CRESCENT

Crescent Capital BDC, Inc.

# Quarterly Earnings Presentation

December 31, 2022

# Disclaimer and Forward-Looking Statement

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Footnotes contain important information about the definition of terms used herein, the composition of the investment portfolio and related performance information as well as unrealized investment valuations and should be carefully reviewed. Market data and information included herein (including information relating to portfolio companies) is based on various published and unpublished sources considered to be reliable, but has not been independently verified and there is no guarantee of its accuracy or completeness. Performance information contained herein is based in significant part on unrealized investment valuations which may not be achieved. We undertake no duty or obligation to publicly update or revise the information contained in this Presentation.

Legal, tax and regulatory changes, as well as judicial decisions, both within and outside of the United States, could have an adverse impact on the Company and its investments. Instability in the securities markets may increase the risk inherent in CCAP's investments in that the ability of issuers to refinance or redeem portfolio securities held may depend on their ability to sell new securities in the market. Future periods of uncertainty in the U.S. economy and the economies of other countries of issuers of securities and loans in which the Company may invest, and the possibility of increased volatility, default rates and deterioration in financial markets, may adversely affect the Company's investment portfolio.

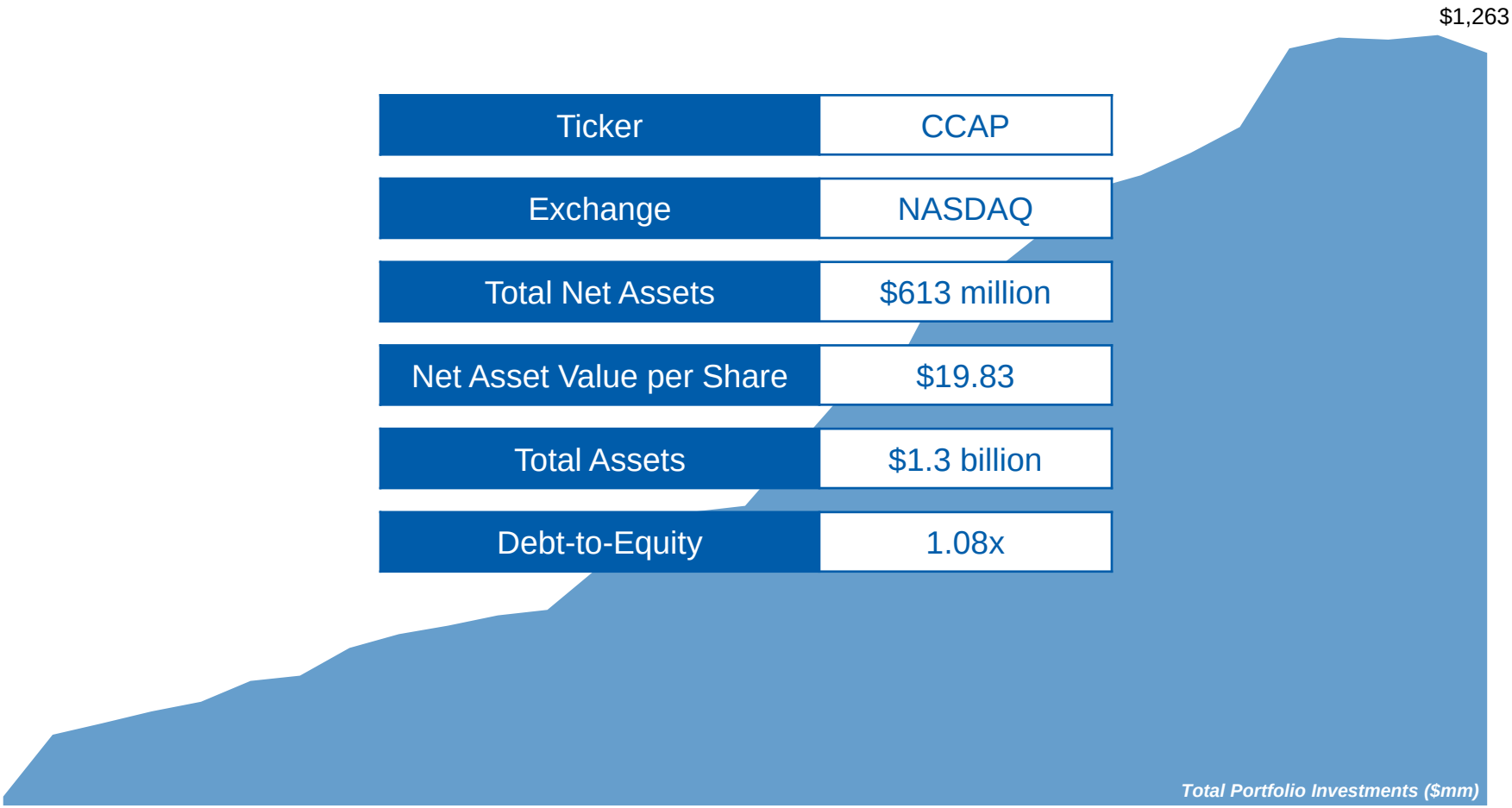
This Presentation may contain forward-looking statements that involve substantial risks and uncertainties. You can identify these statements by the use of forward-looking terminology such as "anticipates," "believes," "expects," "intends," "will," "should," "may," "plans," "continue," "believes," "seeks," "estimates," "would," "could," "targets," "projects," "outlook," "potential," "predicts" and variations of these words and similar expressions to identify forward-looking statements, although not all forward-looking statements include these words. You should read statements that contain these words carefully because they discuss plans, strategies, prospects and expectations concerning CCAP's business, operating results, financial condition and other similar matters. We believe that it is important to communicate our future expectations to our investors. There may be events in the future, however, that we are not able to predict accurately or control. You should not place undue reliance on these forward-looking statements, which speak only as of the date on which we make them. Factors or events that could cause our actual results to differ, possibly materially from our expectations, include, but are not limited to, the risks, uncertainties and other factors we identify in the sections entitled "Risk Factors" and "Cautionary Statement Regarding Forward-Looking Statements" in filings we make with the Securities and Exchange Commission (the "SEC"), and it is not possible for us to predict or identify all of them. We undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

CCAP is managed by Crescent Cap Advisors, LLC (the "Investment Adviser"), an SEC-registered investment adviser and a subsidiary of Crescent Capital Group LP (together with its affiliates, "Crescent").

This Presentation contains information about the Company and certain of its affiliates and includes the Company's historical performance. You should not view information related to the past performance of the Company as indicative of the Company's future results, the achievement of which is dependent on many factors, many of which are beyond the control of the Company and the Investment Adviser and cannot be assured. There can be no assurances that future dividends will match or exceed historic rates or will be paid at all. Further, an investment in the Company is discrete from, and does not represent an interest in, any other Crescent entity. Nothing contained herein shall be relied upon as a promise or representation whether as to the past or future performance of the Company or any other Crescent entity.

