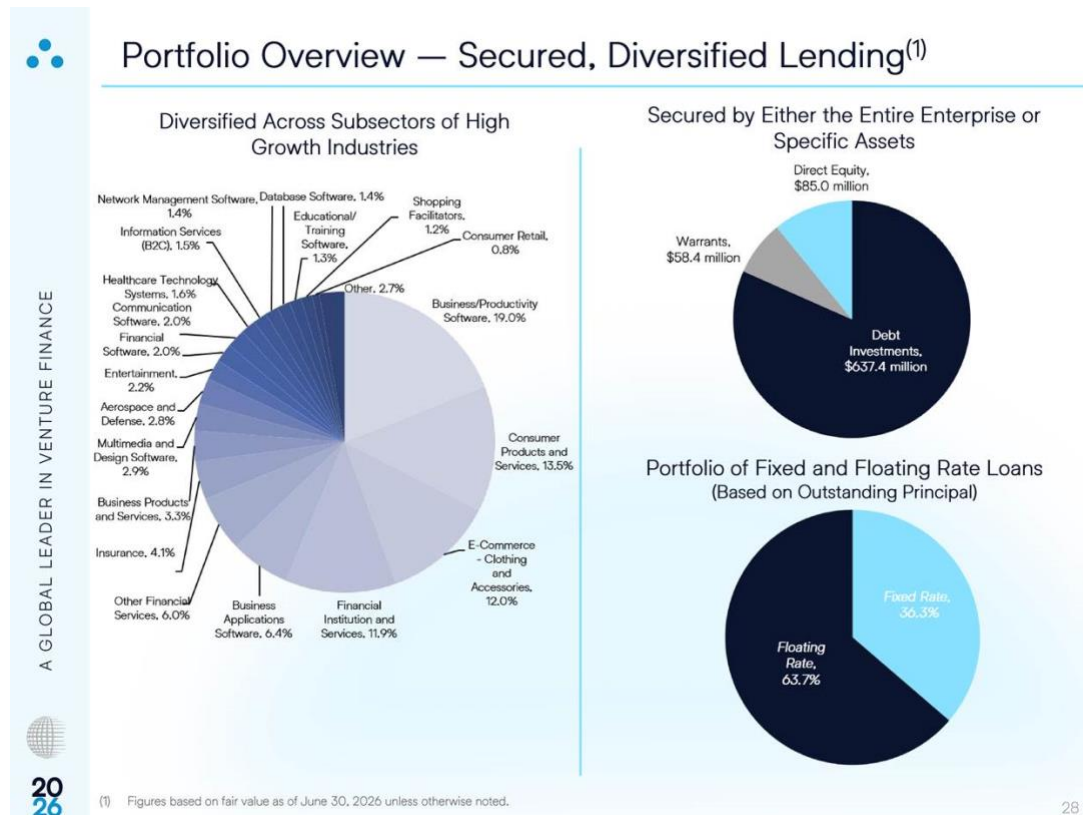
- Net asset value increased modestly to \$8.67 per share from \$8.65 per share at the end of the prior quarter.
- Net investment income was \$8.3 million, or \$0.21 per share, with the sequential decline primarily reflecting lower accelerated income from repayments together with higher interest expense following the \$200 million March refinancing.
- Including realized and unrealized investment activity, the net increase in net assets resulting from operations was \$10.7 million, or \$0.26 per share.
- TPVG recognized \$12.9 million of net realized gains during the quarter, primarily from the partial monetization of the Revolut investment as well as consideration received upon the exercise of warrants in two portfolio companies.
- These realized gains were largely offset by net unrealized depreciation, primarily reflecting the reversal of previously recorded unrealized appreciation on investments realized during the quarter together with unrealized depreciation within certain debt investments.

Dividend / Distribution

- Subsequent to quarter end, the board declared a supplemental dividend totaling \$0.12 per share, payable in two equal installments on September 30, 2026 and December 30, 2026.
- The supplemental dividend reflects the distribution of undistributed taxable income from the prior year and should be viewed separately from the company's recurring quarterly dividend.
- The existing income incentive fee waiver remains in place through the end of fiscal 2026.
- The advisor earned approximately \$1.3 million of income incentive fees during the quarter, all of which were waived.

Portfolio / Investment Activity

- As of June 30, TPVG held warrant positions in 117 portfolio companies and equity investments in 60 companies, with a total fair value of \$143 million.
- Excluding the \$13 million monetized from Revolut, this marks the sixth consecutive quarter and ninth out of the previous ten quarters where the warrant and equity portfolio increased in value.
- TPVG continued its diversification strategy by investing in venture growth stage companies across AI and other attractive investment sectors, including Etched and Skyflow.
- Roughly two-thirds of debt investments remain floating rate, and the majority of those loans remain at their prime rate floors.
- Three debt portfolio companies raised incremental capital in private financing rounds during the quarter, including Inspiren, Aeradoo, and Hover, bringing the year-to-date total to 10 companies raising approximately \$1.2 billion.
- Revolut continues to perform well, announcing a transaction at a \$115 billion valuation, with media reports indicating the company is considering an IPO with a \$150 billion to \$200 billion valuation target.
- TPVG's remaining Revolut equity investment had a fair value of \$48 million as of the end of the quarter.
- TPVG continues to rotate the portfolio out of legacy 2020 through 2022 vintage investment sectors and into its sectors of focus on new investments.



Source: TPVG_Q2_2026_presentation.pdf, chart/graph selected from page 28

What this picture shows: A GLOBAL LEADER IN VENTURE FINANCE — this shows the portfolio mix by sector/industry, which supports the portfolio section and gives a quick view of diversification.

Originations / Fundings

- TriplePoint Capital signed \$307 million of term sheets with venture growth stage companies during the second quarter, up from \$256 million in the first quarter of 2026, an increase of approximately 20%.
- The venture growth stage pipeline now exceeds more than \$3 billion in deals under evaluation.
- The advisor allocated \$29.8 million in new commitments with five companies to TPVG during the second quarter, compared to \$1 million of new commitments with two companies in the first quarter.
- Fundings of \$47.8 million to 10 companies were at the high end of the guided range of \$25 million to \$50 million, carrying a weighted average annualized portfolio yield of 12.8%, compared to \$26.6 million of fundings to seven companies in the first quarter at an average yield of 12.9%.
- Management expects to continue increasing its allocation of new commitments as unfunded commitments expire and as prepayments and repayments are received over the rest of the year.

Repayments / Sales / Exits

- TPVG had \$28.6 million in loan prepayments during the second quarter, compared to \$23.6 million in the first quarter, and received \$45.3 million of total principal repayments and scheduled amortization.
- Subsequent to quarter end, TPVG sold its debt and equity investments in European portfolio company Prodigy Finance to a third party for \$43.8 million, consistent with its second quarter mark; Prodigy was TPVG's largest outstanding loan as of the second quarter.
- The Prodigy buyer was a European lender familiar with the company, identified through a process conducted in coordination with the company.
- During the quarter, TPVG participated in Revolut's share buyback program, selling a portion of its equity shares and resulting in a \$12.8 million realized gain.
- Portfolio company Kalderos was acquired by Model N, a private equity-backed company, and in connection with the acquisition the company prepaid its \$12.4 million outstanding, with TPVG realizing a \$300,000 gain on its warrants.

Credit Quality

- During the second quarter, TPVG downgraded Trendly, an EBITDA-positive and cash flow-positive consumer company, from White 2 to Yellow 3.
- TPVG made fair value adjustments on other loans as well due to market factors and/or performance, including Rollie.
- Net unrealized depreciation during the quarter primarily reflected the reversal of previously recorded unrealized appreciation on investments realized during the quarter together with unrealized depreciation within certain debt investments.
- Three debt portfolio companies raised incremental capital in private financing rounds during the quarter, bringing the year-to-date total to 10 companies raising approximately \$1.2 billion.
- Management noted the portfolio continues to strengthen as fundraising activity increased significantly in the first half of the year.
- Reducing PIK exposure remains central to the repositioning strategy and a key driver of durable, high-quality earnings over time.
- DBRS reaffirmed the company's investment grade credit rating of BBB low with a stable trend during the quarter.

Investment Rating / Risk

- TPVG downgraded Trendly from White 2 to Yellow 3 during the second quarter.
- DBRS reaffirmed TPVG's investment grade credit rating of BBB low with a stable trend during the quarter, which management believes reflects progress in strengthening the balance sheet.
- Management continues to rotate the portfolio out of legacy 2020 through 2022 vintage investment sectors and into its current sectors of focus.
- The disposition of Prodigy is expected to further reduce PIK income while improving the quality of the portfolio's recurring earnings.
- Roughly two-thirds of debt investments remain floating rate, with the majority of those loans at their prime rate floors, which combined with the mix of fixed and floating rate liabilities management believes maintains an appropriate balance.

Leverage / Liquidity

- At quarter end, total liquidity was approximately \$120 million, including roughly \$15 million in cash and \$105 million of available capacity under the revolving credit facility, an increase from \$112 million at March 31.
- TPVG ended the quarter with gross leverage of 1.26 times and net leverage of 1.22 times, both modestly improved from the prior quarter and within the targeted leverage range.
- Unfunded commitments declined meaningfully during the quarter to \$141 million from \$207 million at March 31, with approximately \$23 million of those commitments dependent upon portfolio companies reaching certain milestones and the balance well-laddered over the next several years.
- The two monetization events, Revolut and Prodigy, generated approximately \$57 million in total cash proceeds and meaningfully enhanced financial flexibility.
- Higher interest expense following the \$200 million March refinancing contributed to the sequential decline in net investment income.

Management Commentary

- Management stated TPVG made steady progress in strengthening its portfolio and financial position, taking steps to enhance portfolio durability, grow income-generating assets, and increase NAV to create long-term shareholder value.
- Management described the two monetizations as important steps in ongoing efforts to rebalance the portfolio and strengthen liquidity, demonstrating progress in rotating through legacy positions while providing liquidity and decreasing PIK income.
- Management's priority remains backing what it believes are category-defining companies at the forefront of adopting and deploying AI across their product offerings.
- Management said TPVG is benefiting from the AI investment megacycle, bolstered by more than \$1 trillion in AI infrastructure buildout.
- Management acknowledged there is meaningful work ahead and remains focused on disciplined underwriting, strengthening the balance sheet, diversifying the portfolio, and reducing exposure to legacy investment sectors.
- Management noted the biggest competition in venture lending is equity, with a trend toward partnering with commercial banks rather than competing against them.

Market / Macro Commentary

- The overall venture capital markets remained exceptionally active during the second quarter, with PitchBook reporting second quarter deal value as the second highest quarterly total in a decade, trailing only the first quarter of 2026.
- Through the first half of the year, \$413 billion was deployed into U.S. venture-backed companies, a half-year figure that already exceeds the full year 2025 total.
- AI companies represented 86% of all venture dollars in the period, and venture-backed AI companies command materially higher valuations than non-AI peers while achieving faster valuation step-ups between rounds.
- Quarterly venture-backed IPO and M&A activity has been steadily increasing, and OpenAI and Anthropic have confidentially filed for offerings of their own.
- TPVG also benefits from increasing investments in other sectors such as cybersecurity, robotics, defense and aerospace, energy, resources, and health tech, with deal flow increasing from VC firms that have raised multi-billion dollar funds in recent years.

Risks / Watch Items

- TPVG downgraded Trendly from White 2 to Yellow 3 and made fair value adjustments on other loans including Rollie due to market factors and/or performance.
- Management acknowledged there is meaningful work ahead in repositioning the portfolio and reducing exposure to legacy investment sectors.
- Higher interest expense following the \$200 million March refinancing pressured net investment income sequentially.
- Net investment income of \$0.21 per share declined from \$0.23 per share in the prior quarter on lower accelerated income from repayments.
- The majority of floating rate loans remain at their prime rate floors, limiting upside from any further rate declines.

Outlook / Guidance

- TPVG's quarterly target for new funding continues to be in the \$25 million to \$50 million range for 2026, despite robust demand for debt financing from venture growth stage companies.
- Management intends to redeploy the Prodigy proceeds strategically as it continues to position TPVG for the long term.
- Management expects to continue increasing its allocation of new commitments as unfunded commitments expire and as prepayments and repayments are received over the rest of the year.
- Management expects unfunded commitments to normalize modestly over time as it selectively commits capital to new investment opportunities while maintaining a disciplined approach to leverage and liquidity.
- Management noted that should venture-backed IPO and M&A activity continue to build momentum in the back half of 2026 and beyond, other TPVG portfolio companies could potentially be beneficiaries.

Other Notes

- Call date: The second quarter 2026 earnings conference call covered the quarter ended June 30, 2026, with the Prodigy disposition and supplemental dividend declared subsequent to quarter end.

- A number of TPVG's warrant and equity holdings have been identified in various publications' lists of top candidates for venture-backed IPOs, both in the U.S. and in Europe.
- Management noted there are still very few participants at any meaningful scale in the venture lending segment.

Trinity Capital Inc. (TRIN)

Executive Summary

- Trinity Capital (TRIN) reported second quarter 2026 net investment income of \$41.6 million, or \$0.51 per share, representing 100% of its quarterly distribution, on total investment income of \$87 million, a 25% year-over-year increase.
- Net asset value grew 9% quarter over quarter and 37% year over year to a record \$1.3 billion, with NAV per share increasing from \$13.27 to \$13.47.
- Trinity achieved a record \$619 million of fundings in the second quarter along with \$709 million of commitments, with fundings up 69% year over year.
- Management noted Trinity leads the BDC space in year-to-date shareholder return, with total shareholder return the best in the BDC space over the last one, three, and five years.

Key Financial Metrics

- Total investment income was \$87 million, a 25% year-over-year increase, and net investment income was \$41.6 million, or \$0.51 per share.
- The quarter-over-quarter decrease in net investment income per share primarily reflects lower dividend income compared to the first quarter, which included a non-recurring dividend from one equity investment.
- Second quarter origination activity was back-end weighted, meaning the full income benefit of record fundings will be more fully reflected in the third quarter.
- Return on average equity was 15.2% and the effective portfolio yield was 15%, which management described as among the highest in the BDC sector.
- PIK remains immaterial at 1% of income.
- Platform AUM increased to \$3.2 billion, up 36% year over year.
- The managed funds platform contributed \$0.03 per share to the \$0.51 of NII in the second quarter, representing 6% of net investment income.

NAV / NII / EPS

- Net assets grew 9% to a record \$1.3 billion, up 37% year over year.
- NAV per share increased \$0.20 to \$13.47, up 1.6% quarter over quarter, driven primarily by accretive ATM issuances which more than offset modest net unrealized and realized depreciation.
- Net investment income was \$41.6 million, or \$0.51 per share, representing 100% of the quarterly distribution.
- Trinity raised \$100 million through its equity ATM program at an average 24% premium to NAV, which is directly accretive to existing shareholders.

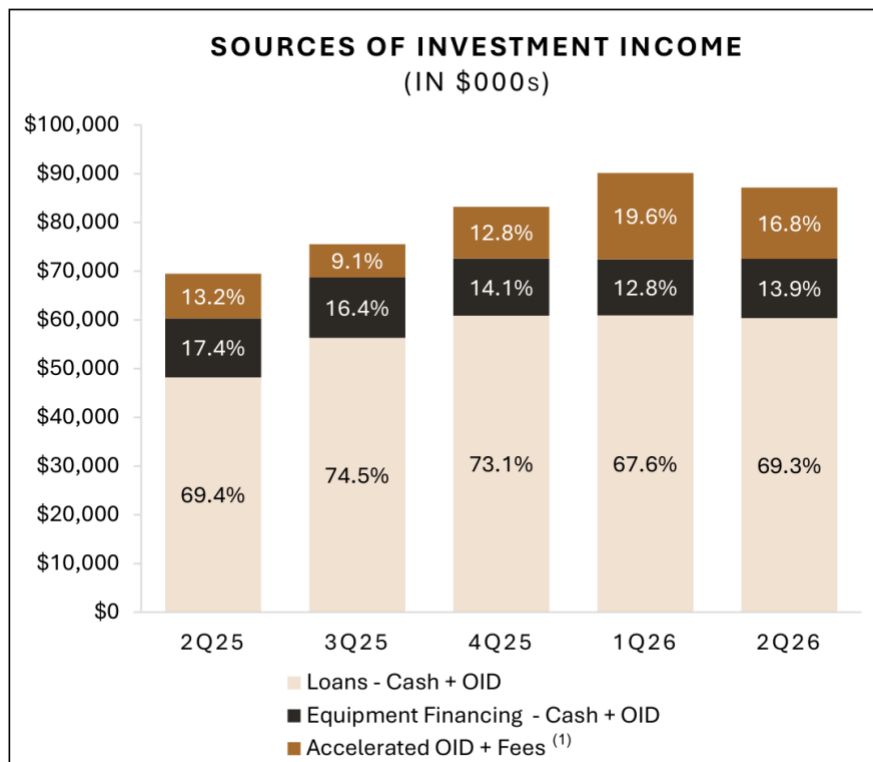
- Estimated undistributed taxable income stands at approximately \$66 million, or \$0.71 per share, equivalent to more than four months of distributions.

Dividend / Distribution

- Trinity is paying a \$0.17 monthly dividend through the end of the third quarter.
- Trinity shareholders have been the recipients of a consistent distribution for approaching seven consecutive years.
- Net investment income per share of \$0.51 covered the quarterly distribution at 100%.
- Estimated undistributed taxable income of approximately \$66 million, or \$0.71 per share, is equivalent to more than four months of distributions, which management continues to reinvest for shareholders.

Portfolio / Investment Activity

- The portfolio remains highly diversified across 22 industries, with no single borrower exceeding 4% of total exposure and the largest sector concentration, finance and insurance, at 14% at cost spread across 17 companies.
- First lien coverage remains strong at 89% of total principal, secured by first position liens on enterprise value, equipment, or both; for enterprise value-backed loans the weighted average loan to value was 24%.
- Trinity holds 202 warrant positions and 129 portfolio companies, which management believes have the potential to provide incremental upside to shareholders.
- Net of refinancings, second quarter fundings broke down 37% to sponsor finance, 26% to equipment finance, 18% to tech lending, 10% to asset-based lending, and 5% to healthcare and life sciences, with the remaining 4% syndicated to off-balance sheet entities.
- Seventy percent of the portfolio at cost has been originated since the start of 2025, with pre-2024 vintages now below 8%, and the average duration of realized loans stands at 30 months.
- During the second quarter, Trinity announced the acquisition of Equipment Leasing Services, a middle market equipment financing firm that remains a standalone portfolio company and adds another income generator.
- Trinity's joint venture with Capital Southwest is a co-investment vehicle focusing on first-out senior secured loans in the lower middle market, featuring joint decision-making and a scaling portfolio.
- Managed funds and joint ventures have more than \$800 million of capacity across strategies.



Source: TRIN_Q2_2026_presentation.pdf, chart/graph selected from page 22

What this picture shows: Trinity Capital Inc.'s income Source & Portfolio Yield Trends, broken out across Cash, OID Equipment Financing, OID Accelerated OID and Fees.

Originations / Fundings

- Trinity achieved a record \$619 million of fundings in the second quarter along with \$709 million of commitments, with fundings up 69% year over year.
- The pipeline includes \$700 million in accepted term sheets and \$1.2 billion in total unfunded commitments as of June 30.
- Of those unfunded commitments, 91% remain subject to ongoing diligence and investment committee approval, with just 9% unconditional, a structure management said preserves underwriting discipline for future deployments.
- As a direct lender, Trinity does not rely on syndicated deals and has immaterial overlap with other BDCs, giving investors access to a genuinely diversified portfolio.
- Originations activity reflects consistent performance across Trinity's five lending verticals, driven by an experienced team and a proprietary pipeline.