# Crescent Capital BDC, Inc. (CCAP)

***Specialty finance company focused on investing in the debt of private U.S. middle-market companies***

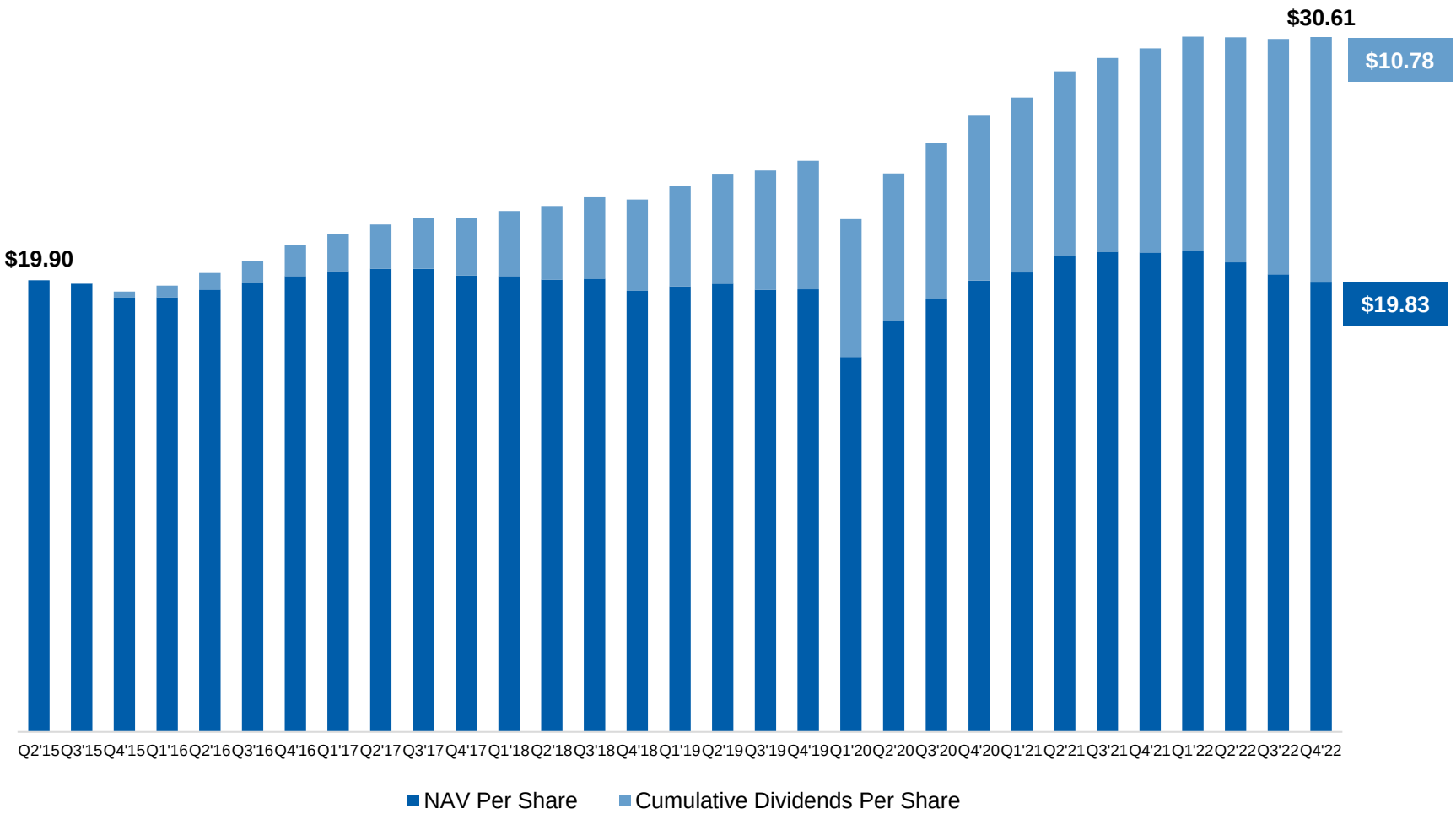



| | |
|---|---|
| Ticker | CCAP |
| Exchange | NASDAQ |
| Total Net Assets | $613 million |
| Net Asset Value per Share | $19.83 |
| Total Assets | $1.3 billion |
| Debt-to-Equity | 1.08x |

As of December 31, 2022. Past performance does not guarantee or indicate future results.

# Track Record of NAV Stability and Resilience

***Since its inception, CCAP has consistently delivered a stable NAV profile***




Note: Past performance does not guarantee or indicate future results.

# Summary of Financial Results

# Fourth Quarter 2022 Highlights

| | |
|---|---|
| Fourth Quarter Performance | • Adjusted net investment income for the quarter ended December 31, 2022 was $15.0 million, or $0.49 per share, as compared to $13.0 million, or $0.42 per share, for the prior quarter[(1)]<br>• Net investment income for the quarter ended December 31, 2022 was $16.1 million, or $0.52 per share, as compared to $16.0 million, or $0.52 per share, for the prior quarter<br>• Net realized and unrealized losses on investments for the quarter ended December 31, 2022 of ($13.5) million, or ($0.44) per share.[(2)] This compares to net realized and unrealized losses on investments of ($18.3) million, or ($0.59) per share,[(2)] for the prior quarter<br>• Net increase (decrease) in net assets for the quarter ended December 31, 2022 was $2.6 million, or $0.08 per share, as compared to ($2.4) million, or ($0.08) per share, for the prior quarter |
| NAV per Share | • Net asset value per share as of December 31, 2022 was $19.83 |
| Dividend | • Declared a regular dividend of $0.41 per share for the first quarter of 2023, payable on April 17, 2023 |
| Portfolio Highlights | • Diversified, defensively positioned portfolio consisting of 129 portfolio companies across 18 industries, valued at $1,263 million as of December 31, 2022<br>• 90% of CCAP's portfolio comprised of senior secured first lien and unitranche first lien investments by fair value |
| Capital Structure & Liquidity | • Strong liquidity profile with $17.1 million in cash and cash equivalents and restricted cash and $225.2 million of undrawn debt capacity as of December 31, 2022 |

Note: Net asset value per share is based on the shares outstanding at quarter-end. Dividend per share is based on the shares outstanding on the declaration date. Net investment income per share and net realized and unrealized losses per share are based on the weighted average number of shares outstanding for the period.

(1) For the quarters ended December 31, 2022 and September 30, 2022, the Company reversed previously accrued capital gains based incentive fees related to changes in net realized and unrealized gains and losses. These non-cash expenses, which were not paid and are not payable, were approximately ($0.03) and ($0.10) per share, respectively. See page 21 for a description of this non-GAAP measure and a reconciliation from net investment income per share to Adjusted net investment income per share.

(2) Net of taxes.