Repayments / Sales / Exits

- Net of refinancings, early repayments totaled approximately \$108 million in the second quarter, which continues to be elevated relative to historical averages.
- Management noted early repayments often reflect portfolio company strength, with borrowers reaching a point where they can access broader capital markets on their own terms by achieving key milestones or completing equity raises.

- The timing lag between repayments and redeployment of capital into new earning assets can create a near-term drag on interest income, partially mitigated by prepayment penalties and acceleration of fees and OID at payoff.
- Management noted some older loans paid off very early in the quarter without the usual pull-through of fees and prepayment fees, creating a timing gap that reduced interest income.
- Management is encouraged by portfolio churn, viewing turnover as a signal of portfolio health since new deals typically imply longer cash runways and fresher equity support.

Credit Quality

- Non-accruals improved to less than 1% of the portfolio at fair value.
- The number of companies on non-accrual remained at five, with no changes to the non-accrual list from the first quarter.
- 99% of debt investments at fair value are performing, and the average internal credit rating remained consistent at 3.0 on a 1 to 5 scale.
- The second quarter included minimal net realized losses and net unrealized depreciation.
- Management noted a few credits were upgraded from performing to strong performing, spread across an equipment deal, a sponsor finance deal, and a UK tech lending deal, reflecting diversified improvement.
- Asset valuations are conducted each quarter with independent third-party valuation firms, reviewed by the independent auditor, and approved by the board.
- Management stated it is actively working all five non-accrual credits and hopes to report activity over the next few quarters.

Investment Rating / Risk

- The average internal credit rating remained consistent at 3.0 on Trinity's 1 to 5 scale, reflecting broad-based strength across the book.
- 99% of debt investments at fair value are performing, and the lower part of the risk table has been improving.
- Management described the quarter as pretty quiet from a risk standpoint, with the increase in the top rating categories reflective of onboarding new credits.
- First lien coverage remains strong at 89% of total principal, with a weighted average loan to value of 24% for enterprise value-backed loans.
- The portfolio remains defensively positioned with a first lien bias, low loan-to-values, and disciplined underwriting built for consistency across cycles.

Leverage / Liquidity

- Net leverage was 1.18 times at quarter end, consistent with the target range.
- Total platform liquidity increased to \$939 million, driven in large part by the close of the SBIC fund.
- In May, Trinity closed its inaugural investment-grade public bond offering of \$300 million of five-year senior unsecured notes, adding long-dated fixed-rate debt to the liability stack and extending the maturity profile.
- Trinity raised \$100 million for its equity ATM program at an average 24% premium to NAV.

- The SBIC fund has closed more than \$75 million in equity commitments and at a two-to-one debt-to-equity ratio with low-cost federal leverage is expected to create more than \$250 million of incremental platform capacity at full scale, with potential to upsize based on new SBA guidelines.

Management Commentary

- Management highlighted Trinity's differentiated platform, fueled by a diversified five-vertical lending enterprise, a managed funds business generating income in addition to portfolio returns, and an internally managed structure that keeps interests aligned with shareholders.
- From its IPO in 2021 to the end of the second quarter, Trinity's stock has delivered a total return of 174%, far outpacing the S&P 500's 114% and the BDC index's 58% over the same period.
- Subsequent to quarter end, Trinity transitioned its listing to the New York Stock Exchange, which management believes better positions the company in the financial sector and provides improved daily liquidity.
- As an internally managed BDC there is no external manager collecting fees, and fees generated through managed funds flow back to the BDC creating incremental income for shareholders rather than a third party.
- Management noted the Equipment Leasing Services business originates middle market equipment leases requiring little balance sheet, generating origination fee income with leases offloaded to a syndicate of banks.
- Management stated Trinity is always about a year in advance with regard to hiring, executing on one-year, three-year, and five-year plans, and operates more strategically like an asset manager.

Market / Macro Commentary

- Management noted that when the market turns toward more IPO and M&A activity, warrant and equity positions should provide incremental upside to either cover losses or provide incremental income to shareholders.
- Management expects prepayments to continue to be elevated in the current market.
- Management observed that its warrant and equity holdings are backed by the strongest private equity and venture capital groups in the country.
- Management noted the joint venture with Capital Southwest provides efficient entry into the lower middle market, a complementary segment accessible with strong credit discipline alongside a respected partner.
- Management noted Trinity's relatively high cost of debt means rate increases or decreases do not affect it in the same way as other BDCs.

Risks / Watch Items

- Five portfolio companies remain on non-accrual, unchanged from the first quarter, with management actively working all five credits and nothing tangible to report yet.
- Early repayments remain elevated relative to historical averages, and the timing lag between repayments and redeployment can create a near-term drag on interest income.
- Effective yields dropped 80 basis points in the quarter, reflecting product mix with a strong sponsor finance quarter carrying lower spreads versus a life sciences-heavy prior quarter.
- Management noted the private equity-backed lower middle market business can drag down overall yields.
- Net investment income per share is currently just covering the base dividend.

Outlook / Guidance

- Management remains confident in its earnings trajectory and dividend stability heading into the second half of 2026.
- Management expects the full income benefit of record second quarter fundings to be more fully reflected in the third quarter given the back-end weighted origination activity.
- Management indicated the second quarter expense level is probably a good number to start with for the second half of the year, having built the platform to scale with advance hiring.
- Management expects the managed funds platform to become an increasingly meaningful contributor to earnings over time, describing management fees and incentive fees as the main lever on increasing earnings per share.
- The Capital Southwest joint venture is still ramping and not fully leveraged, with expected returns similar to Trinity's core yields of 13% to 15%.

Other Notes

- Call date: Trinity Capital's second quarter 2026 earnings conference call was held on August 5, 2026, with third quarter results expected November 4.
- Trinity extended the investment period of Senior Credit Corp 2022 through the end of the year based on mutual agreement with its joint venture partner, and is exploring options to continue the vehicle.
- The SBIC fund raised all third-party capital, primarily from banks, with market-standard fee splits that management expects to provide significant incremental upside via the RIA over time.

Sixth Street Specialty Lending (TSLX)

Executive Summary

- Sixth Street Specialty Lending (TSLX) reported second quarter 2026 net investment income of \$0.43 per share, an annualized return on equity of 10.6%, and net income of \$0.43 per share, an annualized return on equity of 10.5%.
- Net asset value per share was \$16.24 at quarter end, stable compared to the prior quarter, which management attributed to disciplined asset selection, structural downside protection, and active portfolio management.
- Repayment activity increased sequentially and contributed \$0.08 per share of activity-based fees during the quarter, although it remained below the long-term historical average.
- Management is increasingly constructive on activity-based fee income in the second half of the year relative to the first half, based on repayment activity experienced thus far in the third quarter.

Key Financial Metrics

- Total investment income was \$97.8 million for the quarter, up from \$93.4 million in the prior quarter.
- Interest and dividend income was \$88.5 million, up modestly from the prior quarter, while other fees representing prepayment fees and accelerated amortization of upfront fees were \$5.4 million compared to \$3.4 million in the first quarter.
- Other income was \$4 million, up from \$2.2 million in the prior quarter.

- Net expenses were \$55.7 million, up from \$52.4 million in the prior quarter, primarily driven by an increase in interest expense.
- The weighted average interest rate on average debt outstanding increased slightly from 5.5% to 5.6%, primarily as a result of a shift in funding mix following the 2031 notes issuance.
- The weighted average total yield on debt and income-producing securities at amortized cost was 11.2% at June 30, unchanged compared to March 31.
- Undistributed income was estimated at approximately \$1.12 per share at the end of the second quarter.

NAV / NII / EPS

- Net asset value per share was \$16.24 at quarter end, stable compared to the prior quarter, with net assets of \$1.5 billion.
- The NAV bridge shows \$0.43 per share added from net investment income against the base dividend of \$0.42 per share.
- There was a \$0.06 per share positive impact to NAV primarily from net unrealized gains on investments attributable to movement in equity market multiples.
- The impact of widening credit spreads on portfolio valuation decreased net asset value by \$0.04 per share, and the reversal of net unrealized gains related to investment realizations resulted in a \$0.02 per share reduction.
- There was \$0.01 per share of net realized gains, mainly from equity realizations in Caris Life Sciences.

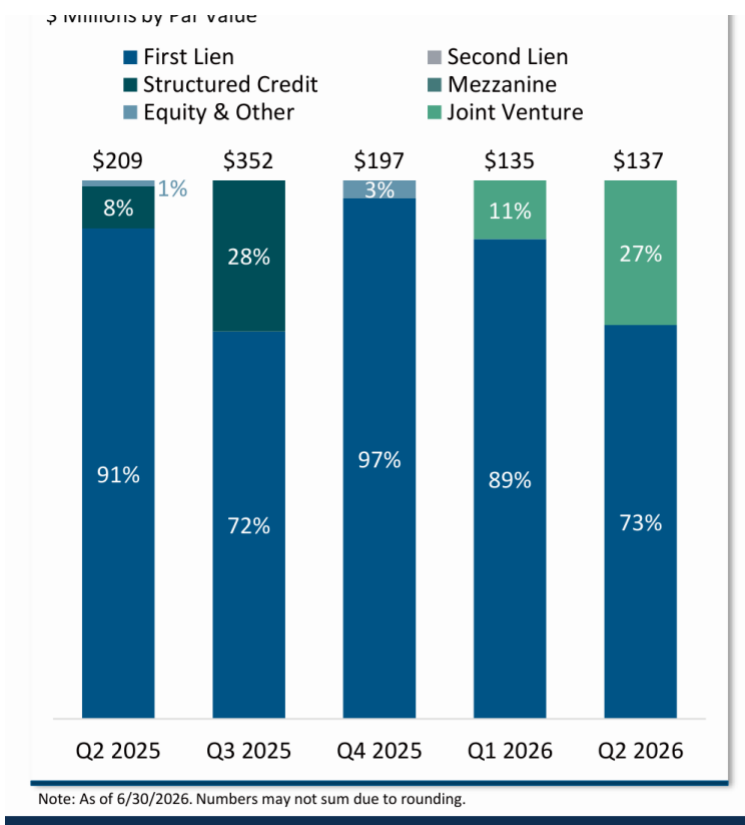
Dividend / Distribution

- The board approved a base quarterly dividend of \$0.42 per share to shareholders of record as of September 15, payable on September 30.
- Second quarter operating earnings of \$0.43 per share exceeded the base dividend level established last quarter.
- Undistributed income was estimated at approximately \$1.12 per share at the end of the second quarter.
- On two separate days during June, TSLX's 10b5-1 stock repurchase program was triggered, resulting in the repurchase of approximately \$500,000 of common stock, roughly 31,000 shares at an average price of \$16.17.

Portfolio / Investment Activity

- Total investments were \$3.3 billion, in line with the prior quarter.
- The weighted average total yield on debt and income-producing securities at amortized cost was 11.2%, unchanged compared to March 31.
- Across core borrowers, TSLX maintains conservative weighted average attachment and detachment leverage points of 0.4 times and 5.3 times respectively, with weighted average interest coverage of 2.4 times.
- As of the second quarter, the weighted average revenue and EBITDA of core portfolio companies was \$465 million and \$137 million respectively, with median revenue and EBITDA of \$180 million and \$57 million.
- At quarter end, TSLX maintained effective voting control on 78% of its debt investments, with an average of two financial covenants per investment, consistent with historical levels.

- Across core portfolio companies, LTM revenue and EBITDA growth were approximately 8% and 11% respectively.
- The Structured Credit Partners joint venture had called \$154 million of equity through June, a bit over 25% ramped through the first six months of the program, with a target total investment size for TSLX of \$200 million.
- The technology portfolio continues to perform in line with the rest of the portfolio, slightly better on growth and earnings, with retention rates stable and no disruption from AI initiatives to date.



Source: TSLX_Q2_2026_presentation.pdf, chart/graph selected from page 11

What this picture shows: Sixth Street Specialty Lending's first Lien.

Originations / Fundings

- During the second quarter, TSLX provided total funding of \$137 million across two new investments and capital calls by its joint venture, Structured Credit Partners.
- Both new investments during the quarter were made with borrowers where Sixth Street had longstanding relationships and prior lending experience.
- The investment in Photo Holdings, also known as Shutterfly, was a dollar-one first lien term loan put in place alongside a secured bond issuance to refinance the company's capital structure, at a SOFR plus 700 basis point spread with significant contractual amortization and robust documentation.
- The weighted average spread on new first-lien investments was 690 basis points, compared to a spread of 527 basis points on new-issue first-lien loans for BDC peers in the first quarter.
- Over the trailing 12 months, the investment spread on new commitments excluding structured credit investments averaged 6.8%, largely consistent with the 7% spread on all floating-rate investments across the existing portfolio.

Repayments / Sales / Exits

- Total repayments in the second quarter were \$192 million, which drove net repayment activity of \$55 million.
- Repayments increased by approximately 70% compared to the first quarter, resulting in annualized portfolio turnover of 23% in the second quarter and 18% for the first half of the year.
- This activity generated \$0.08 per share of activity-based fee income in the second quarter.
- The repayment activity was primarily driven by refinancings in either the private credit or broadly syndicated loan markets.
- The investment in TS Imagine, a global financial technology provider, was repaid in June after the company refinanced its senior secured credit facility in the private credit market; upon repayment TSLX received call protection contributing to an unlevered IRR of 15% and a 1.7 times multiple of money.

Credit Quality

- Credit quality continues to be stable, with no new portfolio companies added to non-accrual status during the quarter.
- As of June 30, TSLX had three portfolio companies on non-accrual status, representing 1.3% of the portfolio at fair value.
- Overall portfolio performance remains strong, as evidenced by a weighted average internal investment rating of 1.20 on a scale of 1 to 5, with 1 being the strongest.
- Interest coverage on the portfolio increased sequentially quarter over quarter from 2.3 times to 2.4 times, which management described as indicative of very healthy earnings growth and earnings power.
- Across core portfolio companies, LTM revenue and EBITDA growth were approximately 8% and 11% respectively, with top line growth stable while earnings durability has accelerated.
- Management noted the bulk of technology and software names have healthy bookings and are not seeing disruption from any AI initiatives to date, though it expects continued tails and a dispersion of outcomes.
- Management noted businesses that have been performing poorly over the past couple of years continue to perform poorly.

Investment Rating / Risk

- The weighted average internal investment rating was 1.20 on a scale of 1 to 5, with 1 being the strongest.
- TSLX maintained effective voting control on 78% of its debt investments, with an average of two financial covenants per investment.
- Embedded call protection in loan documents is a critical component of the underwriting process, allowing TSLX to counteract reinvestment risk and drive long-term value.
- Weighted average attachment and detachment leverage points across core borrowers were 0.4 times and 5.3 times respectively.
- Within the Structured Credit Partners joint venture, the portfolio is diversified rather than concentrated in a particular industry, with a weighted average spread on investments held within financing subsidiaries a bit under 280 basis points.

Leverage / Liquidity

- The average debt to equity ratio for the second quarter was 1.24 times, up from 1.14 times in the prior quarter, while the ending debt to equity ratio increased from 1.18 times to 1.27 times.
- Ending leverage was higher due to cash held at quarter end that was subsequently used to satisfy the maturity of the 2026 unsecured notes in August; net of that cash, ending net leverage was 1.17 times, down slightly from 1.18 times.
- TSLX had approximately \$1.1 billion of unfunded revolver capacity at quarter end against \$221 million of unfunded portfolio company commitments eligible to be drawn, coverage of approximately 4.9 times.
- As of June 30, the funding mix was 79% unsecured debt; post-quarter end TSLX repaid the \$300 million of unsecured notes that matured on August 1, 2026, modestly reducing prospective weighted average cost of debt.
- During the quarter TSLX closed an amendment to its revolving credit facility on May 1 extending final maturity to May 2031, and issued \$300 million of long five-year notes at Treasuries plus 180 basis points, the second tightest spread TSLX has printed in the five-year part of the curve, swapped to floating at SOFR plus 185 basis points.

Management Commentary

- Management believes portfolio quality supports the durability of core earnings power and the ability to generate returns on equity in excess of the cost of equity capital through changing market environments.
- The 10b5-1 program is structured to execute automatically whenever the stock trades at least one penny below the most recently reported net asset value per share, which management said underscores conviction in its valuation marks.
- Management noted TSLX did not issue any shares through its ATM program during the second quarter.
- Management stated the ability to leverage long-term relationships, differentiated conviction, and scale of capital to solve for complexity is a core advantage of the platform.
- Management is generally optimistic that the market is entering a period of more complex capital needs, which should favor managers with the liquidity and capabilities to navigate complexity.
- Management noted the joint venture's fee-free nature versus fee-bearing market CLOs provides a 400 to 500 basis point equity return advantage, allowing it to ramp attractively even in tighter arbitrage environments.

Market / Macro Commentary

- Direct lending volumes declined by approximately half sequentially and compared to the second quarter of 2025, while private equity deal activity also slowed materially.
- Sponsor-backed M&A remained constrained as limited exit activity and uncertainty around financing costs continued to suppress transaction volumes.
- Following the meaningful widening of credit spreads in the first quarter, LCD first-lien spreads were largely unchanged during the second quarter, resulting in limited impact on the fair value of debt investments from market inputs.
- Management is beginning to see early signs of a healthier direct lending market, with capital inflows slowing and underwriting processes becoming more disciplined including documentation, lender protections, access to management teams, and depth of diligence.

- Management noted the relative value in the upper middle market on a risk-adjusted basis is generally better than in the lower middle market right now, as capital inflows reversed from the retail fundraising market.

Risks / Watch Items

- Management noted the market environment remains characterized by elevated interest rates, geopolitical uncertainty, and evolving structural dynamics within private credit.
- Management expects continued tails and a dispersion of outcomes for businesses within the technology and software sectors.
- Management expects muted activity-based fees from refinancings in the second half of the year given the better spread environment for deployment.
- Management noted that whenever there are periods of uncertainty it makes it harder for both private equity and corporations to transact.
- Management has not seen meaningful distressed trades or opportunities to deploy in the secondary market, and has not yet seen signs of consolidation among smaller discounted BDCs unfreezing.

Outlook / Guidance

- Management anticipates annualized return on equity of 10% to 10.5% if full-year portfolio turnover remains below 20%, with annualized ROE above 10.5% should portfolio turnover be higher; year-to-date annualized ROE based on net investment income has been 10%.
- Management expects some funding activity in the third quarter with a marked pickup in the fourth quarter, given a pipeline that includes many late-stage deals with decent visibility.
- Management expects M&A activity to pick up and drive more payoffs in the second half, while activity-based fees from refinancings remain muted.
- Management continues to feel comfortable with medium-run guidance for the Structured Credit Partners joint venture dividend contribution to members in the low to mid-teens context.
- Management noted an uplift of 40 to 50 basis points in the forward rate curve through the end of 2026 since the last earnings call, which would be supportive of overall earnings.

Other Notes

- Call date: TSLX issued its earnings press release for the second quarter ended June 30, 2026 after the market closed the day before the call, with the Form 10-Q filed the same day.
- Management expects financing subsidiaries of the joint venture to be in the 85% to 90% debt to capitalization range, consistent with the way CLOs are structured.
- Spreads on new deals are generally 25 to 50 basis points wider, fees are better, and management emphasized that underwriting processes including access to management and data are meaningfully improved.