# Financial Highlights

| *$ in millions, except per share data* | Q4 2021 | Q1 2022 | Q2 2022 | Q3 2022 | Q4 2022 |
|---|---|---|---|---|---|
| Net investment income per share | $0.42 | $0.39 | $0.50 | $0.52 | $0.52 |
| Adjusted net investment income per share[(1)] | $0.43 | $0.42 | $0.41 | $0.42 | $0.49 |
| Net realized gains (losses) per share[(2)] | ($0.01) | $0.27 | ($0.06) | ($0.08) | ($0.00) |
| Net unrealized gains (losses) per share[(2)] | $0.02 | ($0.14) | ($0.47) | ($0.51) | ($0.44) |
| Net increase (decrease) in net assets per share | $0.44 | $0.52 | ($0.03) | ($0.08) | $0.08 |
| Net asset value (NAV) per share | $21.12 | $21.18 | $20.69 | $20.16 | $19.83 |
| Regular distributions paid per share | $0.41 | $0.41 | $0.41 | $0.41 | $0.41 |
| Special distributions paid per share | $0.05 | $0.05 | $0.05 | $0.05 | - |
| | | | | | |
| Total assets | $1,318 | $1,317 | $1,323 | $1,339 | $1,303 |
| Debt obligations, gross | $638 | $636 | $658 | $692 | $660 |
| Total liabilities | $666 | $663 | $684 | $717 | $690 |
| Total net assets | $652 | $654 | $639 | $623 | $613 |
| Debt-to-equity | 0.98x | 0.97x | 1.03x | 1.11x | 1.08x |

Note: Figures may not sum due to rounding.

(1) For each of the quarters listed above, the Company either accrued or reversed capital gains based incentive fee expenses related to changes in net realized and unrealized gains and losses. See page 21 for a description of this non-GAAP measure and a reconciliation from net investment income per share to Adjusted net investment income per share.

(2) Net of taxes.

# Portfolio Highlights – Selected Metrics

| *$ in millions, except per share data* | Q4 2021 | Q1 2022 | Q2 2022 | Q3 2022 | Q4 2022 |
|---|---|---|---|---|---|
| **Investments at Fair Value** | $1,270 | $1,289 | $1,285 | $1,293 | $1,263 |
| **Number of Portfolio Companies** | 134 | 130 | 137 | 136 | 129 |
| **Median Portfolio Company EBITDA** | $29 | $29 | $29 | $30 | $30 |
| **Asset Mix of Investment Portfolio:** | | | | | |
| Senior Secured First Lien | 26.0% | 25.1% | 26.1% | 25.4% | 23.8% |
| Unitranche First Lien(1) | 57.5% | 60.4% | 60.8% | 62.7% | 65.2% |
| Unitranche First Lien – Last Out(1) | 1.1% | 0.9% | 1.1% | 1.0% | 1.1% |
| Senior Secured Second Lien | 5.7% | 4.8% | 4.7% | 4.8% | 4.8% |
| Unsecured Debt | 0.4% | 0.3% | 0.3% | 0.3% | 0.4% |
| Equity & Other | 4.7% | 4.1% | 4.0% | 3.6% | 3.6% |
| LLC/LP Investments(2) | 4.6% | 4.4% | 3.0% | 2.2% | 1.1% |
| **Interest Rate Type on Debt Investments:** | | | | | |
| % Floating Rate | 98.5% | 98.8% | 98.7% | 98.7% | 98.8% |
| % Fixed Rate | 1.5% | 1.2% | 1.3% | 1.3% | 1.2% |
| **New Investment Activity, at cost:** | | | | | |
| New Investment Activity | $279.7 | $60.0 | $112.4 | $89.8 | $45.9 |
| Net Funded Investment Activity | $128.1 | $10.4 | $15.3 | $30.1 | ($25.6) |
| # of Debt Investments in New Portfolio Companies | 17 | 2 | 11 | 7 | - |
| Weighted Average Maturity for Debt Investments in New Portfolio Companies (Years) | 6.5 | 5.4 | 6.4 | 6.7 | - |
| Weighted Average Yield for Debt Investments in New Portfolio Companies | 7.1% | 6.9% | 7.7% | 7.9% | - |
| Weighted Average Spread on Debt Investments in New Portfolio Companies | 5.9% | 5.8% | 5.9% | 6.2% | - |

(1) Unitranche loans are first lien loans that may extend deeper in a company's capital structure than traditional first lien debt and may provide for a waterfall of cash flow priority among different lenders in the unitranche loan. In certain instances, the Company may find another lender to provide the "first out" portion of such loan and retain the "last out" portion of such loan, in which case, the "first out" portion of the loan would generally receive priority with respect to payment of principal, interest and any other amounts due thereunder over the "last out" portion that the Company would continue to hold. In exchange for the greater risk of loss, the "last out" portion earns a higher interest rate.

(2) Includes limited partnership interests in GACP II LP and WhiteHawk III Onshore Fund LP. For the periods prior to Q4 2022, includes an equity commitment in the CBDC Senior Loan Fund, LLC.

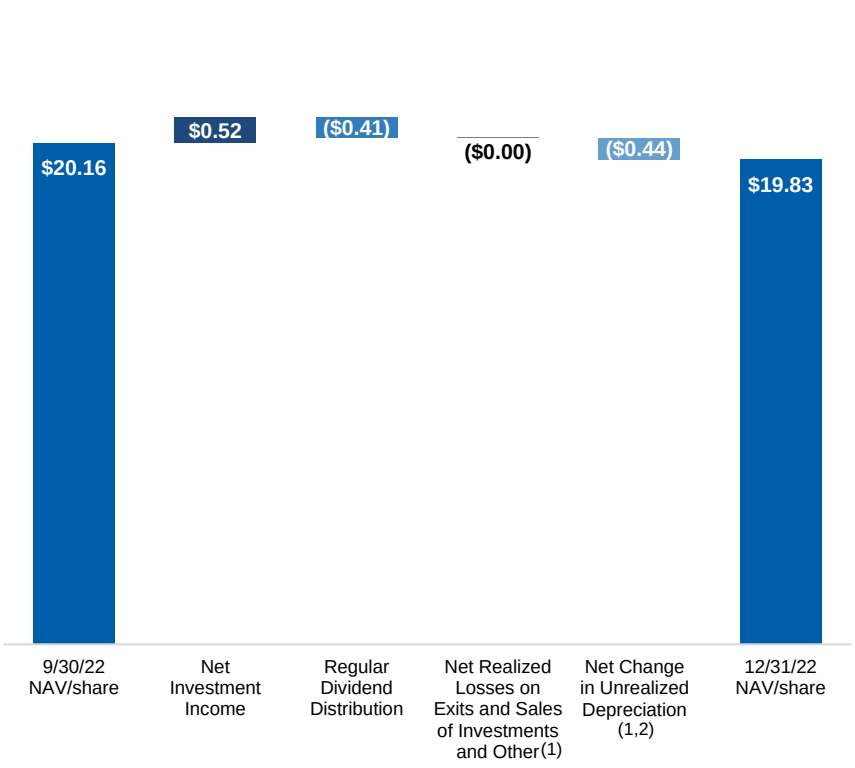
# Quarterly Statements of Assets and Liabilities

| *($ in thousands, except per share data)* | As of 12/31/2021 | 3/31/2022 | 6/30/2022 | 9/30/2022 | 12/31/2022 |
|---|---|---|---|---|---|
| **Assets** | | | | | |
| Investments, at fair value | $1,270,366 | $1,288,601 | $1,285,280 | $1,292,873 | $1,262,956 |
| Cash, cash equivalents and restricted cash | 23,526 | 18,189 | 18,864 | 22,153 | 17,067 |
| Interest and dividend receivable | 6,763 | 6,715 | 8,550 | 8,340 | 9,945 |
| Unrealized appreciation on forward contracts | 2,115 | 2,757 | 7,499 | 12,796 | 8,154 |
| Receivable for investments sold | 14,871 | 636 | 738 | 43 | 5 |
| Other assets | 168 | 579 | 2,098 | 3,053 | 4,751 |
| **Total Assets** | **$1,317,809** | **$1,317,477** | **$1,323,029** | **$1,339,258** | **$1,302,878** |
| **Liabilities and Net Assets** | | | | | |
| Debt (Leverage, gross) | $637,937 | $635,819 | $657,518 | $691,963 | $659,836 |
| Deferred financing costs | (6,897) | (6,689) | (6,256) | (5,818) | (5,380) |
| Distributions payable | 12,664 | 12,664 | 12,664 | 12,664 | 12,664 |
| Interest and other debt financing costs | 5,513 | 3,337 | 6,045 | 5,139 | 8,471 |
| Management fees payable | 3,830 | 3,959 | 4,016 | 4,082 | 4,056 |
| Income based incentive fees payable | 600 | 2,674 | 2,219 | 2,672 | 3,112 |
| Capital gains based incentive fees payable | 6,324 | 7,045 | 4,175 | 1,072 | - |
| Unrealized depreciation on forward contracts | 631 | 1,178 | 427 | 25 | 157 |
| Directors' fees | 114 | 117 | 113 | 148 | 151 |
| Accrued expenses and other liabilities | 4,808 | 3,087 | 2,919 | 4,709 | 7,270 |
| **Total Liabilities** | **$665,524** | **$663,191** | **$683,841** | **$716,656** | **$690,337** |
| **Total Net Assets (NAV)** | **$652,285** | **$654,286** | **$639,188** | **$622,602** | **$612,541** |
| **Total Liabilities and Net Assets** | **$1,317,809** | **$1,317,477** | **$1,323,029** | **$1,339,258** | **$1,302,878** |
| **NAV Per Share and Leverage Ratio** | | | | | |
| Common shares outstanding | 30,887,360 | 30,887,360 | 30,887,360 | 30,887,360 | 30,887,360 |
| NAV Per Share | $21.12 | $21.18 | $20.69 | $20.16 | $19.83 |
| Debt to Equity | 0.98x | 0.97x | 1.03x | 1.11x | 1.08x |
| Asset Coverage | 201% | 202% | 196% | 187% | 192% |

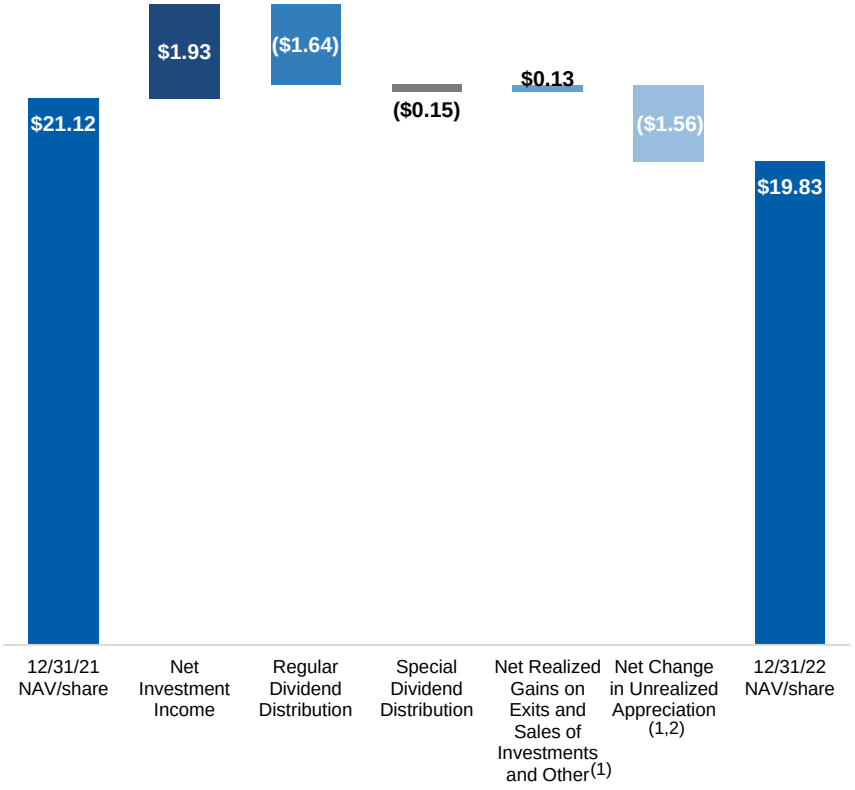
Note: Figures may not sum due to rounding.

# Net Asset Value per Share Bridge – Q4 & Full Year 2022

## Q4 2022




## Full Year 2022




Note: Figures may not sum due to rounding. Net asset value per share is based on the shares outstanding at the respective quarter-end. Dividend distributions per share is based on the shares outstanding on the declaration date. Net investment income per share and net realized/unrealized gains and losses per share are based on the weighted average number of shares outstanding for the period.

(1) Net of taxes.

(2) Includes the net change in unrealized appreciation (depreciation) on foreign currency forward contracts.