BCP Investment Corporation (BCIC)

Executive Summary

- BCP Investment Corporation (BCIC) reported results for the quarter ended June 30, 2026.
- The decrease in expenses was primarily due to the absence of performance-based incentive fees during the quarter, as compared to approximately \$0.9 million of incentive fees incurred in the first quarter of 2026.

- The company's investment portfolio, as of June 30, 2026, remained highly diversified.

Key Financial Metrics

- The company generated net investment income of \$5.5 million or \$0.45 per share, which exceeded its distribution for the period with core investment income of \$0.27 per share covering its base distribution.
- Net assets per share declined to \$14.49 per share of this quarter, driven primarily by unrealized mark-to-market declines across the portfolio.
- This compares to 12 investments attributable to 9 portfolio companies on non-equival status as of March 31, 2026, representing 2.6% and 6.2% of the portfolio at fair value and cost respectively.
- Core net investment income for the second quarter was 3.3 million dollars or 27 cents per share compared to 4.1 million dollars or 33 cents per share for the first quarter of 2026.

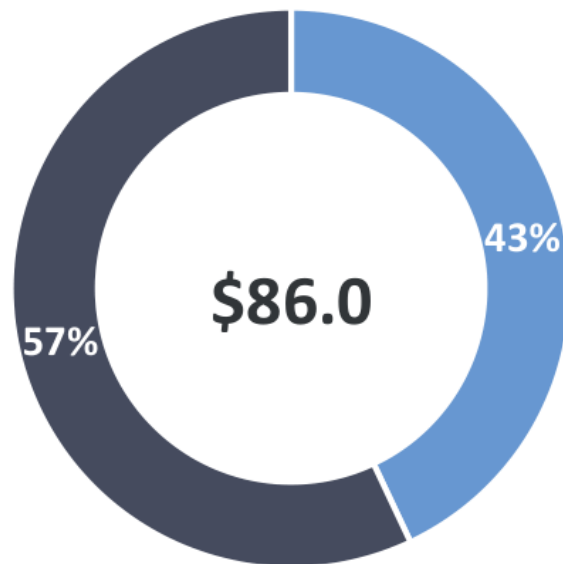
Dividend / Distribution

- The company paid total distributions of \$0.30 per share during the second quarter comprised of its base \$0.27 base distribution and \$0.03 supplemental distribution declared on its first quarter earnings.

Portfolio / Investment Activity

- The company's investment portfolio, as of June 30, 2026, remained highly diversified.
- The company ended the quarter with a debt investment portfolio of \$349.7 million at fair value, excluding its investments in CLO funds, equities, and joint ventures, spread across 71 different portfolio companies and 33 different industries, with an average par balance of \$3.2 million per investment.
- Applying a luster of 10 percent default rate and 70 percent recovery rate, the debt portfolio would apply approximately \$2.57 cents per share of incremental NAV or 17.7% increase as the portfolio rotates.
- The decrease was largely due to net portfolio repayments and sales over the past several quarters, including \$14 million in the second quarter.

Undrawn Borrowing Capacity Under Revolving Credit Facilities (in mm)



Source: BCIC_Q2_2026_presentation.pdf, chart/graph selected from page 16

What this picture shows: BCP Investment Corporation's undrawn Borrowing Capacity Under.

Originations / Fundings

- As a result, originations for the dollars and repayments in sales were 34.9 million dollars resulting in net repayments and sales of approximately 14 million dollars.

Leverage / Liquidity

- Gross leverage declined to 1.6 times from 1.8 times.

Management Commentary

- The decrease in expenses was primarily due to the absence of performance-based incentive fees during the quarter, as compared to approximately \$0.9 million of incentive fees incurred in the first quarter of 2026.
- The company's focus remains on active portfolio management, discipline underwriting, and diligent capital management with a goal of delivering sustainable, long-term value creation for its shareholders.

Market / Macro Commentary

- Management believes the majority of these markdowns continue to reflect sector-specific valuation pressure and broader market dislocation, rather than fundamental credit deterioration.
- The company's approach to deployment has not changed, but the environment has.
- The company is not relying on market-wide recovery and M&A transaction activity.
- More importantly, credit markets were generally stable during the corner.

- Software was the exception, which spreads widening further to a level several hundred bases since wide of the broader B-rated index.
- As Ted noted, the decline in NAV during the quarter was driven predominantly by unrealized mark-to-market declines across the portfolio.
- Given the redemption pressure, just generally speaking, in the space, plus the slowdown in fundraising, the M&A market is just not that robust.

Risks / Watch Items

- Obviously there's still a lot of uncertainty in the space.

Carlyle Secured Lending, Inc. (CGBD)

Executive Summary

- Carlyle Secured Lending, Inc. (CGBD) reported results for the quarter ended June 30, 2026.
- Non-accruals continue to remain low as of June 30th and represent only 0.6% investment at fair value and 1.2% at amortized costs.
- The company's platform originations were up over 20% versus the first quarter while platform selectivity continued to increase with a commitment rate on second quarter pipeline deals of less than 5%.

Key Financial Metrics

- Total investment income for the second quarter was \$62 million, below prior quarter, primarily driven by a decline in interest income due to lower OID accretion from reduced repayment activity as well as a decrease in fee income, partially offset by increased dividend income from both the MMCF and SCP JVs.
- The result was net investment income for the second quarter of \$24 million, or \$0.35 per share, on both a gap basis and after adjusting for the impact of asset acquisition accounting.

NAV / NII / EPS

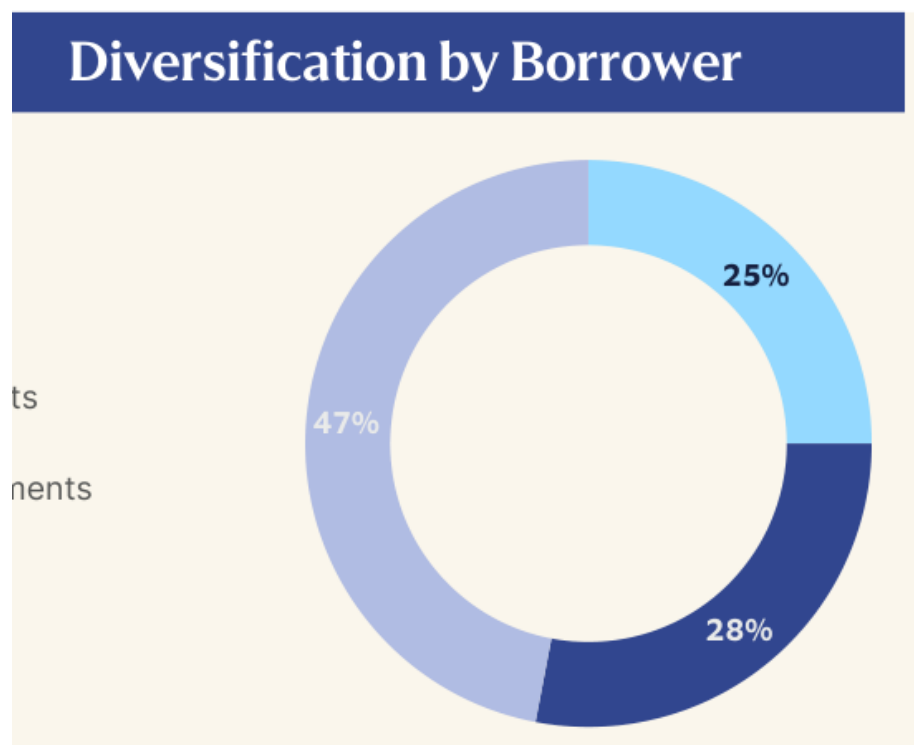
- The company's net asset value as of June 30th was \$15.61 per share compared to \$15.89 per share as of March 31st.

Dividend / Distribution

- At SEP, the portfolio grew to \$1.7 billion and produced an annualized dividend yield of 18.7 percent to CGBD.
- The company's Board of Directors declared the dividend for the third quarter of 2026 at that \$0.35 per share base dividend level, which is payable to stockholders of record as of the close of business on September 30th.
- During the second quarter, MMCF has achieved 17.6% dividend yield, an increase of over 200 basis points cooled over quarter, January through \$1.2 billion in investments with no fees at the joint venture.
- The company's newer JV, Structured Credit Partners, or SCP, ramps the 1.7 billion of investments and produced a dividend yield of 18.7%.

Portfolio / Investment Activity

- The company's platform originations were up over 20% versus the first quarter while platform selectivity continued to increase with a commitment rate on second quarter pipeline deals of less than 5%.
- Management expects SCP to price and close two additional CLOs in 2026, subject to market conditions, in line with its plan to ramp at a cadence of four CLO issuances per year to ensure vintage diversification.
- The company's debt stack is 100% floating rate, matching its primarily floating rate assets, meaning CGVD is well positioned in advance of any additional interest rate movement.



Source: CGBD_Q2_2026_presentation.pdf, chart/graph selected from page 8

What this picture shows: Carlyle Secured Lending, Inc.'s diversification by Borrower.

Originations / Fundings

- The company's enhanced origination team continued to drive several wins, and Carlisle played a lead role in nearly 90% of platform originations.

Credit Quality

- Non-accruals continue to remain low as of June 30th and represent only 0.6% investment at fair value and 1.2% at amortized costs.

Leverage / Liquidity

- At quarter end, statutory and net financial leverage were both 1.2 times.

Market / Macro Commentary

- During the second quarter, macroeconomic and geopolitical factors led to a complicated market backdrop for new deal activity.

- The company continues to focus on sourcing transactions with significant equity cushions, conservative leverage profiles, and attractive spreads relative to market levels and expect to take advantage of improved conditions in the market with a revitalized origination platform.
- Having said that, in terms of what the pipeline looks like, these are companies that are more shielded from what's happening out in the economy, clearly away from software.
- No, it's an interesting observation in terms of spreads.
- It sounds like that's not necessarily said the M&A pipeline is building right now, but they're hopeful it will.
- The diversification just matters that much, even if the market gets hot.

Fidus Investment Corporation (FDUS)

Executive Summary

- Fidus Investment Corporation (FDUS) reported results for the quarter ended June 30, 2026.
- Although management believes these statements are reasonable based on estimates, assumptions and projections as of today, August 7, 2026, these statements are not guarantees of future performance.
- The company invested a total of \$48.1 million in four new portfolio companies.

Key Financial Metrics

- Total investment income was \$43.5 million for the three months ended June 30th.
- Net investment income, or NII, for the three months into June 30th was 49 cents per share versus 65 cents per share in Q1.

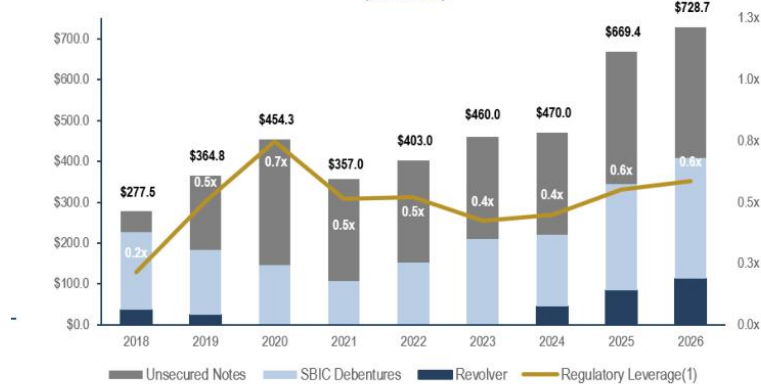
Portfolio / Investment Activity

- The company invested a total of \$48.1 million in four new portfolio companies.
- At 6.30, one portfolio company, Vertex, remained on non- accrual accounting for less than 1% of the total portfolio on both a fair value and cost basis.
- The company's average portfolio investment on a cost basis was 14 million, which excludes investments in 8 portfolio companies that sold their operations during the process of winding down.
- The company has equity investments in approximately 82.4% of its portfolio companies with average fully diluted equity ownership of 2.1%.

Summary of Borrowings

	June 30, 2026			Blended	
	Available	Outstanding	%	Rate	
1%	\$ 225.0	\$ 112.7	15%	6.4%	
1%	314.5	296.0	41%	4.5%	2
1%	-	-	0%	0.0%	
1%	120.0	120.0	16%	6.6%	
1%	200.0	200.0	27%	6.8%	
1%	\$ 859.5	\$ 728.7	100%	5.7%	

FDUS Debt Outstanding and Regulatory Leverage⁽¹⁾
(\$ in Millions)



Source: FDUS_Q2_2026_presentation.pdf, chart/graph selected from page 22

What this picture shows: Fidus Investment Corporation's summary of Borrowings.

Originations / Fundings

- Originations in the second quarter amounted to \$98 million, the vast majority of which were M&A-driven first-lean investments.

Repayments / Sales / Exits

- Proceeds from repayments and realizations totaled \$39.2 million for the second quarter.

Leverage / Liquidity

- The company's net debt to equity ratio as of June 30th was one times.
- The company's statutory leverage excluding exempt SBA debentures was 0.6 times.

Management Commentary

- Although management believes these statements are reasonable based on estimates, assumptions and projections as of today, August 7, 2026, these statements are not guarantees of future performance.
- The company's portfolio is well positioned to continue to generate adjusted NII that covers its base dividend.

Market / Macro Commentary

- The weighted average yield is computed using effective interest rates for debt investments at cost, including the accretion of original issue discount and loan origination fees, but excluding investments on non-accrual if any.

Risks / Watch Items

- Act results may differ materially as a result of risks, uncertainties, and other factors including but not limited to the factors set forth in the company's filings of the Securities and Exchange Commission.

Gladstone Investment Corporation (GAIN)

Executive Summary

- Gladstone Investment Corporation (GAIN) reported results for the quarter ended June 30, 2026.
- The company's results this quarter were provided solid earnings generation, continued strength within its investment portfolio, and proactive capital management that supported the disciplined execution of its long-term strategy.
- The portfolio's weighted average yield was 12.9% during the quarter.

Key Financial Metrics

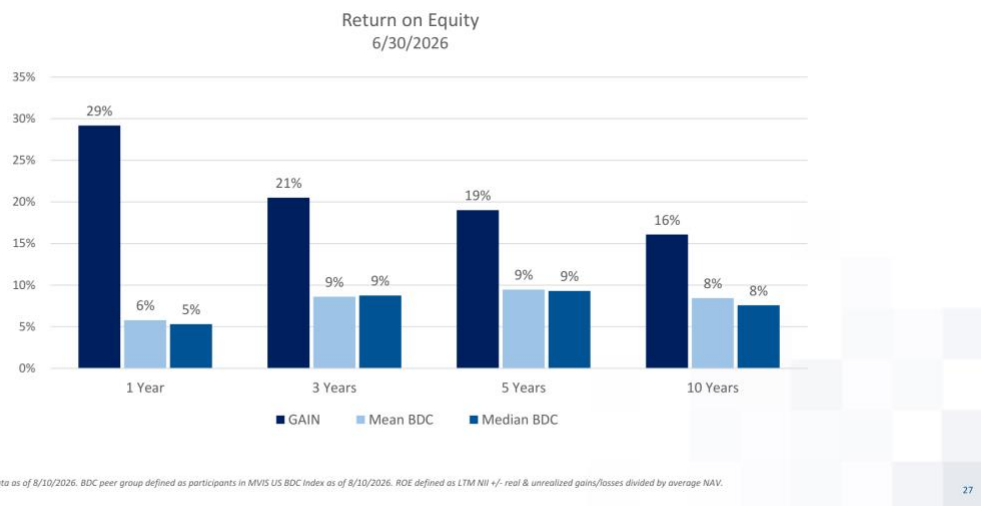
- The company generated net investment income of 15.9 million, or 40 cents per share during the quarter, compared with a net investment loss of \$10.6 million in the prior quarter.
- Adjusted net investment income, which excludes the impact of capital gains-based incentives, increased to \$10.4 million, or \$0.26 per share, compared to \$0.7.9 million, or \$0.20 per share in the prior quarter.
- These items were partially upset by \$0.40 per share of net investment income.

Dividend / Distribution

- The company generated adjusted NII of 26 cents per share, which is sufficient to cover the monthly dividend distributions for the quarter.
- It decreased to 47 cents per share of net unrealized appreciation, 23 cents per share of net realized losses, and 24 cents per share of distributions to common shareholders.

Portfolio / Investment Activity

- The portfolio's weighted average yield was 12.9% during the quarter.
- Portfolio evaluations declined by \$18.8 million during the quarter.
- As of June 30, three portfolio companies are on non-cruel status and will remain actively engaged with each borrower, continuing to work alongside management teams to either return these investments to full size, over-sue, or to the end as well appropriate.



27

Source: GAIN_Q2_2026_presentation.pdf, chart/graph selected from page 27

What this picture shows: Gladstone Investment Corporation's return on Equity, broken out across ROE defined as, NII, real and unrealized gains/losses divided by average NAV.

Leverage / Liquidity

- The company has ample liquidity to find new investment opportunities from the unused borrowing capacity under its credit facility, with approximately \$158 million outstanding as of quarter end.
- The company's balance sheet remains in a strong position ending the quarter with an asset coverage ratio of 209% and a debt to equity ratio of 0.88 times.

Management Commentary

- The company's results this quarter were provided solid earnings generation, continued strength within its investment portfolio, and proactive capital management that supported the disciplined execution of its long-term strategy.
- Management believes its debt investment portfolio is well positioned across a range of interest rate environments.
- Excluding this adjustment, the remainder of the portfolio generated net unrealized appreciation reflecting positive operating performance trends at several portfolio companies together with higher market valuation multiples.

Market / Macro Commentary

- There continues to be ample liquidity in the M&A market creating a competitive environment for new acquisitions at reasonable valuations.
- This favorable interest rate profile continues to provide meaningful downside protection while preserving attractive upside should short-term interest rates increase.

Goldman Sachs BDC, Inc. (GSBD)

Executive Summary

- Goldman Sachs BDC, Inc. (GSBD) reported results for the quarter ended June 30, 2026.

- Net asset value per share was \$12.06 (earnings presentation, page 4).
- Net investment income per share was \$0.38 (earnings presentation, page 4).
- The platform will also continue to be supported by a deep bench of experienced investment professionals with significant industry and firm tenure.
- The company ended the second quarter with nonaccruals of approximately 2.9% at fair value compared to 3.2% in the prior quarter.

Key Financial Metrics

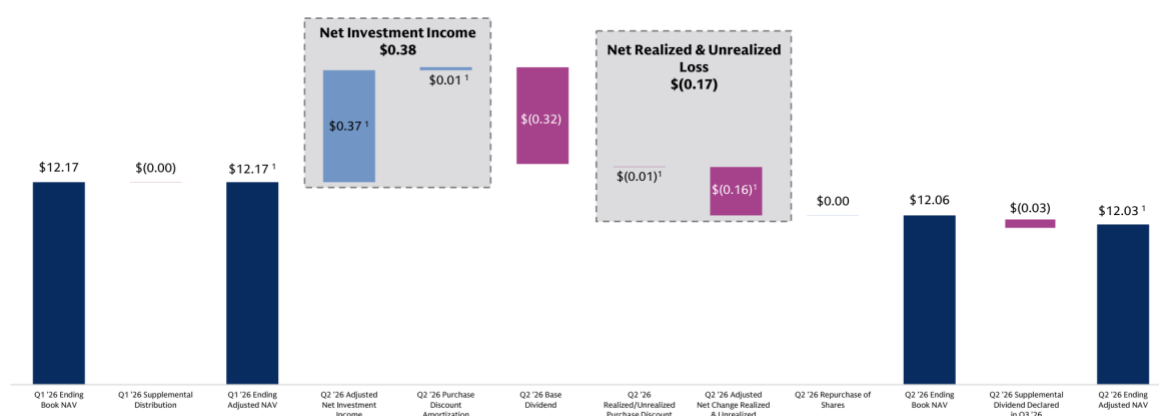
- Total investment income was \$83.7 million (earnings presentation, page 9).
- In the second quarter, GSBD generated net investment income of \$0.38 per share, representing an annualized yield on book value of approximately 12.6%.
- For the second quarter, GAAP and adjusted after-tax net investment income were \$42.2 million and \$41.5 million, respectively, which is a material increase from \$24.8 million and \$24.7 million in the prior quarter.
- On a per share basis, GAAP net investment income was \$0.38, equating to an annualized net investment income yield on book value of 12.6%.
- As Vivek noted, total investment income rose to \$83.7 million this quarter from \$78.8 million last quarter, primarily as a result of restoring certain investments to accrual status and repayment activity.

NAV / NII / EPS

- Net asset value per share was \$12.06 (earnings presentation, page 4).
- Adjusted net investment income per share was \$0.37 (earnings presentation, page 4).
- The company ended the quarter with net asset value of \$12.06 per share, down modestly just under 1% from \$12.17 in the first quarter.

Dividend / Distribution

- Given these results, the Board has declared a third quarter 2026 base dividend of \$0.32 per share payable to shareholders of record as of September 30, 2026, as well as a second quarter 2026 supplemental dividend of \$0.03 to shareholders of record as of August 31, 2026.



Source: GSBD_Q2_2026_presentation.pdf, chart/graph selected from page 11

What this picture shows: Goldman Sachs BDC, Inc.'s net Investment Income, broken out across Ending Book NAV, Supplemental Distribution, Ending Adjusted NAV and Purchase Discount Amortization.

Portfolio / Investment Activity

- The number of companies on nonaccrual decreased from 11 to 10 during the quarter as 1 portfolio company was restored to accrual status.

Repayments / Sales / Exits

- The company's net debt-to-equity ratio is 1.35x at quarter end, but is now currently below its target of 1.25x, primarily due to repayment and sales activity since quarter-end.

Credit Quality

- The company ended the second quarter with nonaccruals of approximately 2.9% at fair value compared to 3.2% in the prior quarter.
- Performance has continued to improve following a restructuring in 2020.

Leverage / Liquidity

- The debt-to-equity ratio, net of available cash was 1.35x (earnings presentation, page 4).
- Weighted average net leverage and interest coverage remained slightly or rose slightly to 6.2x from 6x last quarter and interest coverage increased to 2x from 1.9x, respectively.

Management Commentary

- The platform will also continue to be supported by a deep bench of experienced investment professionals with significant industry and firm tenure.
- The company's Head of Underwriting and Portfolio Management, Greg Watts; and Head of Originations, Steven Buddig, will be elevated to Co-Heads of Americas Direct Lending, and David will become Chairman of the GSAM Private Credit Direct Lending Group in the Americas.
- Given its scale, the borrower required a financing partner capable of underwriting the full commitment without the need for syndication.
- Today, Senneca is in a much more stable footing with a rightsized capital structure positioned to support its ongoing operations and future growth.

Market / Macro Commentary

- The company's Board continues to evaluate the dividend each quarter based on the earnings power of the portfolio, the rate environment and its overall financial position.
- What matters most is the quality of the deals coming to market and the terms available to lenders.
- As available capital in the direct lending market has contracted, driven in part by BDC redemptions and tighter fundraising conditions, borrowers and sponsors are accepting wider spreads, lower leverage and stronger documentation.
- This is the environment where the actions managers take create the largest differentiation in outcomes.
- The weighted average loan-to-value on new deals was 37.4%, reflecting conservative entry points in the current valuation environment.
- Management believes the strength of its liability structure is a deliberate competitive advantage, particularly in volatile markets.

Risks / Watch Items

- These statements represent the company's beliefs regarding future events that, that by their nature, are uncertain and outside of the company's control.
- Simultaneously, AI disruption concerns and geopolitical uncertainty have added complexity to the backdrop.
- When certain lenders face pressure on their own financing, having committed long-dated facilities with established banking partners provides meaningful stability and reliability.

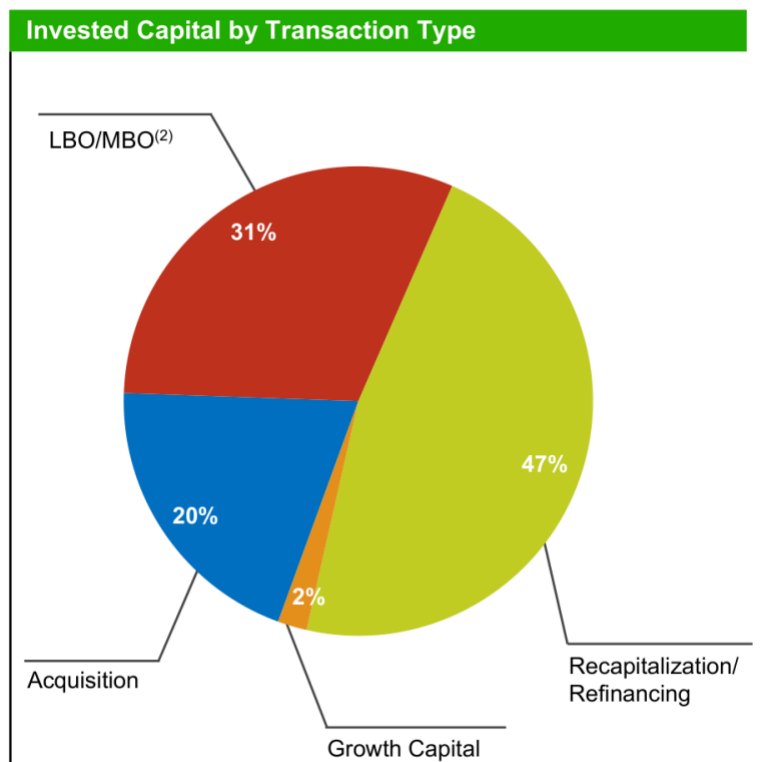
Main Street Capital Corporation (MAIN)

Executive Summary

- Main Street Capital Corporation (MAIN) reported results for the quarter ended June 30, 2026.
- Total investment income was \$289.7 million (earnings presentation, page 32).
- The company recorded net fair value appreciation, including net unrealized appreciation and net realized gains on the investment portfolio of 65 million dollars.

Key Financial Metrics

- Total investment income was \$289.7 million (earnings presentation, page 32).
- The company's largest portfolio of companies, excluding the external investment manager, represented only 3.9% of its total investment income for the trailing 12-month period and 3.5% of its total investment portfolio fair value a quarter end.
- The company's total investment income for the second quarter was \$149.6 million, increasing by \$5.6 million or 3.9% over the second quarter of 2025 and by \$9.5 million or 6.8% from the first quarter of 2026.
- The company's external investment manager ended the quarter with total assets under management of \$1.8 billion.
- The company ended the second quarter with investments on non-accrual status comprising approximately 1.1% of the total investment portfolio at fair value and approximately 4% at cost.



Source: MAIN_Q2_2026_presentation.pdf, chart/graph selected from page 21

What this picture shows: Main Street Capital Corporation's invested Capital by Transaction Type.

NAV / NII / EPS

- Last asset value, or NAV, increased by \$0.46 per share over the first quarter, or 1.4%, and by \$1.62 per share, or 5%, when compared to a year ago, to a record NAV per share of \$33.92 a quarter end.

Dividend / Distribution

- Dividend income decreased by \$10.4 million when compared to a year ago, including a \$2.5 million decrease in unusual or non-recurring dividends, and decreased by \$800,000 from the first quarter after a \$1 million increase in unusual non-recurring dividends.
- The second quarter included income considered less consistent or non-recurring in nature primarily related to accelerated fee and interest income and dividend income, which totaled \$9.5 million.
- These increases were primarily due to higher nonrecurring fees, accelerated interest income, and dividend income across all comparative periods, with the exception of nonrecurring dividends, which were lower in the second quarter of 2026 when compared to the second quarter of 2025.

Portfolio / Investment Activity

- The company recorded net fair value appreciation, including net unrealized appreciation and net realized gains on the investment portfolio of 65 million dollars.

Market / Macro Commentary

- The company's unique long-term to permanent holding period capabilities for its lower-middle market portfolio companies enhances its ability to benefit from the long-term free cash flow generation and resulting dividends received from these.
- The increases in fee income for both comparable periods are primarily due to an increase in fee income from the refinancing and prepayment of debt investments and other investment activity partially offset by lower closing fees on new and follow-on lower middle market investments.

Morgan Stanley Direct Lending Fund (MSDL)

Executive Summary

- Morgan Stanley Direct Lending Fund (MSDL) reported results for the quarter ended June 30, 2026.
- With approximately 95% of the portfolio generally performing in line with the original underwriting case.

Key Financial Metrics

- Net investment income for the quarter was \$38.2 million, or \$0.45 per share.
- Total investment income was relatively unchanged at \$89 million.

NAV / NII / EPS

- The company remained active in utilizing its share repurchase program, which added \$0.05 to NAV per share during the quarter and brought total program-related accretion to 10 cents for the first half of 2026.
- MSDL's NAV per share remains within two and a half percent of its starting NAV per share.
- The company's end in NAV per share for the second quarter was \$19.50 compared to \$19.81 in the prior period.

Dividend / Distribution

- For the third quarter the board declared a dividend of 45 cents per share unchanged from the prior quarter.
- On a lever basis, the dividend yield on MSTL's investments equated to approximately 13%.
- The company's board of directors declared a \$0.45 per share regular distribution for the third quarter of 2026, payable to shareholders of record as of September 30, 2026.

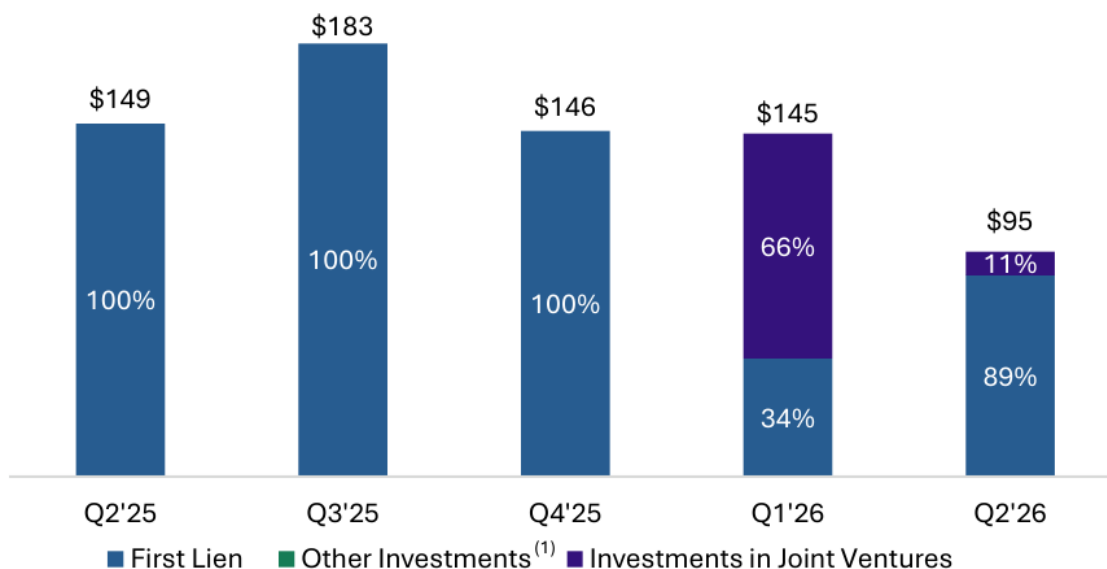
Portfolio / Investment Activity

- With approximately 95% of the portfolio generally performing in line with the original underwriting case.
- While the investment strategy within the JV is identical to that of on-balance sheet deployment, accounting for the JV portfolio modestly diversifies a borrower's weight of June 30, 2020.
- These three credits contributed to the NAV mark-to-market movement in the quarter and increased non-accruals to 2.9% of the portfolio at cost as of June 30th.
- The company's portfolio totaled \$3.6 billion at fair value as a quarter end.
- The portfolio remains well-diversified with 229 portfolio companies across 36 industries and an average borrower exposure of approximately 15.5 million.

- To date, approximately 52% of the total equity commitments have been called, supporting approximately 426 million of investment commitments across 58 portfolio companies in 25 industries.
- The net change in unrealized appreciation and realized losses for the second quarter was thirty point two million unrealized losses were driven by underperformance in a handful of portfolio companies which includes the aforementioned positions that were placed on non-accrual.
- To answer the first piece, about 15 to 20% of the portfolio at large is agent to business.

ASSET MIX BY CAPITAL DEPLOYMENT

(by Gross Commitments, Dollar Amounts in Millions)



Source: MSDL_Q2_2026_presentation.pdf, chart/graph selected from page 10

What this picture shows: Morgan Stanley Direct Lending Fund's ASSET MIX BY CAPITAL DEPLOYMENT, covering (by Gross Commitments Dollar Amounts in Millions).

Originations / Fundings

- Inclusive of new investment commitments, total investment fundings amounted to about \$146 million during the quarter, offset by \$240 million in repayments.
- Unsecured debt was 56% of total funded debt at the quarter end.

Market / Macro Commentary

- Borrowers continue to face elevated interest rates, geopolitical uncertainty, and the evolving impact of AI.
- The underlying fundamentals of the middle market economy remain resilient.
- There will be a need for this capital as private equity dry powder is deployed and sponsor backed M&A volume builds.
- Management believes this trend is driven primarily by slower capital formation in the market.
- During the quarter, Bridgepoint approached the market with a leveraged buyout.
- Management believes AI will remain an important area of focus for every industry and its company-specific impact is going to vary meaningfully by business model and market and product offerings.

- The company is seeing some slight downward pressure in terms of spreads for non-software assets.

Risks / Watch Items

- Credit performance will vary across the industry as these headwinds affect companies and sectors differently.
- Each company had been experiencing company-specific operational challenges over an extended period, and the move to non-accrual reflects the continued progression.

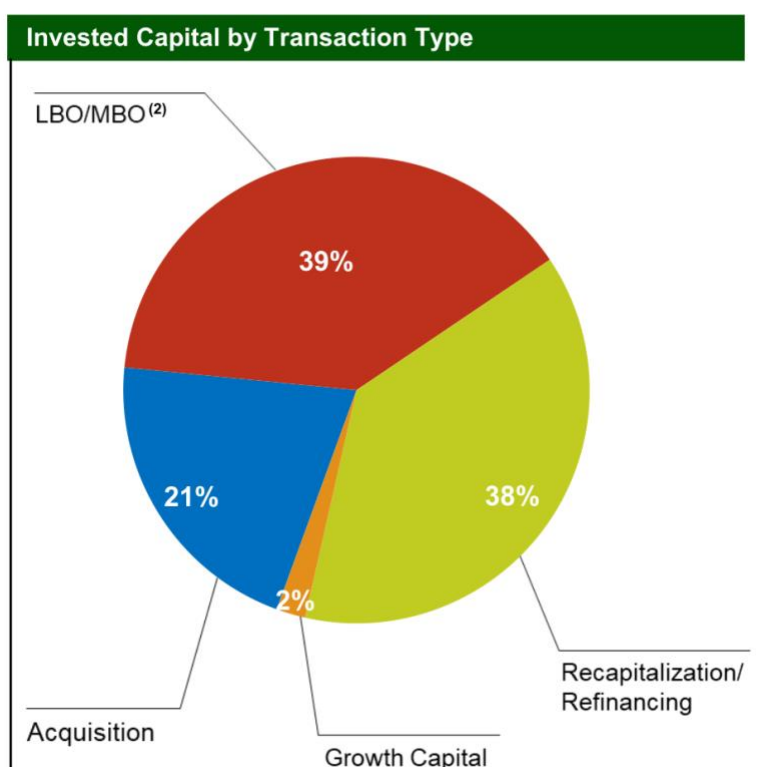
MSC Income Fund, Inc. (MSIF)

Executive Summary

- MSC Income Fund, Inc. (MSIF) reported results for the quarter ended June 30, 2026.
- At quarter end, 93% of private loan portfolio was comprised of secure debt investments, over 99% of which were first lien and 95% of which were floating rate loans.

Key Financial Metrics

- Total assets was \$1,443.8 million (earnings presentation, page 9).
- Net asset value was \$748.8 million (earnings presentation, page 9).
- Fund-generated adjusted net investment income, or ANII, of 33 cents per share on the quarter or 36 cents per share on a before-taxes basis.
- Fund ended with the second quarter with investments in 81 private loan portfolio companies, totaling \$848 million of fair value, representing 61% of the fund's total investment portfolio at fair value.
- Lower middle market portfolio at fair value is comprised of 54% debt investments and 46% equity investments.
- The fund's largest portfolio companies represented less than 4 percent of the total investment portfolio fair value of quarter-end and less than 4 percent of the total investment income for the trailing 12-month period, with most portfolio investments representing less than 1% of the fund's income and assets.
- Funds total investment income for the second quarter was \$35.7 million, consistent with Q2 2025 and an increase of \$1.6 million or 4.7% from the first quarter.
- Overall, the fund's operating results for the second quarter resulted in a net increase in net assets of \$29.3 million or \$0.65 per share.
- As of quarter end, the fund had investments on non-apprual status comprising 1.9% of the total investment portfolio at fair value and 5.8% at cost.



Source: MSIF_Q2_2026_presentation.pdf, chart/graph selected from page 23

What this picture shows: MSC Income Fund, Inc.'s invested Capital by Transaction Type.

NAV / NII / EPS

- The fund's NAV per share was \$16.51, a \$0.64 increase from the first quarter and \$0.98 above the fund's public offering price per share in its public offering and listing on the New York Stock Exchange in January 2025.

Dividend / Distribution

- The fund expects to maintain a dividend policy that provides for its total quarterly dividends, which are expected to include regular monthly dividends and a supplemental dividend to be set at a level generally consistent with the fund's ANII before taxes per share.
- Based upon the total dividends payable for the fourth quarter and the current stock price, the fund is providing shareholders a current dividend yield of over 12%.
- Dividend income for the second quarter decreased by \$1.1 million from a year ago and increased by \$0.3 million from the first quarter.
- In the second quarter of 2026, dividend included \$0.5 million of non-reoccurring items.

Portfolio / Investment Activity

- At quarter end, 93% of private loan portfolio was comprised of secure debt investments, over 99% of which were first lien and 95% of which were floating rate loans.
- Portfolio had an attractive weighted average yield of 10.4%, relatively consistent with prior quarter end.
- During the second quarter, the fund invested \$62 million in the private loan portfolio, which after aggregate investment activity resulted in a net increase of \$10 million.