# Operating Results Detail

| *($ in thousands, except per share data)* | For the Three Months Ended 12/31/2021 | 3/31/2022 | 6/30/2022 | 9/30/2022 | 12/31/2022 |
|---|---|---|---|---|---|
| **Investment Income** | | | | | |
| Interest & Dividend income | $23,923 | $26,292 | $26,602 | $28,814 | $34,470 |
| Other income | 217 | 89 | 172 | 174 | 106 |
| **Total Investment Income** | **$24,140** | **$26,381** | **$26,774** | **$28,988** | **$34,576** |
| **Expenses** | | | | | |
| Interest and other debt financing costs | $5,283 | $5,471 | $6,571 | $8,651 | $11,188 |
| Management fees, net of waiver | 3,830 | 3,959 | 4,016 | 4,082 | 4,056 |
| Income based incentive fees, net of waiver | 600 | 2,674 | 2,219 | 2,672 | 3,112 |
| Capital gain based incentive fees | 174 | 721 | (2,870) | (3,103) | (1,072) |
| Other general and administrative | 548 | 696 | 677 | 635 | 657 |
| Professional fees | 254 | 452 | 256 | 306 | 288 |
| Directors' fees | 114 | 117 | 113 | 142 | 151 |
| Income and excise taxes | 847 | 154 | 259 | (350) | 92 |
| Total Expenses and taxes | $11,650 | $14,244 | $11,241 | $13,035 | $18,472 |
| **Net Investment Income after taxes** | **$12,490** | **$12,137** | **$15,533** | **$15,953** | **$16,103** |
| **Net Gain (Loss) on Investments** | | | | | |
| Net realized gain (loss) on investments | $437 | $8,596 | ($1,766) | ($2,128) | $244 |
| Net unrealized appreciation (depreciation) on forward contracts | 157 | 95 | 5,492 | 5,699 | (4,773) |
| Net unrealized appreciation (depreciation) on investments | 446 | (4,598) | (20,125) | (21,301) | (8,812) |
| Net realized and unrealized gains (losses) on investments | $1,040 | $4,093 | ($16,399) | ($17,730) | ($13,341) |
| Provision for taxes on realized gain on investments | (807) | (217) | - | (409) | (285) |
| Benefit/(Provision) for taxes on unrealized appreciation (depreciation) on investments | 112 | 196 | (24) | (192) | 125 |
| **Net increase in Net Assets Resulting from Operations** | **$12,835** | **$16,209** | **($890)** | **($2,378)** | **$2,603** |
| Net Investment Income Per Share | $0.42 | $0.39 | $0.50 | $0.52 | $0.52 |
| Accrued but unpaid distributions | $12,664 | $12,664 | $12,664 | $12,664 | $12,664 |
| Weighted average common shares outstanding | 29,398,882 | 30,887,360 | 30,887,360 | 30,887,360 | 30,887,360 |

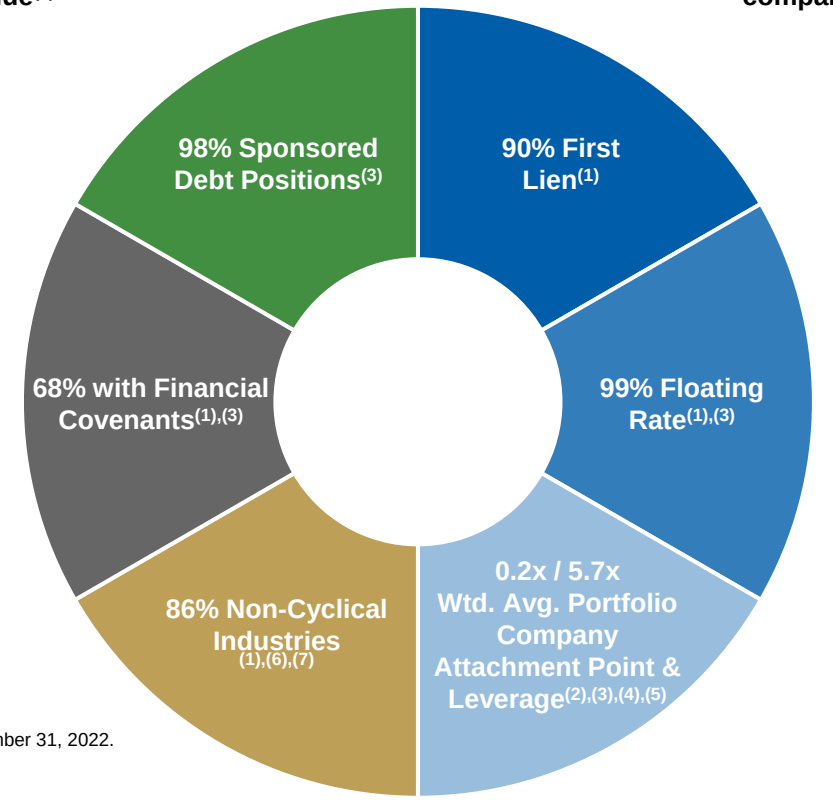
Note: Figures may not sum due to rounding.

# Portfolio Highlights

# Disciplined Portfolio Construction

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

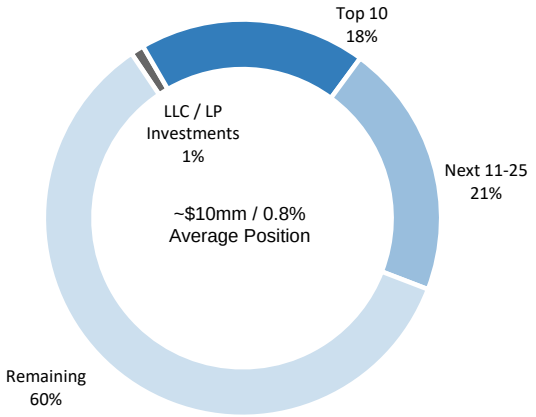
| $1,263mm | 129 | $30mm |
|---|---|---|
| **Investments at fair value(1)** | **Portfolio companies** | **Median portfolio company EBITDA(2)** |



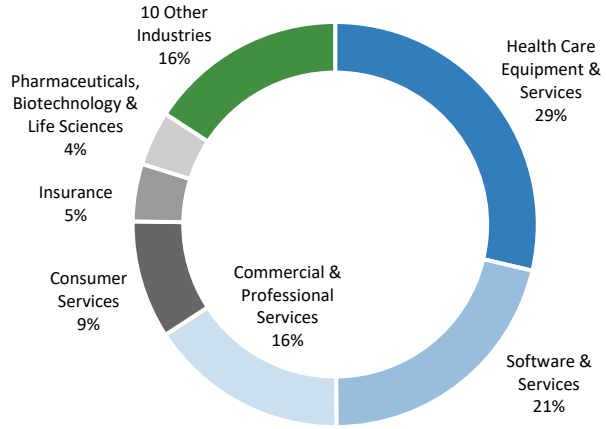

(1) Based on fair value of investments as of December 31, 2022.
(2) At time of underwrite.
(3) Includes debt investments only.
(4) Represents leverage through CCAP owned investments.
(5) Based on total commitments, defined as outstanding par amount plus unfunded amount.
(6) Excludes Senior Loan Fund, private fund investments, asset-based loans, and structured credit. Excluded assets comprise less than 10% of total fair value of investments.
(7) Designation of "non-cyclical" based on CCAP management's general views on cyclicality. Management considers the following industries non-cyclical: commercial & professional services; healthcare equipment & services; software services; consumer services; insurance; pharmaceutical, biotech & life sciences; food & staples retailing; household & personal products; media; telecom services; and food, beverages & tobacco.