- After the listing of the fund shares on the New York Stock Exchange in January of 2025, the fund no longer makes investments in new lower-middle market portfolio companies but continues to participate in follow-on investments in its existing lower-middle market portfolio companies.
- Fund had equity ownership positions in all of its lower middle market portfolio companies representing an 8% average ownership position.
- A great recent example of the benefits of these portfolio companies can provide is the recent exit of the fund's investments in center technologies in the second quarter, which resulted in a realized gain of \$11.6 million.

Repayments / Sales / Exits

- The fund's private loan investment activity improved significantly in the second quarter, But the fund also experienced increased levels of repayments, resulting in a net increase in private loan investments of \$10 million.

Market / Macro Commentary

- Fund is also focused on maximizing the benefits from its legacy lower-income market investment portfolio and eventually recycling this capital into private loan investments as investments are exited or repaid.
- With any open market share purchases being split by the fund in Main Street on a pro-rata basis.
- Management expects M&A activity will be higher in the second half of the year and expect that activity to continue to grow its pipeline.
- To the private loan portfolio that Nick covered, the fund also maintains a portfolio of legacy lower-middle-market investments.

Runway Growth Finance Corp (RWAY)

Executive Summary

- Runway Growth Finance Corp (RWAY) reported results for the quarter ended June 30, 2026.
- Prior to joining BC Partners through its acquisition of Ovation Partners, the private credit platform he co-founded and led, Mike spent his career investing in, financing, and helping grow innovative businesses.
- The company focused on further diversifying the portfolio through investments in companies across healthcare and life sciences and select consumer sectors, completing four investments in new and existing portfolio companies, and follow-on investments to six portfolio companies representing 85.8 million in total fundings.

Portfolio / Investment Activity

- The company focused on further diversifying the portfolio through investments in companies across healthcare and life sciences and select consumer sectors, completing four investments in new and existing portfolio companies, and follow-on investments to six portfolio companies representing 85.8 million in total fundings.
- The company's average weighted portfolio risk rating decreased to 2.34 in the second quarter compared to 2.67 in the first quarter of 2026.

Current portfolio at origination

Average Operating History²	15.1 Years
Average Enterprise Value²	\$402.7M
Average Revenue²	\$111.4M
Average LTV²	23.2%
Loan Structure	96% First Lien

Source: RWAY_Q2_2026_presentation.pdf, chart/graph selected from page 20

What this picture shows: Runway Growth Finance Corp's current portfolio at origination, broken out across Average Operating History², Years Average Enterprise Value², Average Revenue² and Average LTV².

Management Commentary

- Prior to joining BC Partners through its acquisition of Ovation Partners, the private credit platform he co-founded and led, Mike spent his career investing in, financing, and helping grow innovative businesses.
- Throughout his career, he has deployed over \$2 billion while maintaining a highly selective underwriting philosophy focused on investing in only the highest conviction opportunities.
- Management believes Mike's experience, judgment, and connectivity across the broader VC partner's platform will meaningfully strengthen its investment capabilities.
- The company's strategy and priorities remain unchanged.
- These dynamics continue to weigh on BDC sector performance and contribute to a disconnect between market pricing and underlying performance.
- This disciplined approach also positions the portfolio to absorb normal credit losses over the course of the investment cycle while maintaining financial flexibility.
- Management believes that meaningful affiliate purchases, disciplined company repurchases, and selective originations together provide the most balanced path towards reducing the discount to NAF.
- The company's valuation process is designed to create transparency for investors and to identify emerging performance variances early on, enabling proactive engagement before issues become more significant.

Bain Capital Specialty Finance (BCSF)

Executive Summary

- Bain Capital Specialty Finance (BCSF) reported results for the quarter ended June 30, 2026.
- Overall, fundamental performance across its software companies continues to demonstrate solid operating performance.
- The investments on non-accrual represented 3.2% and 2.2% of the total investment portfolio at amortized cost and fair value respectively as of June 30, compared to 1.4% and 0.6% respectively as of March 31.
- Non-accrual saw a slight increased quarter over quarter but remain low overall across the portfolio at 2.2 percent at fair market value as a quarter end.

Key Financial Metrics

- Net investment income per share was 44 cents representing an annualized yield of 10.5 percent on equity covering its base dividend of 42 cents per share by 105 percent.
- Turning to its investment portfolio, at the end of the second quarter, the size of its portfolio at fair value was approximately \$2.4 billion across a highly diversified set of 214 portfolio companies operating across 30 different industries.
- As of June 30th, 63.4% of the investment portfolio at fair value was invested in first link debt, 1.3% in second link debt, 3.7% in subordinated debt, 7.7% in preferred equity, 7.5% in equity and other interests, and 16.4% across its joint ventures, including 9% in the ISLP and 7% in the SLP.
- These investments, which include its risk rating three and four categories, comprise 6% of its portfolio at fair value, an increase of 1% from the prior quarter.
- Total investment income was 62.3 million for the three months ended June 30, 2026, as compared to 66.2 million for the three months ended March 31, 2026.
- Interest income and dividend income represented 97% of its total investment income in Q2.
- Net investment income for the quarter was 28.6 million or 44 cents per share as compared to 27.4 million or 42 cents per share for the prior quarter.
- Moving over to its balance sheet, as of June 30, its investment portfolio at fair value totaled \$2.4 billion with total assets of \$2.6 billion.

NAV / NII / EPS

- This represents a 10.1 percent annualized rate on ending book value as of June. So during the quarter, BCSF is pleased to see new activity levels pick up meaningfully following a slower start to the quarter and broader economic indicators have remained sound, providing a constructive backdrop for investing.

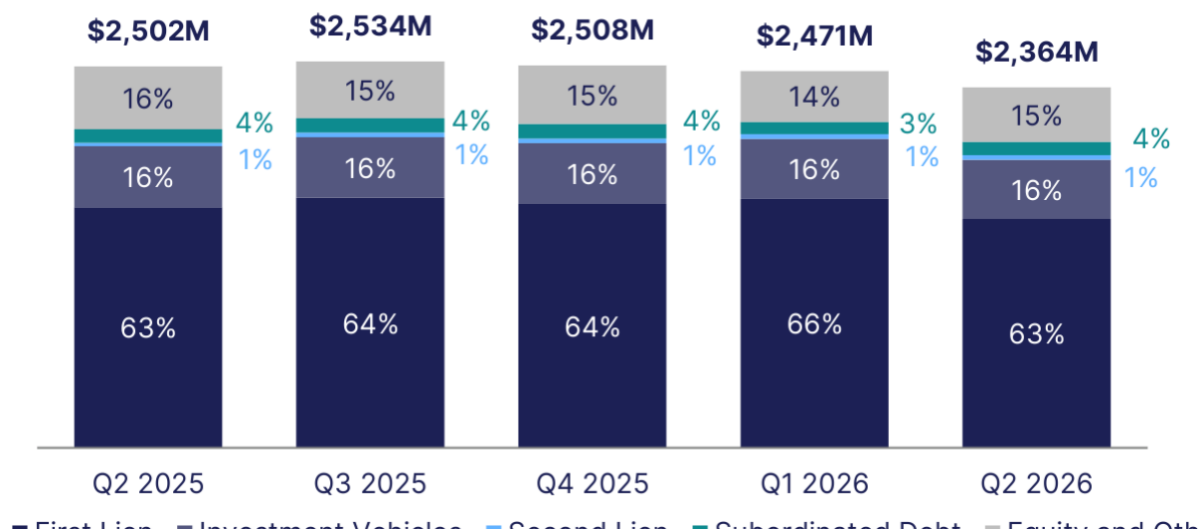
Dividend / Distribution

- Subsequent to quarter end, BCSF's board declared a third quarter dividend equal to 42 cents per share and payable to record date holders as of September 15, 2026.
- BCSF did end up retaining some earnings in the ISLP rather than paying out full interest and dividend from that structure.

Portfolio / Investment Activity

- Non-accrual saw a slight increase quarter over quarter but remain low overall across the portfolio at 2.2 percent at fair market value as a quarter end.
- New fundings during the second quarter were \$182 million into 99 portfolio companies, including \$73 million in 88 new companies and \$109 million in 91 existing sales and repayment activity totaled approximately \$277 million, resulting in net sales and payments of approximately \$95 million quarter over quarter.
- BCSF's fundings were split between new and existing portfolio companies, with new portcodes representing 40% of its total fundings versus 60% to existing companies.
- BCSF remains focused on investing primarily in first lien senior secured loans, with 91% of its new Q2 investment fundings in first lien structures, 1% in subordinated debt, and 8% in preferred and common equity.
- The average position size across its single-name portfolio companies is approximately 40 basis points.
- As of June 30, 2026, the weighted average yield Gold on the investment portfolio at amortized cost and fair value were 10.8% and 10.4% respectively, as compared to 10.8% and 10.9% respectively as of March 31, 2026.

Invested Portfolio by Asset Type (At Fair Value)



Source: BCSF_Q2_2026_presentation.pdf, chart/graph selected from page 6

What this picture shows: Bain Capital Specialty Finance's invested Portfolio by Asset Type (At Fair Value), by period from 2025 to 2026.

Originations / Fundings

- BCSF has pre-funded and mitigated upcoming maturities in 2026 while simultaneously extending debt maturities and preserving the financial flexibility.

Repayments / Sales / Exits

- BCSF saw a healthy level of repayments during the quarter including full repayments from two software companies despite the volatility that occurred across that sector earlier in the year, a testament to the underlying quality of those credits.

- On a year-to-date basis, however, repayment activity has remained low overall relative to normalized historical levels.

Credit Quality

- The investments on non-accrual represented 3.2% and 2.2% of the total investment portfolio at amortized cost and fair value respectively as of June 30, compared to 1.4% and 0.6% respectively as of March 31.
- By conducting an unsecured issuance this year and entering into an amendment of its existing credit facility subsequent to quarter end which extended its maturity to 2031.
- Moving on to portfolio credit quality trends.
- During the quarter, two new companies were added to non-accrual and four companies were removed from non-accrual status.
- While this resulted in a modest increase quarter over quarter, management believes its non-accruals for man-low relative to broader industry opportunities.
- The decrease in investment income was primarily driven by lower interest income recognized on one of its joint venture investments along with the impact of two new non-accrual investments.

Investment Rating / Risk

- Watchlist investments increased slightly quarter over quarter as reflected in its internal risk rating scale.

Leverage / Liquidity

- This compared favorably to average sponsored middle market first lean unit launch loans of approximately 525 basis points in the second quarter and net leverage of 5.4 times.
- At quarter end, median net leverage across its borrowers was 4.7 times, and median interest coverage remained healthy at 2.1 times.
- At the end of Q2 its debt to equity ratio was 1.41 times as compared to 1.34 times from the end of Q1.
- At net leverage ratio which represent principal debt outstanding, less cash and unsettled rate was 1.22 times at the end of Q2 as compared to 1.28 times at the end of Q1.
- Subsequent to quarter end, BCSF's gross leverage declined to 1.34 times and was at 1.22 times on net basis as of July 31, 2026.
- Liquidity at quarter end was strong, totaling \$806 million, including \$606 million of undrawn capacity on its Revolver credit facility, \$130.6 million of cash and cash equivalent, including 18.5 million of restricted cash and 69.4 million of unsettled rates net of receivables and tables of investment.

Management Commentary

- Overall, fundamental performance across its software companies continues to demonstrate solid operating performance.
- Notably, many of these companies have continued to demonstrate stable performance and modest growth improvement in the current environment.
- BCSF's liability management efforts remain disciplined.

Market / Macro Commentary

- Yesterday after market closed, BCSF issued its earnings press release and investor presentation of its quarterly results, a copy of which is available on Bain Capital Specialty Finances Investor Relations website.
- The segment of the market has largely remained insulated from the retail outflows that of weight on the larger end of the private credit market, reinforcing the relative stability of the core middle market as a segment in which to invest.
- BCSF continues to favor core middle market size companies given attractive terms and structure combined with a large market opportunity of high quality borrowers, consistent deal flow and more favorable competitive dynamics versus other market segments.
- For the three months ended June 30, 2026, the weighted average interest rate on a debt outstanding was 5% as compared to 4.6% as of the prior quarter debt.

Crescent Capital BDC, Inc (CCAP)

Executive Summary

- Crescent Capital BDC, Inc (CCAP) reported results for the quarter ended June 30, 2026.
- This significant and ongoing investment reflects confidence in Crescent's platform and its strategy.
- These resulted in \$0.48 per share of realized losses, which were directly offset by the reversal of previously recognized unrealized losses that were crystallized through the restructuring process.
- During the second quarter, the broader Crescent platform committed more than 2.5 billion across private credit transactions and more than 8.7 billion over the last 12 months, reflecting the strength of its origination capabilities and providing CCAP with continued access to deep pipeline of high-quality investment opportunities.

Key Financial Metrics

- For the second quarter, CCAP reported net investment income of 36 cents per share, which was down from 38 cents per share in the prior quarter, excluding the impact of a one-time incentive fee waiver.
- Net investment income was 36 cents per share during the second quarter compared to reported NII of \$0.42 per share in the first quarter.
- Total net assets were \$656 million, and NAV per share was \$17.82.
- As of June 30th, the acquired portfolio has been reduced from over 70 to 27 investments, representing approximately 7% of CCAP's portfolio at fair value.

NAV / NII / EPS

- CCAP's net asset value was \$17.82 per share as of June 30.
- CCAP's debt to equity ratio increased to 1.42 times, or 1.37 times, net of balance sheet cash, reflecting the decline in net asset value together with positive net deployment during the quarter.

Dividend / Distribution

- CCAP's earnings exceeded its 34-cent base dividend.

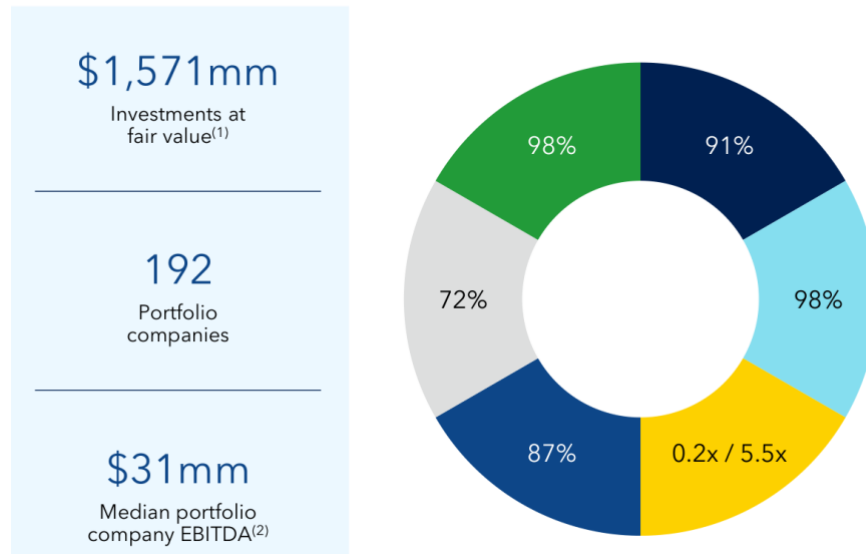
- CCAP paid the first of its three previously announced special dividends of 3 cents per share during the quarter.
- CCAP's reduced management and incentive fees together with its revised dividend framework became effective as of April 1.
- Dividend income was \$1.2 million during the second quarter, down approximately \$1.8 million, quarter over quarter, primarily reflecting a decline in the distribution from the Logan JV as the vehicle continues to amortize and delever, as discussed in prior quarters.
- NAV was also reduced by the \$0.03 per share of special dividend paid during the quarter.
- CCAP's board declared a regular third-quarter dividend of \$0.34 per share.

Portfolio / Investment Activity

- During the second quarter, the broader Crescent platform committed more than 2.5 billion across private credit transactions and more than 8.7 billion over the last 12 months, reflecting the strength of its origination capabilities and providing CCAP with continued access to deep pipeline of high-quality investment opportunities.
- Turning to the balance sheet, as of June 30, 2020-2026, CCAP's investment portfolio totaled approximately \$1.6 billion at fair value.
- CCAP ended the quarter with approximately 1.6 billion of investments at fair value across a highly diverse portfolio of 192 portfolio companies with an average investment size of approximately 0.5% of the total portfolio and 91% of the portfolio invested in senior first-losing loans.
- Approximately 85% of investments were remained rated one or two with a weighted average portfolio risk rating of 2.1.
- Weighted average interest coverage remains stable at 2.2 times, reflecting continued resilience across the broader portfolio.
- Gross deployment during the second quarter total 57 million, including 28 million across three new platform investments.

Disciplined Portfolio Construction

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



Source: CCAP_Q2_2026_presentation.pdf, chart/graph selected from page 13

What this picture shows: Crescent Capital BDC, Inc's disciplined Portfolio Construction.

Originations / Fundings

- CCAP funded the previously committed \$50 million tranche of its Series 2025a fixed rate unsecured notes due May 2029.
- CCAP's goal here with origination in the near term, at least as it pertains to CCAP specifically in light of its leverage, is continuing to add diversification, and continuing to access the broader origination that's happening across the platform as a whole, but just in smaller size at the individual portfolio company level.

Repayments / Sales / Exits

- Lower LBO activity resulted in accelerated amortization and prepayment fee income of approximately 0.4 million during the quarter compared with an average of approximately 0.8 million over the past year.
- CCAP repays \$162 million of maturing fixed rate debt during the quarter and bolstered the balance sheet with incremental access to liquidity.
- These three capital sources represent \$175 million in the aggregate versus the \$162 million repaid across the maturing FCRX unsecured notes and maturing 2023a unsecured notes.
- Aggregate exits, sales, and repayments totaled approximately 36 million, resulting in net deployment of approximately 21 million for the portal.
- The quarter-over-quarter decline was primarily driven by lower dividend income and lower realization activity, which resulted in reduced accelerated amortization and prepayment fee income.

Credit Quality

- These resulted in \$0.48 per share of realized losses, which were directly offset by the reversal of previously recognized unrealized losses that were crystallized through the restructuring process.
- Separately, CCAP recognized \$0.47 per share of unrealized losses, primarily reflecting continued operating pressure across a subset of its non-accrual investments, partially offset by \$0.03 per share of realized gains.
- CCAP's watch list increased modestly from 14% to 15% quarter over quarter.
- CCAP had no new non-accruals during the quarter and completed three restructurings resulting in non-accruals declining from 5.7% to 4.8% of debt investments at costs.
- CCAP remains an important part of the Crescent private credit platform, and its two near-term priorities are rotating its watch list investments and deleveraging its portfolio to within its target range.
- These reductions were partially offset by higher interest income resulting from positive net deployment during the first half of the year and recent restructurings of non-accrual investments as well as the benefit of its lower management and incentive fees which are now fully embedded in its operating results.
- In other words, these restructurings had a minimal net impact on NAV.
- CCAP has also continued to focus on rotating the legacy First Eagle portfolio which continues to represent an outsized contributor to its watch list.

Leverage / Liquidity

- CCAP upsized its SPV asset facility by \$100 million to \$500 million and its SMBC corporate facility by \$25 million to \$335 million, further enhancing its available liquidity.

Management Commentary

- This significant and ongoing investment reflects confidence in Crescent's platform and its strategy.
- The broader portfolio continued to perform generally in line with its underwriting expectations.
- The majority of its portfolio companies continue to demonstrate resilient operating performance and year-over-year EBITDA growth.
- Management believes this combination of active portfolio management and discipline deployment aligns with its focus on demonstrating stability across its portfolio.

Market / Macro Commentary

- Yesterday, after the market closed, the company issued its earnings press release for the second quarter ended June 30, 2026, and posted a presentation to the investor relations section of its website at www.crescentbdc.com.
- Turning to the broader private credit market, Sponsored back to M&A activity continues to be below historical averages.
- However, competitive dynamics have improved, particularly in the upper mid-market.
- Ongoing redemptions and slower capital formation in the non-traded retail BDC market have improved lending conditions by reducing competitive pressure.
- CCAP has started to see this drive better terms in the core and lower middle market as well, where Crescent primarily invests.

- CCAP's software and services investments also continue to deliver stable operating results amid AI-related market volatility.

Risks / Watch Items

- They continue to be challenged names and those are only represented within the CCAP portfolio.

Kayne Anderson BDC, Inc. (KBDC)

Executive Summary

- Kayne Anderson BDC, Inc. (KBDC) reported results for the quarter ended June 30, 2026.
- These statements are not guarantees of future performance and are subject to risks uncertainties and other factors some of which are beyond its control and difficult to predict.
- Management looks forward to providing an update on Regiment next quarter.
- KBDC's non-accrual rate was 2.7 percent, up just 20 basis points.
- KBDC experienced realized and unrealized losses totaling 26 cents per share driven primarily by fair market value adjustments on certain portfolio positions and its completion of its strategic rotation out of its remaining broadly syndicated loan positions.

Key Financial Metrics

- For the second quarter of 2026, KBDC generated net investment income of 42 cents per share.
- Total investment income for the second quarter was \$55.7 million as compared to \$57.3 million in the prior quarter.
- Accelerated amortization of OID related to realization activity was approximately 0.3 million during the quarter and PIC interest represented 4.5% of total investment income for the quarter.
- As of June 30th, total assets were \$2.3 billion and net assets were \$1.1 billion.
- As of June 30th its undistributed net investment income was approximately 26 cents per share.

NAV / NII / EPS

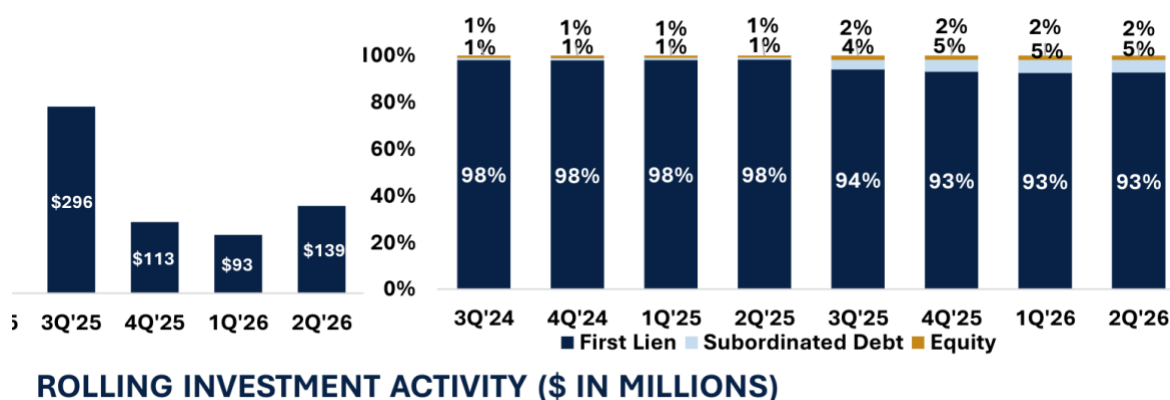
- Net asset value per share as of June 30th was \$16, representing the decline of 23 cents per share, or approximately 1.4% from the prior quarter's \$16.23.
- As of that date, KBDC's net asset value was \$16 per share.

Dividend / Distribution

- KBDC's board of directors has declared a regular quarterly dividend of \$0.40 per share, third quarter.
- This represents its annualized dividend yield of approximately 10% based on its current NAD per share.
- The dividend will be payable on October 16th to shareholders of record as of September 30th.
- This payout represents a dividend coverage ratio of 105%.

Portfolio / Investment Activity

- KBDC experienced realized and unrealized losses totaling 26 cents per share driven primarily by fair market value adjustments on certain portfolio positions and its completion of its strategic rotation out of its remaining broadly syndicated loan positions.
- The pricing environment for new originations remains, with its new floating rate loans was averaging 566 basis points over SOFR during, which was 17 basis points wider than in the first quarter.
- As of June 30th its portfolio includes 104 companies with a fair value of \$2.3 billion plus \$293 million of unfunded commitments.
- Investments in KBDC's portfolio, excluding those on its watch list and opportunistic investments, have a weighted average leverage of 4.5 times, interest coverage of 2.4 times, and loan to enterprise value of approximately 43 percent.
- Weighted average of its private middle market portfolio companies is \$53.7 million, reflecting its focus on established middle market businesses with meaningful scale.
- The portfolio remains highly diversified, average position size is approximately 1% of fair value, and its top 10 investments are only approximately 20% of the portfolio.
- Approximately 95% of its debt investments are floating rate, matched by a predominantly floating rate liability stack.
- As Ken mentioned, KBDC moved four over and diversified last out tranche to non-accrual this quarter, which did move its non-accruals up 20 basis points.



Source: KBDC_Q2_2026_presentation.pdf, chart/graph selected from page 10

What this picture shows: Kayne Anderson BDC, Inc.'s GROSS NEW COMMITMENTS (\$M).

Originations / Fundings

- KBDC's fundings for the quarter totaled 146.4 million, included both new investments and drawers and existing unfunded commitments.
- Interest income was also lowered due to American soccer being on non-accrual status during the second quarter but was offset by income from new investments and the rotation out of the remaining broadly syndicated loans.

Repayments / Sales / Exits

- Company count declined by one, reflecting its exit from the broadly syndicated loan portfolio and some realizations in the quarter.

- The increase in leverage during the second quarter was largely a result of expected realizations being delayed rather than a deliberate move higher.

Credit Quality

- KBDC's non-accrual rate was 2.7 percent, up just 20 basis points.
- Credit performance remains strong with 2.7% of debt investments at fair value on non-accrual versus 2.5% last quarter.
- Watch list right now is at, call it 5.5% of fair market value of the debt portfolio.

Leverage / Liquidity

- KBDC's total liquidity position as a June was 476, consisting of \$39.7 million in cash, in cash equivalents, and \$437 million in under-run committed debt capacity under its credit lines.
- KBDC is either risk adjusted returns fell short of its standards, sector exposure raised concern, or leverage profiles exceeded its comfort line.
- As such, KBDC is not expecting a significant change in leverage in the third quarter.
- This reinforces its focus on borrowers with strong interest coverage and conservative leverage, providing meaningful cushion against continued rate pressure.

Management Commentary

- These statements are not guarantees of future performance and are subject to risks uncertainties and other factors some of which are beyond its control and difficult to predict.
- Turning to investment activity, KBDC closed \$138.7 million in new private credit commitments during the quarter, demonstrating its continued ability to source attractive opportunities that meet its rigorous underwriting standards.
- Regardless, KBDC remains disciplined and passed on numerous opportunities during the second quarter.
- In closing, KBDC is encouraged that investors are increasingly differentiating VDCs based on portfolio composition, sector exposure, credit performance, and track record rather than treating the sector as homogenous.
- The SD credit platform continues to perform very well in the lower middle market asset backed financing space.
- However, Regiment's sale process is still ongoing while the company's performance continues to improve.
- Headlines around redemption pressures at large, non-traded BDCs creates a disconnect with higher-quality public BDCs, delivering strong operational performance, consistent dividend coverage, stable credit metrics, and disciplined capital deployment.

Market / Macro Commentary

- Frank Carl will then provide a more detailed overview of its portfolio with some relevant market commentary and Terry Hart will conclude with KBDC's financial results.
- The current pricing environment reflects sustained demand for private credit amongst middle market borrowers, slowing capital formation in non-traded and private vehicles and a general increase in risk premium.
- M&A activity in its core middle market segment shows encouraging signs.

- Private equity sponsors are more active, and financing markets, while selective, remain open for quality business.

Risks / Watch Items

- Such statements involve known and unknown risks, uncertainties and other factors, and undue reliance should not be placed thereon.
- KBDC has certainly read and seen some of the credit stress there.

Outlook / Guidance

- Management looks forward to providing an update on Regiment next quarter.

PennantPark Floating Rate Capital Ltd. (PFLT)

Executive Summary

- PennantPark Floating Rate Capital Ltd. (PFLT) reported results for the quarter ended June 30, 2026.
- These portfolio metrics reflect the consistency of its underwriting process and its disciplined approach to credit selection.
- Over time, management expects to grow the joint venture to more than \$1 billion of assets consistent with its existing joint venture.
- PFLT's credit quality since its inception over 14 years ago has been excellent.
- Welcome to Pennant Park Floating Rate Capital's third fiscal quarter, 2026 earnings conference call.

Key Financial Metrics

- For the quarter ended June 30th, PFLT's core net investment income per share was 26 cents.
- PIC income equaled just 2.4% of total investment income among the lowest levels in the industry.

Dividend / Distribution

- This exceeded its current base dividend of eight cents per share per month or 24 cents per share for the quarter.
- In accordance with its revised dividend policy, PFLT will pay a supplemental dividend of .33 cents per share over the next three months for an aggregate supplemental dividend its portfolio remains highly diversified and conservatively positioned.
- Investment income was comprised of \$59 million in interest income, \$6.2 million in dividends from its joint ventures, and \$0.8 million in other income.
- PFLT's mission remains consistent to deliver a stable and well-covered dividend while preserving capital.

Portfolio / Investment Activity

- Welcome to Pennant Park Floating Rate Capital's third fiscal quarter, 2026 earnings conference call.
- PFLT ended the quarter with four non-accrual investments representing just 1% of the portfolio that cost and 0.4% at market value.

- PFLT invested 106 million dollars into five new platform portfolio companies with a median debt to EBITDA ratio of 2.3 times, interest coverage of 4.2 times, and the loan to value of 30%.
- As of today, the portfolio totaled \$390 million.
- For the quarter ended June 30th, PSSSL-2 has generated a cash yield on invested capital of 12.7%.
- PFLT received approximately \$45 million in proceeds on its original \$3.2 million investment, representing nearly a 14 times multiple on invested capital.
- PFLT's exposure is limited to approximately 4.3% of the portfolio and is structured consistently with its core middle market strategy.

Repayments / Sales / Exits

- Management expects increased transaction activity to drive repayments across the portfolio, including opportunities to monetize equity co-investments and redeploy that capital into income-generating investments.

Credit Quality

- PFLT's credit quality since its inception over 14 years ago has been excellent.
- PFLT is always going to have a handful of amendments.
- The primary driver, Art mentioned it in some of his earlier comments, was a write-down on one of the non-accrual names, K and S. And then additionally, there was a write-down in one of the equity positions, athletical holdings.

Leverage / Liquidity

- In the core middle market, the pricing for high-quality firstly term loans remains attractive, typically ranging from SOFR plus 500 to 550 basis points with leverage of approximately 4.5 times EBITDA.
- At quarter end, PFLT's debt to equity ratio was 1.56 times, and its capital structure is diversified across multiple funding sources, including both secured and unsecured debt.
- Subsequent to quarter end, PFLT reduced borrowings under its revolving credit facility, bringing its debt-to-equity ratio to 1.5 times within its target range of 1.4 to 1.6 times.
- These investments are primarily cash pay, covenant protected loans with moderate leverage, relatively short durations as well.
- As a result, lenders can typically conduct extensive diligence, negotiate meaningful financial covenants, structure transactions with appropriate leverage and equity cushions, and maintain regular access to company financial information.

Management Commentary

- These portfolio metrics reflect the consistency of its underwriting process and its disciplined approach to credit selection.
- Based upon the current conditions, management expects this expansion to occur over the next 12 to 18 months while maintaining its disciplined underwriting standards.
- Management believes the current market environment favors lenders with established private equity sponsor relationships, consistent access to deal flow, and discipline underwriting, and these are long-standing strengths of its platform.

- Interest and expenses on debt were \$25 million. base management and performance-based incentive fees were 12.9 million, general and administrative expenses were 2.3 million, and provision for taxes was less than 0.1 million.

Market / Macro Commentary

- These investments are 92% first lean senior secured and generated an overall IRR of 12.2% demonstrating its ability to identify businesses operating in strategically important markets.
- The sector continues to benefit from active M&A markets and strong valuation support, thereby providing multiple avenues for value creation.
- Software remains an area of focus for market participants.
- They are concentrated on mission-critical enterprise software businesses, serving regulated end markets including defense, healthcare, and financial services.
- M&A activity has increased over the last six to nine months, although overall conditions remain uneven.

Outlook / Guidance

- Over time, management expects to grow the joint venture to more than \$1 billion of assets consistent with its existing joint venture.
- PFLT remains highly constructive on the long-term outlook for government services and defense because the sector possesses several characteristics that align well with its investment philosophy.

PennantPark Investment Corporation (PNNT)

Executive Summary

- PennantPark Investment Corporation (PNNT) reported results for the quarter ended June 30, 2026.
- PNNT's portfolio remains highly diversified and federally positioned.
- Management expects additional growth in the JV portfolio and the decrease in its cost of capital will enhance P&NT's earnings momentum and future quarters.
- PNNT ended the quarter with four non-accrual investments representing 2.5% of the portfolio cost and 0.8% at market value.

Key Financial Metrics

- For the quarter ended June 30th its core NII net investment income was 14 cents per share.

Dividend / Distribution

- This exceeded its base dividend of 4 cents per share per month or 12 cents per share for the quarter.
- Investment income was comprised of 20 million in interest income, 4.5 million in dividend income, and 0.3 million in other income.
- PNNT is utilizing the supplemental dividends to make such distributions and the decline in NAB was primarily attributable to the supplemental dividend payments.

Portfolio / Investment Activity

- PNNT ended the quarter with four non-accrual investments representing 2.5% of the portfolio cost and 0.8% at market value.
- Over the last 12 months PNNT's average cash yield on invested capital in the JV was 15.1 percent.
- As of June 30th the JV portfolio totaled 1.3 billion dollars and has the capacity to increase its portfolio to approximately 1.5 billion dollars.
- PNNT received approximately \$15 million in total proceeds on its original \$1.1 million investment, representing nearly 14 times multiple on invested capital.
- PNNT's exposure is limited to approximately 4.6% of the portfolio and is structured consistently with its core middle market strategy.
- Since its inception nearly 19 years ago, PNNT has invested \$9.4 billion and an average yield of 11.1% while maintaining a loss ratio and invested capital of roughly 20 basis points annually.
- At quarter end, PNNT's debt-to-equity ratio was 1.29 times and its capital structure is diversified across multiple funding sources, including both secured and unsecured debt.
- As of June 30th, PNNT's key portfolio statistics were as follows.

Originations / Fundings

- These investments are primarily cash pay, covenant protected loans with moderate leverage and relatively short originations and add-on investments.

Repayments / Sales / Exits

- Management expects increased transaction activity to drive repayments across the portfolio, including opportunities to monetize equity investments and redeploy that capital into income-generating investments.

Leverage / Liquidity

- In the core middle market, the pricing for high-quality first-line term loans remains attractive, typically ranging from SOFR plus 500 to 550 basis points with leverage of approximately four and a half times EBITDA.
- The two refinancings within the JV, the revolver and the securitization are going to be about a half a penny per share flow through to PNNT per quarter.
- As a result, lenders can typically conduct extensive diligence, negotiate meaningful financial covenants, structure transactions with appropriate leverage, and equity cushions and maintain regular access to company financial information.

Management Commentary

- PNNT's portfolio remains highly diversified and federally positioned.
- Management believes the current environment favors lenders with established private equity sponsored relationships, consistent access to deal flow and discipline underwriting and these are long-standing strengths of its pennant park platform.
- A testament to its consistent and disciplined approach through multiple market cycles.

- PNNT remains steadfast in its commitment to capital preservation and maintaining a disciplined, patient investment approach.
- In conclusion, PNNT remains committed to delivering consistent performance, preserving capital and creating long-term value for all stakeholders.

Market / Macro Commentary

- Demonstrating its ability to identify businesses operating in strategically important markets.
- The sector continues to benefit from active M&A markets and strong valuation support, thereby providing multiple avenues for value creation.
- Software remains an area focus for market participants.
- Importantly, these structures continue to include meaningful covenant protections in contrast to the covenant-like structures prevalent in the upper-middle market.

Outlook / Guidance

- Management expects additional growth in the JV portfolio and the decrease in its cost of capital will enhance P&NT's earnings momentum and future quarters.
- PNNT remains highly constructive on the long term outlook for government services and defense, because the sector possesses several characteristics that align well with its investment philosophy.

Stellus Capital Investment Corporation (SCM)

Executive Summary

- Stellus Capital Investment Corporation (SCM) reported results for the quarter ended June 30, 2026.
- Net realized and unrealized gains contributed 30 cents per share, primarily driven by write-ups related to company-specific performance.
- In terms of outlook, as of today, SCM's portfolio is approximately \$960 million across 117 portfolio companies.
- Currently, SCM has loans to 5 portfolio companies on non-accrual, which comprise 8.5% of the value of the total investment portfolio, respectively, which represent a decrease from the prior quarter at cost and a slight increase at fair value.
- The financial results for the second quarter, portfolio and asset quality, the outlook for Q3 and beyond, fund, an update on its advisor joining Rich Post Capital, its \$20 million share buyback program, and opportunities for growth.

Key Financial Metrics

- Management believes its long-term credit performance, as well as its 14-year track record of return on equity, demonstrates the effectiveness of its underwriting process and its portfolio management approach.
- To that point, SCM has generated a life-to-date return on equity of 9.5 percent, which includes all realized and unrealized gains and losses across the portfolio to date.

- Turning to operating results, in the second quarter, SCM generated 26 cents per share of gap net investment income and core net investment income, which excludes estimated excise taxes, was also 26 cents per share.
- With respect to portfolio and asset quality, SCM ended the quarter with an investment portfolio at fair value of \$968 million across 116 portfolio companies, a decrease from \$990 million across 116 portfolio companies as of March 31, 2026.
- Management believes these developments and changes will ultimately result in the ability to expand the investment portfolio by up to 100 million over time or 10 percent of the current portfolio at fair value today.

NAV / NII / EPS

- Overall, for the quarter, net asset value increased by 26 cents per share or 2% sequentially driven by three primary factors.
- Repurchasing shares is immediately accretive to net asset value and earnings for share, creating value for its shareholders.

Dividend / Distribution

- SCM has also paid \$349 million of dividends to its investors since its IPO, representing \$18.83 per share over this period.
- Management expects to be well positioned to earn its 25 cent quarterly dividend or more moving forward.
- SCM has aligned its 25 cent for share quarterly dividend with a current trajectory of NII.
- As mentioned on previous calls, SCM has been reducing the amount of spillover income and have expected that over time its dividend would approximate its net investment income.

Portfolio / Investment Activity

- The financial results for the second quarter, portfolio and asset quality, the outlook for Q3 and beyond, fund, an update on its advisor joining Rich Post Capital, its \$20 million share buyback program, and opportunities for growth.
- During the second quarter, SCM invested a total of \$18 million, of which \$8.7 million was in three new portfolio companies in \$9.3 million for add-ons to existing portfolio companies.
- At June 30th, 100% of its loans were secured and 92% were placed at floating rates.
- For the 98 companies that comprise its loan portfolio, the weighted average EBITDA level was 15.6 million dollars at quarter end and the weighted average normalized leverage quotient was 4.2 times for the performing loans.
- Overall, SCM's asset quality is slightly below plan, at fair value 74% of its portfolio is rated a 1 or 2 or on or ahead of plan, and 26% of the loan portfolio is marked in investment category of 3 or below, meaning not meeting plan or expectations.