# Portfolio Diversity

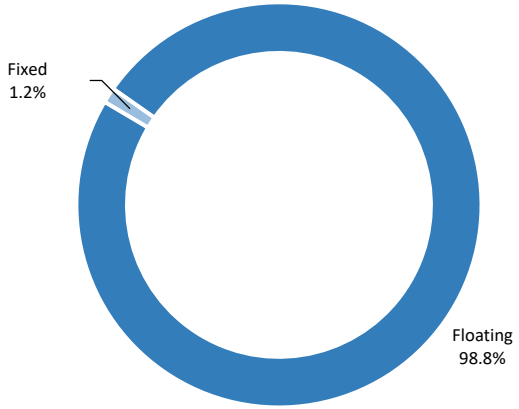
## Diversification by Obligor



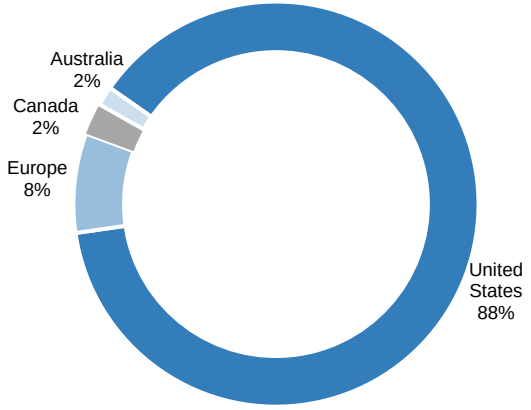

## Diversification by Industry




## Portfolio Composition by Interest Rate Type (1)




## Geography




Note: Based on CCAP's fair value of investments as of December 31, 2022. The Company's portfolio, at any given point in time, may be comprised of some, all or none of the asset types shown. An investment in the Company is different from a direct investment in any of the asset types shown above.

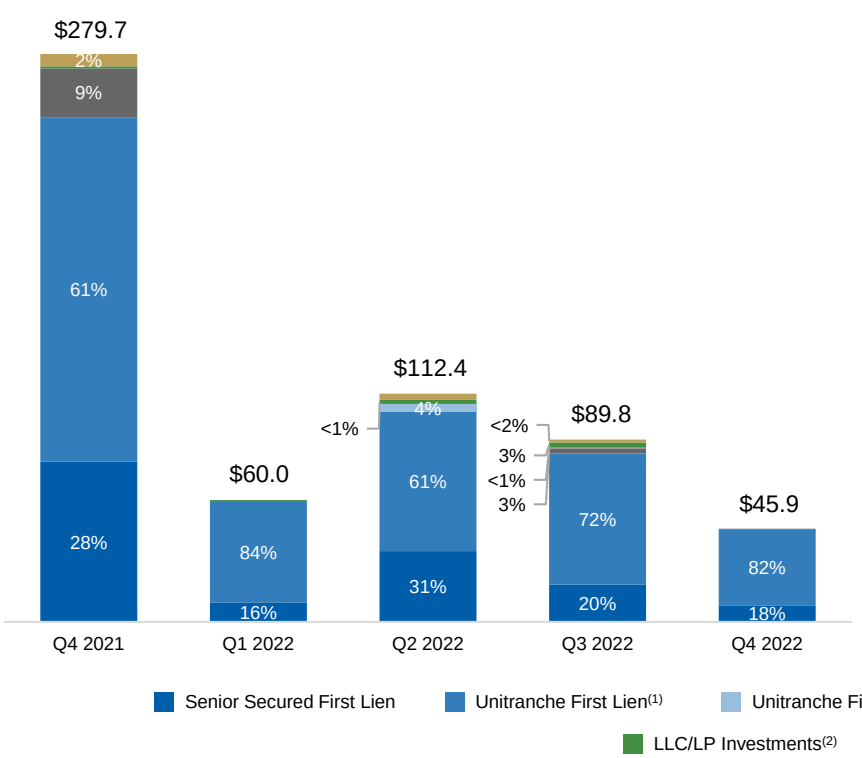
(1) Includes debt investments only.