Originations / Fundings

- However, SCM has seen a meaningful improvement in the origination pipeline across the Salish platform since beginning the quarter.
- While marked conditions remain fluid and the timing around future deal closings is never certain, SCM is hopeful gross origination activity is set to increase toward the end of the year, which should have positive implications on net portfolio growth for the company over the next several quarters.

- SCM is coordinating in many areas, including investment origination and management, investor relations, fundraising, and operations.
- While still early, management believes the long-term opportunity could represent significant incremental originations annually across the STELUS platform.

Repayments / Sales / Exits

- Over this time, SCM has received approximately \$1.9 billion of repayments while maintaining disciplined credit performance.
- SCM received five full repayments totaling \$38.7 million, \$500,000 from one equity realization, which resulted in a realized loss of \$200,000, and received \$10 million of other repayments at par.

Credit Quality

- Currently, SCM has loans to 5 portfolio companies on non-accrual, which comprise 8.5% of the value of the total investment portfolio, respectively, which represent a decrease from the prior quarter at cost and a slight increase at fair value.
- SCM removed one loan from non-accrual status during the quarter and did not add any new loans.
- The other one was in restructuring and taking out another lender at a low price, no low value to the other lenders.
- The non-accruals have been elevated for some time.

Leverage / Liquidity

- Since joining Ridge Post Capital, one of the most promising opportunities has been the ability to leverage the firm's broader sponsor relationships, specifically Ridge Post Capital, lower middle market private equity Fund to Funds business, which is RCP Advisors.

Management Commentary

- Net realized and unrealized gains contributed 30 cents per share, primarily driven by write-ups related to company-specific performance.
- On June 22nd its external advisor Stelz Capital Management officially joined the Ridge Post Capital platform.
- SCM is very pleased with how the transition is going and early integration is well underway.
- This aligns well with its direct lending strategy, which is exclusively to private equity, lower middle market private equity backed companies, and believe its business is set to benefit from this, meaningfully over time.

Market / Macro Commentary

- As a reminder Ridge Post Capital is a leading alternative investment manager in the middle and up middle and lower middle market currently managing more than 50 billion of AUM across private equity, private credit, and venture.
- RCP has been investing in the lower middle market GPs for 25 years, and the team has relationships with more than 200 lower middle market private equity firms.
- SCM's first question is coming from Eric Zwick of Lucid Capital Markets.

Outlook / Guidance

- In terms of outlook, as of today, SCM's portfolio is approximately \$960 million across 117 portfolio companies.
- With this new license, management expects to meaningfully increase the size of its investment portfolio.

WhiteHorse Finance Inc (WHF)

Executive Summary

- WhiteHorse Finance Inc (WHF) reported results for the quarter ended June 30, 2026.
- Far that focus has included discipline portfolio repositioning, selective capital deployment, accretive share repurchases, and steps to support distributable earnings.
- Regarding Camera Roll of Fitness, formerly known as Honors Holdings, a mark reflects the expected proceeds from the sale of the underlying locations.
- Q2 fee income was approximately \$0.1 million compared with \$0.4 million in the prior quarter, driven primarily by amendment fees from Lyft brands, also known as stat fitness, and NAA services.
- Gross unrealized depreciation of 7.1 million was offset by just 1.4 million of gross depreciation with the substantial majority of the portfolio unchanged quarter over quarter.

Key Financial Metrics

- Turning to its financial results Q2 gap net investment income and core NII were each 4.7 million or 21.7 cents per share compared with Q1 gap net investment income and core NII of 5.6 million or 25.3 cents per share last quarter.
- At the end of Q2, 98.8% of its debt portfolio was first-lean, senior-secured, and its portfolio continued to reflect the balance mix of sponsor and non-sponsor investments, with non-sponsor representing approximately 40% of the portfolio at fair value.
- Regarding news cycle, this is a small position for the BDC representing less than one half of 1% of the portfolio at fair value.
- For the quarter, WHF reported a net increase in net assets resulting from operations of \$10.4 million.
- The investment in the JV continues to be accretive for the BEC's earnings, generating a low teens return on equity.

NAV / NII / EPS

- One, net asset value per share increased, primarily driven by unrealized gains in one of its existing work out accounts.
- Two, share repurchases during the quarter, again providing a meaningful benefit to NAV per share accretion.
- NAV per share at the end of Q2 was up to 11.77, compared with 11.47 at the end of Q1, an increase of approximately 2.6%.
- A detailed bridge of the quarter over quarter change in the NAV per share is provided on slide 15 of its earnings presentation.

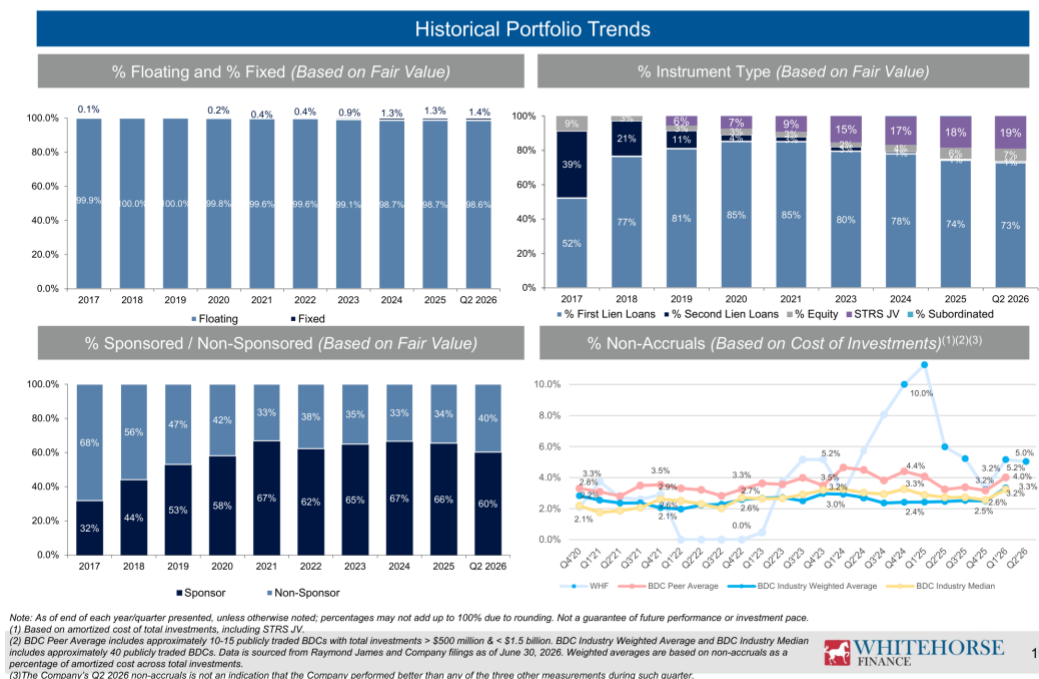
Dividend / Distribution

- This compares with Q1 gap NII and core NII of \$5.6 million, or 25.3 cents per share, as well as its previously declared second-quarter base distribution of 25 cents per share.
- Yesterday, WHF announced that its board declared a third-quarter base distribution of 25 cents per share.
- The distribution will be payable on October 5, 2026, the SOC holders' record as of September 21, 2026.

Portfolio / Investment Activity

- Gross unrealized depreciation of 7.1 million was offset by just 1.4 million of gross depreciation with the substantial majority of the portfolio unchanged quarter over quarter.
- WHF had gross capital deployments of 25.4 million in Q2, repayments and sales were muted during the quarter, and offset gross deployments by approximately 2.2 million, resulting in net deployments of approximately 23.2 million before the effects of transferring assets into the STRS JV.
- Gross capital deployment consisted of three new originations, totaling \$23.1 million, with the remaining amount deployed to fund add-ons to five existing portfolio companies.
- After net deployments and JV transfer activity as well as net realized and unrealized gains recognized during the quarter total investments increase from the prior quarter by 26.2 million to 569.2 million.
- The net mark-to-market to gains were driven primarily by a \$4.8 million markup on Chase, a \$0.4 million markup on PlayMonster, and approximately 0.5 million of other net markups across the portfolio.
- The weighted average effective yield on its overall portfolio was approximately 8.8% at the end of Q2 compared to approximately 8.7% at the end of Q1.

Portfolio Trends



Repayments / Sales / Exits

- Total retainments and sales of 2.2 million were driven by partial paydowns with no full realizations during the quarter.
- Those realizations should add to the BDC's NII-generating capability.
- New deals will generally be added to the JV only as repayments occur on existing JV investments.
- The increase in net effective leverage primarily reflected lower cash balances at quarter end as deployments outpaced repayments during the quarter.
- The most likely realization, or two realizations in the second half of the year are Chase Sarcos, pressurized holdings, which is three different names of one account, and then also Navaga.

Credit Quality

- Q2 fee income was approximately \$0.1 million compared with \$0.4 million in the prior quarter, driven primarily by amendment fees from Lyft brands, also known as stat fitness, and NAA services.
- Three, core earnings is moderated relative to the prior quarter, reflecting a portfolio yield that was impacted as a result of a smaller average portfolio size, as well as its loan investment in outward hound going onto non-accrual status in the first quarter.
- The four issuers on non-accrual at quarter end were Camarilla Fitness Holdings, New Cycle Solutions, Outward Hound, and PlayMonster.
- Turning to Outward Hound, WHF completed a restructuring of the business subsequent to quarter end in early July.
- As always, WHF continues to actively manage underperforming credits, leveraging its dedicated restructuring resources, and the broader capabilities of HIG.

Investment Rating / Risk

- WHF's risk ratings during the quarter showed that approximately 86.6 percent of its portfolio positions either carried a one or two rating, a slight decrease from the 88.3 percent reported in the prior quarter.

Leverage / Liquidity

- WHF is cautiously optimistic about the prospect of a liquidity event on this asset over the next 6 to 12 months.
- WHF is seeing lower leverage multiples and higher pricing on sponsored deals with most deals below 50% loan to value and some even below 40% loan to value.
- The BDC balance sheet currently has capacity for approximately 10 million of additional assets.
- Leverage for the JV at the end of Q2 was approximately 1.10 times, compared with approximately 1.08 times at the end of the prior quarter.
- Since then, the company has improved Dibaba from negative levels to a run rate in the low positive double digits, supported by new customer wins and added production capacity, and it continues to track ahead of plan this year.
- Working alongside the other lenders in the group, WHF recapitalized the company with a new revolver in term loan, converted a substantial portion of the outstanding debt into equity, and extended the maturity.

- The materially de-leveraged capital structure and control of the board, WHF is working closely with management on various operating initiatives to drive incremental top-line growth and optimize the company's cost structure.
- WHF is seeing better credits, lower leverage, and better documents.

Management Commentary

- Far that focus has included discipline portfolio repositioning, selective capital deployment, accretive share repurchases, and steps to support distributable earnings.
- The markup this quarter reflects the improvement in operating performance and the updated evaluation inputs that follow from it.
- Management has been focused on stabilizing financial performance and on cost reduction and initiatives and the company is currently preparing for a sale process.
- Regarding the JV specifically, WHF continues to utilize the platform as a complement to the BDC.

Market / Macro Commentary

- WHF has also been encouraged by the alignment shown through continued open market purchases by its offices and directors during the second quarter, and it's disclosed on form four filings.
- The company continues to operate in a challenging environment for pet products where category demand has softened, and retailers have maintained lean inventory positions.
- Turning to the market conditions, the market conditions are interesting and different from those a quarter ago.
- The volume of M&A activity is only moderate, similar to last year.
- One effect has been to scare retail investors, resulting in capital outflows that have reduced the appetite of some of the largest players in the marketplace.
- Another effect is that increasing criticism of the asset marketing policies of direct lenders and BDCs has led to greater scrutiny of both, where assets are marked down and the types of credits in which people are investing.
- In particular, the software sector, which was strongly in favor a year and a half ago, is now strongly out of favor, because the market recognizes that some software and technology companies face significant downside risk from potential AI disruption.
- Those factors have resulted in more conservative market environment.

Outlook / Guidance

- Regarding Camera Roll of Fitness, formerly known as Honors Holdings, a mark reflects the expected proceeds from the sale of the underlying locations.
- As a reminder, a one rating indicates that a company has seen its risk of loss reduced relative to initial expectations, and a two rating indicates a company is performing according to such initial expectations.

Advanced Flower Capital Inc. (AFCG)

Executive Summary

- Advanced Flower Capital Inc. (AFCG) reported results for the quarter ended June 30, 2026.
- AFCG is maintaining a disciplined approach to underwriting while actively advancing several opportunities through its pipeline.
- Turning to non-accrual loans, which remain concentrated in the Legacy Cannabis Fund.
- Today's conference call includes four looking statements and projections that reflect the company's current views with respect to, among other things, market developments, anticipated portfolio yield, and financial performance and projections in 2026 and beyond.

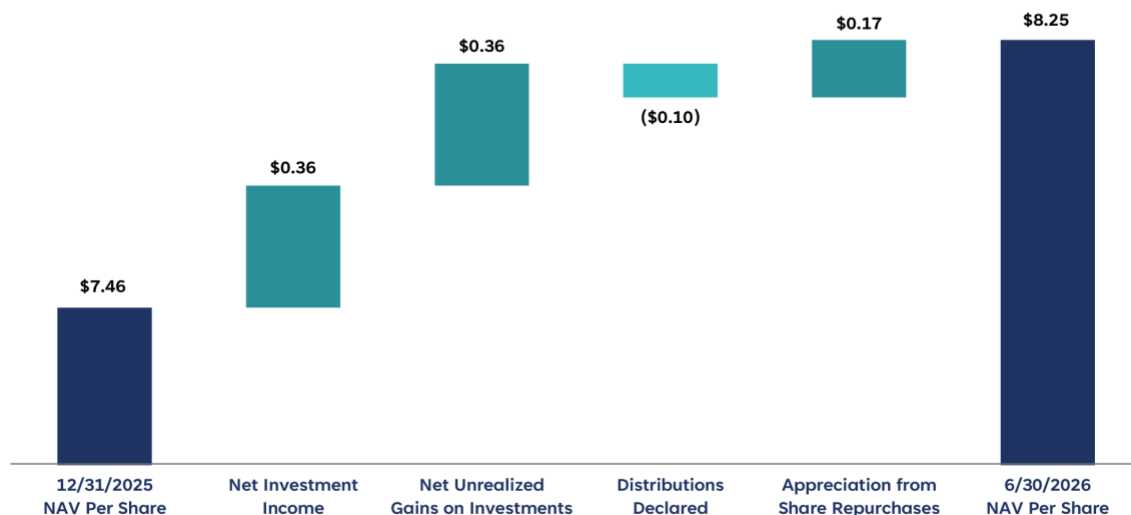
Key Financial Metrics

- Turning to its results, for the second quarter of 2026, AFC generated net investment income of \$0.15 per weighted average share of common stock.
- Total investment income was \$8.7 million, compared with \$9.8 million in the first quarter.

NAV / NII / EPS

- During the quarter, AFCG repurchased about \$2.8 million, which was 17 cents accretive to net asset value.

Net Asset Value Per Share



Source: AFCG_Q2_2026_presentation.pdf, chart/graph selected from page 17

What this picture shows: Advanced Flower Capital Inc.'s net Asset Value Per Share, covering NAV Per Share.

Dividend / Distribution

- The Board of Directors declared a second quarter distribution of \$0.05 per share, which was paid on July 15, 2026, to shareholders of record on June 30, 2026.

- This provided three times coverage of its \$0.05 second quarter 2026 distribution.

Portfolio / Investment Activity

- Today's conference call includes four looking statements and projections that reflect the company's current views with respect to, among other things, market developments, anticipated portfolio yield, and financial performance and projections in 2026 and beyond.
- On June 30, 2026, the fair value across its investment portfolio was \$290 million across 17 portfolio companies, compared to \$279 million across 15 portfolio companies on March 31.
- One hundred percent of the portfolio is in senior secured first-lean debt investments, and the weighted average yield, excluding non-occual loans, was 13.2 percent.
- During the quarter, AFCG funded \$17 million, including \$5 million to two new portfolio companies and \$12 million to two existing portfolio companies.
- AFCG's pipeline remains active with 1.3 billion dollars across a diverse range of industries.

Originations / Fundings

- Fundings were \$8 million against \$9 million of amortization and repayments.
- Subsequent to quarter end, AFCG committed \$7 million to a \$25 million senior-secured credit facility for a leading outpatient behavioral health platform with \$3 million funded at close.
- Management believes that this location is creating a compelling vintage for new originations.

Repayments / Sales / Exits

- Inception to date, AFCG has received \$58 million of principal repayment on the DEVY loan.
- The decline primarily reflects \$1.8 million of other income recognized in the first quarter that did not recur in the second quarter, mainly relating to a \$1.5 million exit fee from the Bloom repayment.
- Subsequent to quarter-end, the company repaid \$84 million and \$20 million respectively on the company's outstanding debt obligations under the secured revolving credit facility equity and the unsecured revolving credit facility.

Credit Quality

- Turning to non-accrual loans, which remain concentrated in the Legacy Cannabis Fund.

Leverage / Liquidity

- Debt to equity was 1.1 times as of June 30th compared to 1.09 times at March 31st and net debt to equity was 0.53 times compared to 0.48 times respectively.
- Finks, while not direct lenders to much of the middle market, hold indirect exposure through leveraged facilities extended to private credit funds, and that exposure is now drawing increased scrutiny.
- Unlike the upper middle market, where larger direct lending funds continue to compete aggressively on pricing, leverage, and documentation, the lower middle market continues to reward lenders with sponsor relationships, internal sourcing capabilities, and the ability to execute quickly.
- AFCG continues to negotiate comprehensive maintenance covenant packages, including leverage and fixed charge coverage tests.
- AFCG is very comfortable with its liquidity position.

Management Commentary

- AFCG is maintaining a disciplined approach to underwriting while actively advancing several opportunities through its pipeline.

Market / Macro Commentary

- Today's call will begin with Robin providing an overview of the lending environment and in its results, Dan will then provide an update on its portfolio and pipeline.
- In response to broader market stress, AFCG is seeing a pullback in available capital, particularly in the lower middle market where many lenders have either exited or shifted up market to support their existing portfolios.
- As a result, AFCG continues to believe the lower middle market offers one of the most compelling risk-adjusted return investment opportunities in private credit today.
- In contrast, much of the upper middle market remains characterized by covenant-like structures with fewer lender protections and more aggressive EBITDA adjustments.
- Year to date, AFCG has deployed approximately \$102 million in new lower middle market commitments.

Risks / Watch Items

- These statements are subject to inherent uncertainties in predicting future results.

Great Elm Capital Corp. (GECC)

Executive Summary

- Great Elm Capital Corp. (GECC) reported results for the quarter ended June 30, 2026.
- At Great Elm Specialty Finance, or GESF, GECC continues to execute on its strategic transformation to streamline the platform and enhance growth and profitability.
- GECC once again ended the quarter with less than 1% of the portfolio on non-accrual, reflecting its focus on proactive risk management and portfolio quality.

Key Financial Metrics

- Total investment income for the second quarter increased to 10.9 million dollars from 9.5 million dollars in the first quarter primarily driven by a two million dollar dividend from its investment and insurance related preference shares.
- Free incentive fee NII increased approximately 66% to \$4.5 million from \$2.7 million, reflecting higher total investment income and lower interest expense.
- Net assets increased to \$110.4 million or \$7.95 per share as of June 30, 2026 from \$107.5 million or \$7.74 per share as of March 31st, 2026.
- Since stepping into the CEO role, GECC's priorities have remained unchanged. changed, protecting and growing NAV, generating sustainable net investment income, and maintaining a disciplined approach to capital allocation and portfolio management.
- Net investment income, or NII, fully covered its quarterly distribution and regenerated meaningful realized and unrealized gains from investment monetization and appreciation.

- GECC increased NAV, strengthened portfolio quality, generated net investment income that fully covered its dividend, and further improved its balance sheet while reducing cost of capital.

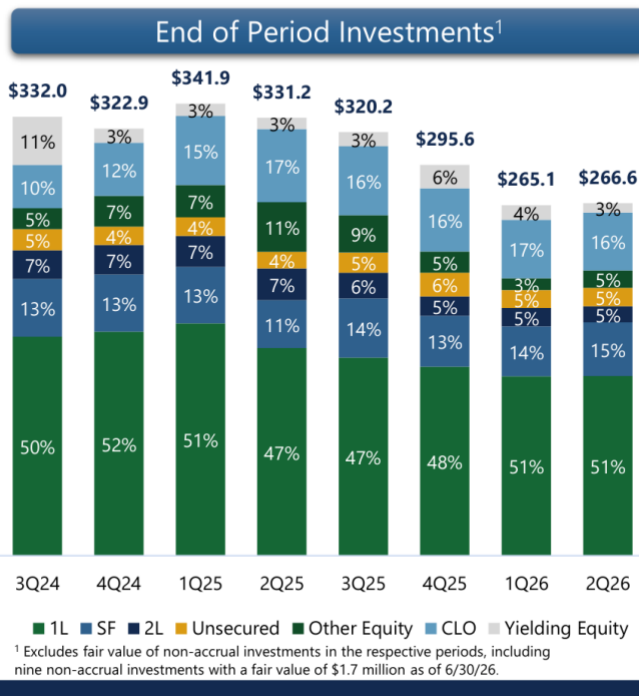
Dividend / Distribution

- During the quarter, GECC received \$2.6 million of distributions for this investment, bringing cumulative distributions to approximately \$9.5 million, well above its original \$6 million investment.
- GECC's board of directors declared a quarterly distribution of 25 cents per share, payable on September 30, 2026, the stockholders of record as of September 15th.
- All three GESF verticals were profitable during the quarter and generated cash distributions, reinforcing GESF's role as a growing source of diversified assets and income for GECC.
- The distribution was fully covered by its second quarter NII.

Portfolio / Investment Activity

- GECC once again ended the quarter with less than 1% of the portfolio on non-accrual, reflecting its focus on proactive risk management and portfolio quality.
- GECC's CLO investments also helped increase portfolio diversity, providing GECC with exposure to over 300 senior secured loans.
- CLO investments accounted for approximately 16% of its portfolio fair value at quarter end, generating meaningful cash flow to GECC, diversifying its income streams and supporting the sustainability of its NII.
- GECC ended the quarter with approximately \$6 million of cash and equivalents, \$39 million of available capacity under its evolving credit facility, and a meaningful portfolio of liquid investments.
- He will be joined by Matt Kaplan, Portfolio Manager, Chris Kertow, Head of Research, Chief Financial Officer, Kerry Davis, Chief Compliance Officer and General Counsel, Adam Kleinman, and Mike Keller, President of Great Elm Specialty Finance.
- At the same time, GECC continues to strengthen the quality of the portfolio and position GE CC to generate durable earnings and create long term shareholder value.
- The broader credit market remains highly competitive, but its disciplined approach to portfolio management has not changed.

Portfolio Asset Mix



Source: GECC_Q2_2026_presentation.pdf, chart/graph selected from page 14

What this picture shows: Great Elm Capital Corp.'s portfolio Asset Mix, covering End of Period Investments¹.

Leverage / Liquidity

- Beginning January 1, 2026 through August 4, 2026, GECC has repurchased approximately 1% of its outstanding shares at an average 37% discount toward June 30th NAS, leaving \$9.5 million of remaining capacity under the \$10 million authorization approved in October 2025.
- Asset coverage improved to 166.4% from 161.8%, while debt to equity improved to 1.51x from 1.62x in the prior quarter, reflecting its continued focus on deleveraging and balance sheet optimization.

Management Commentary

- At Great Elm Specialty Finance, or GESF, GECC continues to execute on its strategic transformation to streamline the platform and enhance growth and profitability.
- Looking ahead, GECC remains focused on discipline execution and prudent capital allocation.

Market / Macro Commentary

- Although its core weave related equity investment remains subject to market volatility, it continues to provide meaningful upside potential.
- At current market prices, the remaining authorization represents approximately 14% of GECC's market capitalization.
- The sponsor there is selectively selling shares based on market prices.

Chicago Atlantic BDC, Inc. (LIEN)

Executive Summary

- Chicago Atlantic BDC, Inc. (LIEN) reported results for the quarter ended June 30, 2026.
- Management believes that its investments have minimal overlap with the investments made by other public BDCs due to its unique investment strategy focused on underserved markets.
- Management expects the merger to close in the fourth quarter of 2026, subject to the required lien and refi stockholder approvals, regulatory approvals, and customary closing conditions.
- LIEN has no non-accruals compared with an industry average of 3.8% of costs.
- At quarter end, the fair value of the portfolio was 334.8 million, as 32.2 million of gross paydowns, inclusive of three full payoffs, were partially offset by 2.7 million of new originations.

Key Financial Metrics

- LIEN has 37 portfolio company investments, 26 percent of the portfolio is invested in non-cannabis companies across multiple sectors, the average debt investment size is approximately 8.3 million, or 2.5% of the portfolio at fair value.
- Net investment income for the quarter was 7.7 million or 34 cents per share down from 10 million or 44 cents per share in the first quarter of 2026.
- Net assets at June 30, 2026 were \$302.5 million.

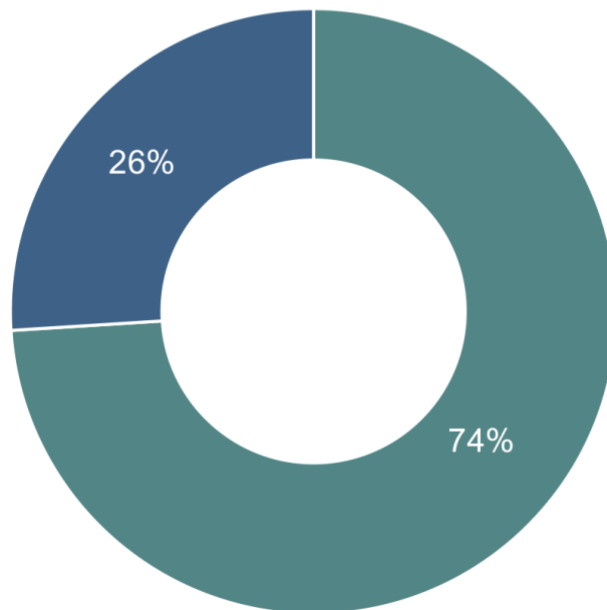
NAV / NII / EPS

- Net asset value per share was \$13.26 compared to \$13.33 in the first quarter of 2026.

Portfolio / Investment Activity

- At quarter end, the fair value of the portfolio was 334.8 million, as 32.2 million of gross paydowns, inclusive of three full payoffs, were partially offset by 2.7 million of new originations.
- Conversely, 100 basis point increase in benchmark rates would have a positive impact on 81% of the debt portfolio.
- The portfolio is under levered with only 27 million of debt as of quarter end with a 0.09 times debt to equity ratio.
- No non-accruals, a fully senior secured debt portfolio, meaningful protection against interest rate moves in either direction, and a weighted average yield on debt investments of 16%.
- The fair value of the portfolio, as of June 30th, was \$334.8 million, \$29.1 million lower than March 31st.
- While approximately 93% of the debt portfolio is insulated from interest rate declines through fixed rate structures and interest rate floors, the portfolio retains meaningful upside through favorable convexity in a rising rate environment.
- The weighted average gross yield on its debt portfolio is approximately 16%, which is in line with last order's yield of 15.8%.

PORTFOLIO DIVERSIFICATION⁸



Source: LIEN_Q2_2026_presentation.pdf, chart/graph selected from page 10

What this picture shows: Chicago Atlantic BDC, Inc.'s PORTFOLIO DIVERSIFICATION.

Originations / Fundings

- Gross investment income decreased to \$14 million from \$16.7 million for the first quarter 2026 primarily due to lower fee income reflecting lower origination activity during the quarter.
- Subsequent to Quarter End, LIEN funded a \$25 million debt investment to a new portfolio company.
- Originations and repayments are difficult to predict and can be volatile quarter over quarter.
- While the timing of repayments and originations may temporarily decrease the deployed capital, Repayments are a validation of its credit selection and underwriting.
- The decrease was driven in part by the decrease in portfolio size, less fee income from origination activities, and partially offset by lower income-based incentive fees.
- Both origination pipelines expanded meaningfully since last quarter, as companies continue to look past broader macro uncertainty and engage in strategic activity.

Credit Quality

- LIEN has no non-accruals compared with an industry average of 3.8% of costs.
- Investors and stockholders are urged to read those materials and any amendments or supplements when they become available because they contain important information about the transaction.
- Management sees these developments as a positive for its borrower's credit quality, but do not foresee a new large-scale increase in competition due to the inherent complexity of this industry.
- This decline was attributable mainly to gross pay-downs and a slower pace of deployment during the quarter, not to any deterioration in credit quality.

- Credit quality across the portfolio also remains strong and continues to reflect the benefits of its disciplined underwriting and structuring standards.
- LIEN remained focused on preserving credit quality and generating attractive risk adjusted returns rather than pursuing growth for growth's sake.

Investment Rating / Risk

- Portfolio performance remains stable during the quarter, and its internal risk ratings things were unchanged.

Leverage / Liquidity

- As of August As 12-26, the company had approximately \$47.2 million of liquidity, comprised of \$46.5 million of borrowing capacity under its \$100 million credit facility, subject to borrowing base and other restrictions, and approximately \$0.7 million of cash on the balance sheet.
- During the quarter, the company filed a shelf registration statement with the SEC to allow the company to issue up to 500 million securities, including debt securities, to increase its available liquidity beyond the credit facility, and create additional financial flexibility.
- Increased scale should improve access to capital, support future earnings growth, and enhance trading liquidity and market disability while maintaining the strong underwriting discipline and portfolio quality that have defined both platforms.

Management Commentary

- Management believes that its investments have minimal overlap with the investments made by other public BDCs due to its unique investment strategy focused on underserved markets.
- The pipeline across the Chicago Atlantic platform as of Quarter End, which includes cannabis and non-cannabis opportunities, was just shy of \$1.1 billion in potential debt transactions.
- Management believes this deliberate approach is a key driver of its performance and long-term capital preservation.
- LIEN's platform also remains differentiated within the BDC sector.

Market / Macro Commentary

- Comparing its financial metrics to the larger BDC market is a testament to the benefits of its unique business model.
- There are signs, however, of wider acceptance of the cannabis industry within the capital markets.

Outlook / Guidance

- Management expects the merger to close in the fourth quarter of 2026, subject to the required lien and refi stockholder approvals, regulatory approvals, and customary closing conditions.
- Several investments that were expected to close during the second quarter required additional times to complete and have since moved into the third quarter.

Prospect Capital Corporation (PSEC)

Executive Summary

- Prospect Capital Corporation (PSEC) reported results for the quarter ended June 30, 2026.
- PSEC's middle market lending strategy is the primary focus of its company, with such strategy as of June representing 85% of its investments at cost.
- Management expects to continue to redeploy future real estate property exit proceeds primarily into more first-lean, senior-secured corporate loans with selected equity-linked investments.
- On July 1st, 2026, Prospect closed the successful sale of its portfolio company, Valley Electric, with total consideration of approximately \$328 million.

Key Financial Metrics

- In the June quarter, Remember, PSEC's net investment income, or NII, was \$78 million, consistent with the prior quarter, or \$0.15 per common share.
- At June 30, PSEC's net debt to total assets ratio was 28.6%.
- PSEC's interest income for the 12-month period ending June 2026 was 91% of its total investment income, reflecting a strong recurring revenue profile for its business.
- Aiming in kind interest income for the last 12-month period ending June 2026 has been reduced 53% for the 12-month period ending June 2024 and with 10% of total investment income for the June 2026 fiscal year.
- Data rules as a percentage of total assets as of June stood at approximately 0.7% based on fair market value consistent with the prior quarter.
- PSEC's unfunded eligible commitments to portfolio companies total approximately \$65 million, Of which, \$52 million are considered at its sole discretion, representing approximately 1% and 0.8% of its total assets as of June 2026 respectively.

NAV / NII / EPS

- PSEC's NAV was approximately \$2.9 billion, or \$5.71 per common share. share.

Dividend / Distribution

- PSEC is announcing monthly common shareholder distributions of 3.5 cents per share for each of September and October.
- Over the life of the Valley Electric Investments since 2012, and including expected net exit proceeds of approximately \$281 million, together with prior interest on debt, equity distributions, and other cash flow streams, Prospect achieved a 20.5%, realized gross annualized IRR, 4.8 times multiple of invested capital.
- PSEC's preferred shareholder cash distributions continue at their contractual rates.

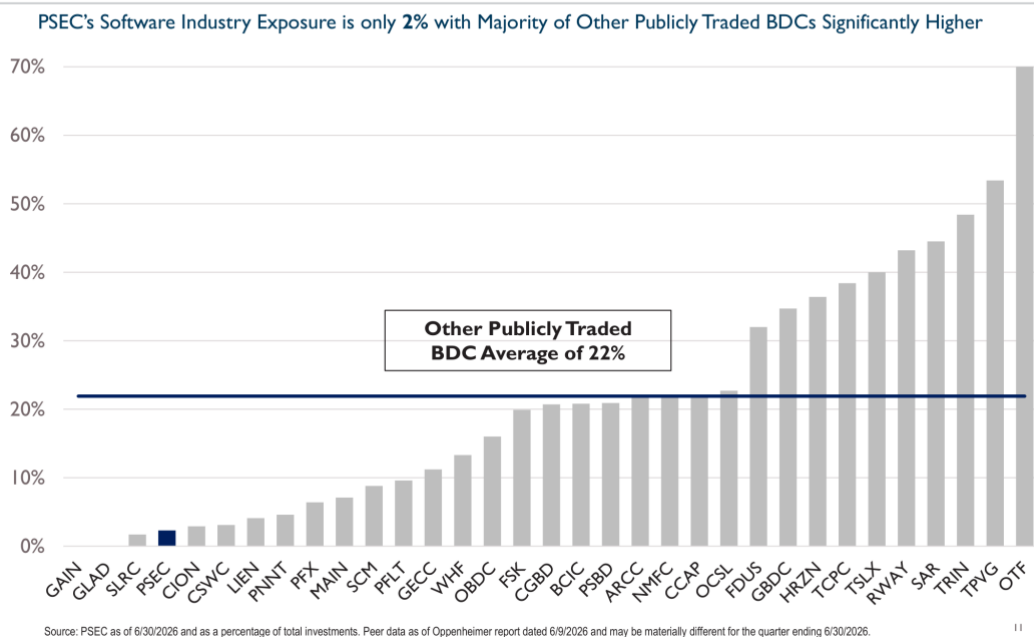
Portfolio / Investment Activity

- On July 1st, 2026, Prospect closed the successful sale of its portfolio company, Valley Electric, with total consideration of approximately \$328 million.
- Over the past two decades, Prospect Capital Corporation has invested approximately \$13.4 billion in over 350 exited investments out of approximately \$23 billion invested in over 450 total investments that have earned a 12% unlevered investment level gross cash IRR to Prospect Capital Corporation.

- Prospects Middle Market Portfolio Company Compare favorably to peers across key credit metrics with lower net leverage, 4.9 turns versus 6.1 turns for peers, stronger cash interest coverage, 223%, compared to 160% for peers, and a lower annualized net realized loss rate, 20 basis points versus 100 basis points.
- PSEC's portfolio at fair market value included 2.3% of investments in software companies, significantly less than the 22% average across business development companies from a recent equity research report in June.
- Middle market lending comprised 91% of its originations during the June quarter with a continued focus on first lien senior secured loans.
- PSEC has essentially completed the exit of its subordinated structured notes portfolio as of June with such portfolio representing around 0% of its investment portfolio at cost.
- PSEC's real estate property portfolio at National Property ReapCorp or NPRC totaled 14% of its investments at cost as of June and continue to focus on developed and occupied cash flow multifamily investments.

PROSPECT CAPITAL

LIMITED SOFTWARE INDUSTRY EXPOSURE



Source: PSEC_Q2_2026_presentation.pdf, chart/graph selected from page 11

What this picture shows: Prospect Capital Corporation's LIMITED SOFTWARE INDUSTRY EXPOSURE, covering Other Publicly Traded BDC Average of.

Originations / Fundings

- Investment originations in the June quarter aggregated \$166 million, consisting of 91% middle market investments with a significant majority of first lien, senior secured loans.
- PSEC experienced \$46 million of repayments and exits, representing net originations of \$120 million.

Repayments / Sales / Exits

- If the cash received on July 1 from the sale of Valley Electric had been received previously and repaid borrowings under its revolver, the revolvers drawn amount would have spend \$323 million on June 30th on a pro forma basis.

Leverage / Liquidity

- All of these types of unsecured debt have no asset restrictions and no cross defaults with its Revolver.

Management Commentary

- PSEC's middle market lending strategy is the primary focus of its company, with such strategy as of June representing 85% of its investments at cost.
- Since the inception of this strategy 14 years ago in 2012 and through June of 2026, PSEC has exited nearly 60 property investments, earning an unlevered investment level gross cash IRR of 24% and cash on cash multiple of 2.4 times.

Market / Macro Commentary

- PSEC is proud of its 38-year history of innovation and first-to-market accomplishments in alternative asset management, direct lending, and business development companies.
- PSEC views artificial intelligence as a transformational once-in-a-generation opportunity to enhance profitability and build on its longstanding culture of innovation and first to market leadership in the alternative asset management, direct lending, and business development company industries.
- This multi-decade time period includes the GFC and has been dominated in general by low prevailing market interest rates.

Outlook / Guidance

- Management expects to continue to redeploy future real estate property exit proceeds primarily into more first-lean, senior-secured corporate loans with selected equity-linked investments.



About SOLVE

SOLVE is the leading market data platform provider for fixed-income securities, trusted by sophisticated buy-side and sell-side firms worldwide. Founded in 2011, SOLVE leverages its AI-driven technology and deep industry expertise to offer unparalleled transparency into markets, reduce risk, and save hundreds of hours across front-office workflows. With the largest real-time datasets for Securitized Products, Municipal Bonds, Corporate Bonds, Syndicated Bank Loans, Convertible Bonds, CDS, and Private Credit, SOLVE empowers clients to transform the way they bring new securities to market, trade on secondary markets, and value highly illiquid securities. Headquartered in Connecticut, with offices across the globe, SOLVE is the definitive source for market pricing in fixed-income markets.

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