# Investment Activity

## *Conservative investment strategy with 90% of portfolio in first lien loans*

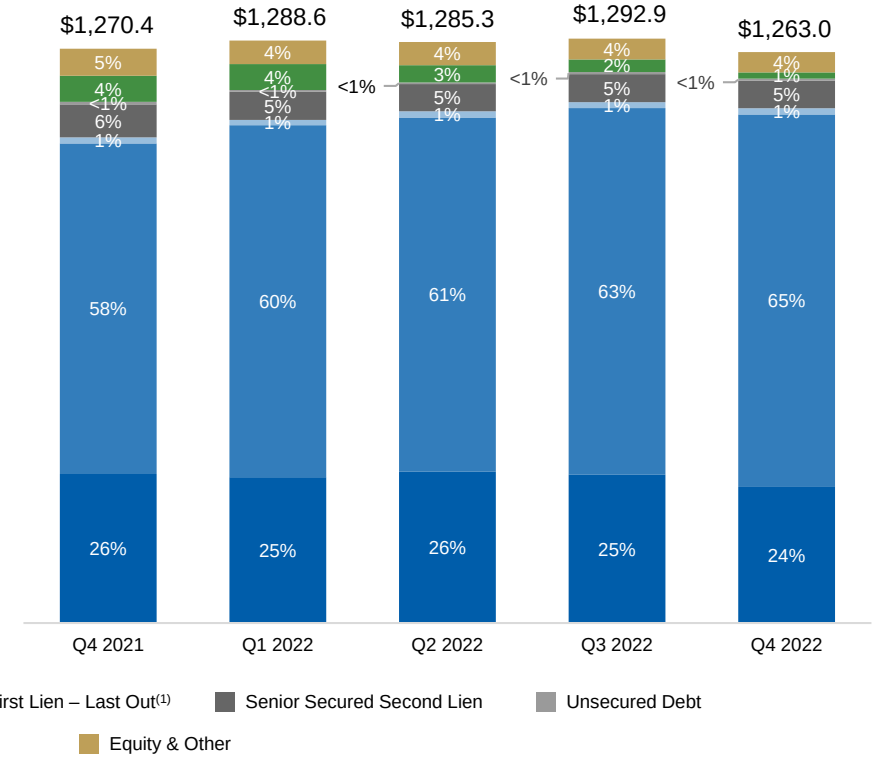
### New Investment Fundings

*At Cost. $ in millions*




### End of Period Investments

*At Fair Value. $ in millions*



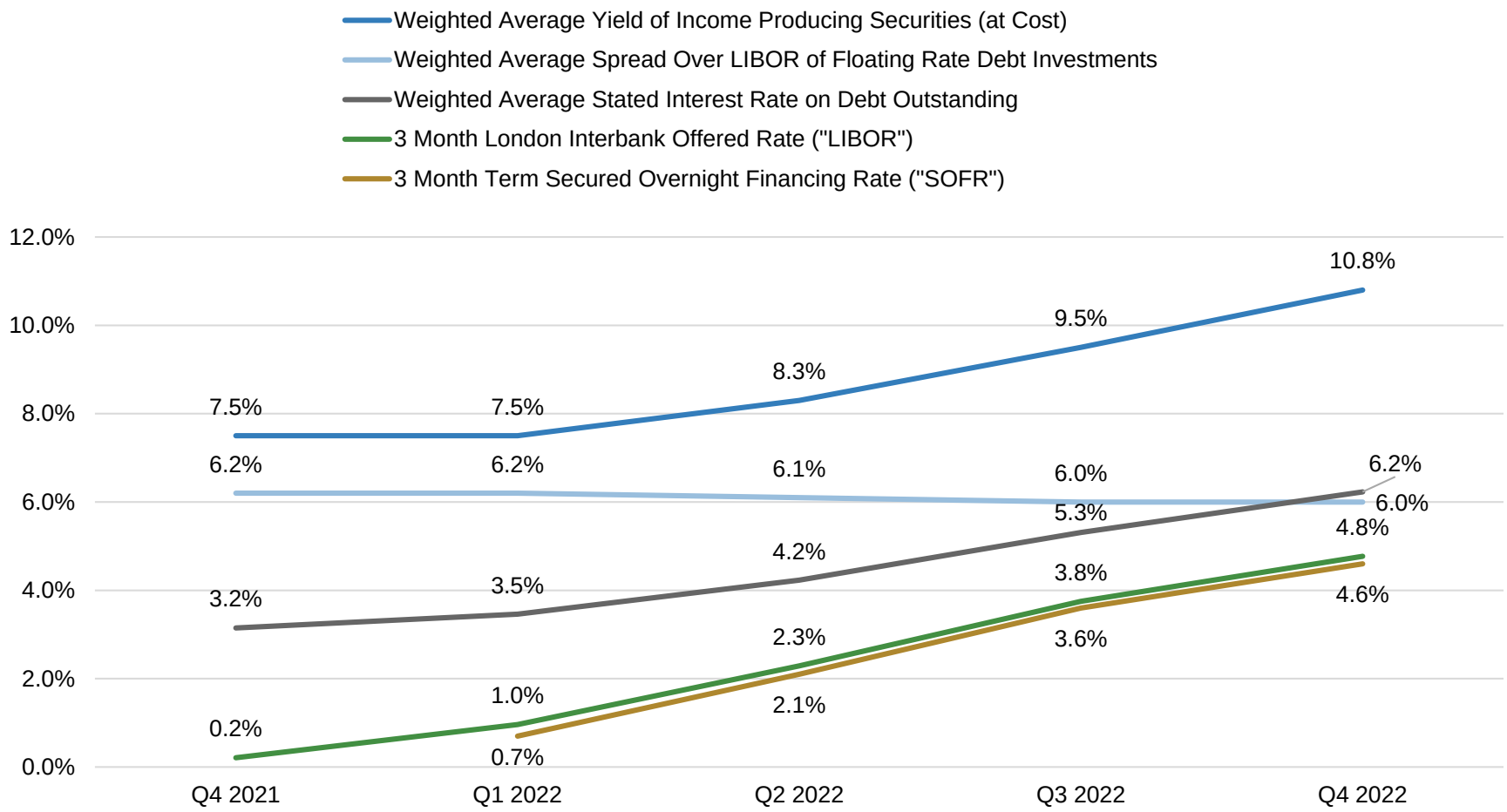

Senior Secured First Lien | Unitranche First Lien[(1)] | Unitranche First Lien – Last Out[(1)] | Senior Secured Second Lien | Unsecured Debt | LLC/LP Investments[(2)] | Equity & Other

Note: Figures may not sum due to rounding.

(1) Unitranche loans are first lien loans that may extend deeper in a company's capital structure than traditional first lien debt and may provide for a waterfall of cash flow priority among different lenders in the unitranche loan. In certain instances, the Company may find another lender to provide the "first out" portion of such loan and retain the "last out" portion of such loan, in which case, the "first out" portion of the loan would generally receive priority with respect to payment of principal, interest and any other amounts due thereunder over the "last out" portion that the Company would continue to hold. In exchange for the greater risk of loss, the "last out" portion earns a higher interest rate.

(2) Includes limited partnership interests in GACP II LP and WhiteHawk III Onshore Fund LP. For the periods prior to Q4 2022, includes an equity commitment in the CBDC Senior Loan Fund, LLC.

# Portfolio Net Interest Margin[(1)]

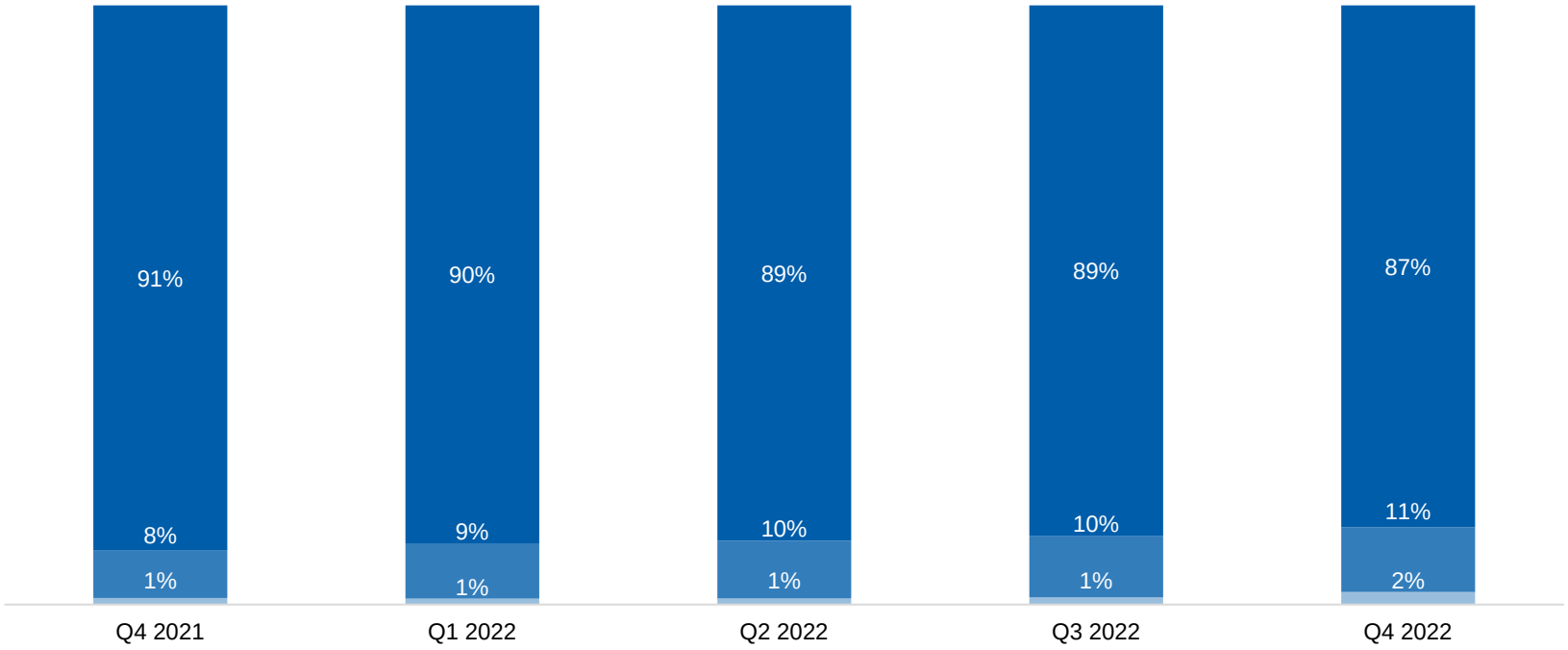



(1) As of quarter end.

# Investment Portfolio Performance Ratings

**Internal Performance Rating Migration**

% of Portfolio at Fair Value




| Non-Accruals (As % of Debt Investments at Cost & FV): | Q4 2021 | Q1 2022 | Q2 2022 | Q3 2022 | Q4 2022 |
|---|---|---|---|---|---|
| | 1.6% / 1.2% | 1.4% / 1.2% | 1.3% / 1.1% | 2.0% / 1.3% | 2.0% / 1.2% |

Note: As part of CCAP's monitoring process, each of our investments is graded quarterly on a risk scale of 1 to 5. Our assessment is based on the following categories: (1) Involves the least amount of risk relative to cost or amortized cost. Investment performance is above expectations since origination or acquisition. Trends and risk factors are generally favorable, which may include financial performance or a potential exit. (2) Involves a level of risk that is similar to the risk at the time of origination or acquisition. The investment is generally performing as expected, and the risks around our ability to ultimately recoup the cost of the investment are neutral to favorable relative to the time of origination or acquisition. New investments are generally assigned a rating of 2 at origination or acquisition. (3) Indicates an investment performing below expectations where the risks around our ability to ultimately recoup the cost of the investment have increased since origination or acquisition. For debt investments, borrowers are more likely than not in compliance with debt covenants and loan payments are generally not past due. An investment rating of 3 requires closer monitoring. (4) Indicates an investment performing materially below expectations where the risks around our ability to ultimately recoup the cost of the investment have increased materially since origination or acquisition. For debt investments, borrowers may be out of compliance with debt covenants and loan payments may be past due (but generally not more than 180 days past due). Non-accrual status is strongly considered for debt investments rated 4. (5) Indicates an investment performing substantially below expectations where the risks around our ability to ultimately recoup the cost of the investment have substantially increased since origination or acquisition. We do not expect to recover our initial cost basis.

# Capital Structure

# Liquidity Management

***Short term flexibility of $225.2 million of undrawn debt capacity***

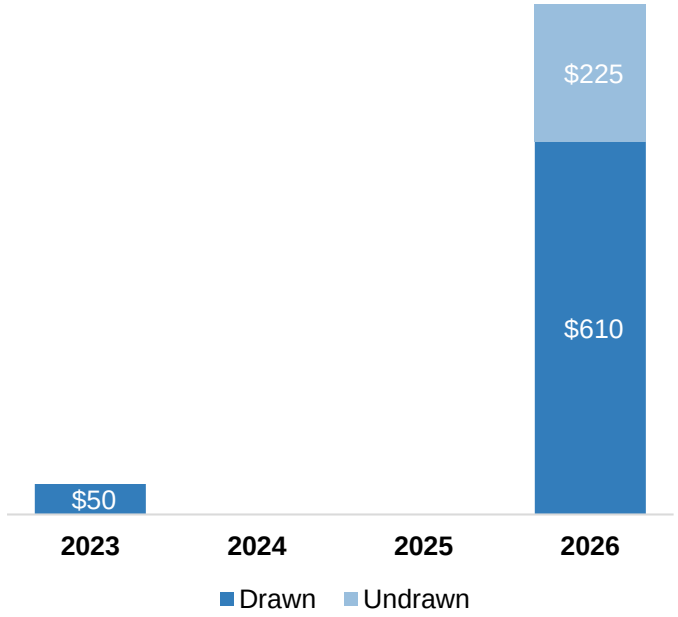
## Debt Summary

*($ in millions)*

| | Total Committed Amount | Principal Amount Outstanding | Interest Rate | Maturity Date |
|---|---|---|---|---|
| SPV Asset Facility | $350 | $233 | L+165<br>L+210 | 6/22/26 |
| SMBC Corporate Revolving Facility | 350 | 242 | S or L+187.5<br>S or L+200 | 10/27/26 |
| 2023 Unsecured Notes | 50 | 50 | 5.95% | 7/30/23 |
| 2026 Unsecured Notes | 135 | 135 | 4.00% | 2/17/26 |
| **Total Debt** | **$885** | **$660** | **6.23%(1)** | |

## Debt Maturities

*($ in millions)*




Note: As of December 31, 2022. Leverage Facility Capacity represents maximum principal amount of the facility subject to borrowing base advance rates and certain other limits/restrictions.
(1) Cost of debt as of year-end. Includes amortization of deferred financing costs.

# Appendix

# Reconciliation of Adjusted Net Investment Income

| *$ in thousands, except per share data* | As of 12/31/2021 | 3/31/2022 | 6/30/2022 | 9/30/2022 | 12/31/2022 |
|---|---|---|---|---|---|
| Net investment income | $12,491 | $12,137 | $15,533 | $15,953 | $16,103 |
| Capital gains based incentive fees | 173 | 721 | (2,870) | (3,103) | (1,072) |
| Adjusted net investment income | $12,664 | $12,858 | $12,663 | $12,850 | $15,031 |
| | | | | | |
| **Per share:** | | | | | |
| Net investment income | $0.42 | $0.39 | $0.50 | $0.52 | $0.52 |
| Capital gains based incentive fees | 0.01 | 0.03 | (0.09) | (0.10) | (0.03) |
| Adjusted net investment income | $0.43 | $0.42 | $0.41 | $0.42 | $0.49 |

Note: On a supplemental basis, the Company is disclosing Adjusted net investment income and per share adjusted net investment income, each of which is a financial measure that is calculated and presented on a basis of methodology other than in accordance with U.S. GAAP ("non-GAAP"). Adjusted net investment income represents net investment income, excluding capital gains based incentive fees. The Company's management uses this non-GAAP financial measure internally to analyze and evaluate financial results and performance and believes that this non-GAAP financial measure is useful to investors as an additional tool to evaluate ongoing results and trends for the Company without giving effect to capital gains incentive fees. The Company's investment advisory agreement provides that a capital gains based incentive fee is determined and paid annually with respect to realized capital gains (but not unrealized capital appreciation) to the extent such realized capital gains exceed realized capital losses and unrealized capital depreciation on a cumulative basis. The Company believes that Adjusted net investment income is a useful performance measure because it reflects the net investment income produced on the Company's investments during a period without giving effect to any changes in the value of such investments and any related capital gains incentive fees between periods. The presentation of Adjusted net investment income is not intended to be a substitute for financial results prepared in accordance with GAAP and should not be considered in isolation.