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

FORM 10-Q

(Mark One)

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

FOR THE QUARTERLY PERIOD ENDED March 31, 2019

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

COMMISSION FILE NUMBER: 814-01180

Runway Growth Credit Fund Inc.

(Exact name of registrant as specified in its charter)

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

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

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

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

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

Large accelerated filer ☐	Accelerated filer ☐
Non-accelerated filer x	Smaller reporting company ☐

Emerging growth company x

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

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

Securities Registered Pursuant to Section 12(b) of the Act:

Title of each class	**Trading Symbol(s)**	**Name of each exchange on which registered**
None	N/A	N/A

The issuer had 15,727,990 shares of common stock, $0.01 par value per share, outstanding as of May 9, 2019.

RUNWAY GROWTH CREDIT FUND INC.

FORM 10-Q FOR THE QUARTER ENDED MARCH 31, 2019

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

RUNWAY GROWTH CREDIT FUND INC.

Statements of Assets and Liabilities

	March 31, 2019 (Unaudited)	December 31, 2018
Assets		
Investments at fair value:		
Non-control/non-affiliate investments at fair value (cost of $244,327,120 and $223,851,892, respectively)	$ 242,483,107	$ 224,248,389
Investment in U.S. Treasury Bills at fair value (cost of $69,943,733 and $79,959,928, respectively)	69,943,733	79,959,928
Total investments at fair value (cost of $314,270,853 and $303,811,820, respectively)	312,426,840	304,208,317
Cash and cash equivalents	3,001,410	2,527,474
Deferred offering costs	212,139	102,865
Accrued interest receivable	1,254,796	1,221,494
Deferred credit facility fees (net of accumulated amortization of $119,642 and $82,648, respectively)	106,548	129,759
Other accounts receivable	41,160	41,160
Prepaid expenses	87,510	120,064
Total assets	317,130,403	308,484,133
Liabilities		
Payable for securities purchased	-	80,699
Deferred revenue	-	100,000
Reverse repurchase agreement	69,594,014	79,560,129
Credit facilities	6,750,000	59,500,000
Accrued incentive fees	2,241,066	1,071,566
Due to affiliate	77,176	116,697
Interest payable	1,849	163,981
Accrued expenses and other liabilities	481,845	388,666
Total liabilities	79,145,950	140,981,738
Commitments and contingencies (Note 3)		
Net assets		
Common stock, $0.01 par value; 100,000,000 shares authorized; 15,727,990 and 11,056,595 shares issued and outstanding, respectively	157,280	110,566
Additional paid-in capital	233,463,642	162,568,188
Accumulated undistributed earnings	4,363,531	4,690,641
Total net assets	$ 237,984,453	$ 167,369,395
Net asset value per share	$ 15.13	$ 15.14

See notes to financial statements.

RUNWAY GROWTH CREDIT FUND INC.

Statements of Operations
(Unaudited)

	Three Months Ended March 31, 2019	Three Months Ended March 31, 2018
Investment income		
From non-control/non-affiliate:		
Interest income	$ 11,914,033	$ 3,028,381
PIK interest income	174,301	-
Other income	51,462	215,001
Interest income from U.S. Treasury Bills	-	39,340
Other income from non-investment sources	10,533	87,849
Total investment income	12,150,329	3,370,571
Operating expenses		
Management fees	1,203,125	1,203,125
Incentive fees	1,881,369	-
Professional fees	210,248	128,557
Interest expense	155,578	21,634
Overhead allocation expense	199,739	118,114
Administration fee	181,574	57,145
Directors' fees	52,000	49,500
General and administrative expenses	2,009	39,330
Insurance expense	25,071	23,970
Consulting fees	27,420	13,000
Other expenses	138,172	36,472
Total operating expenses	4,076,305	1,690,847
Net investment income	8,074,024	1,679,724
Realized and unrealized gain (loss) on investments		
Realized gain on non-control/non-affiliate investments	-	59,792
Net change in unrealized appreciation (depreciation) on non-control/non-affiliate investments	(2,240,510)	(336,207)
Net realized and unrealized gain (loss) on investments	(2,240,510)	(276,415)
Net increase in net assets resulting from operations	$ 5,833,514	$ 1,403,309
Net increase in net assets resulting from operations per common share	$ 0.40	$ 0.16
Net investment income per common share	$ 0.55	$ 0.19
Weighted-average shares outstanding	14,751,065	8,668,334

See notes to financial statements.

RUNWAY GROWTH CREDIT FUND INC.

Statements of Changes in Net Assets
(Unaudited)

	Three Months Ended March 31, 2019	Three Months Ended March 31, 2018
Net increase (decrease) in net assets from operations		
Net investment income	$ 8,074,024	$ 1,679,724
Realized gain on investments	-	59,792
Net change in unrealized appreciation (depreciation) on investments and U.S. Treasury Bills	(2,240,510)	(336,207)
Net increase in net assets resulting from operations	5,833,514	1,403,309
Distributions to shareholders from:		
Dividends paid to shareholders	(6,160,624)	-
Total distributions to shareholders	(6,160,624)	-
Capital share transactions		
Issuance of common stock	66,000,000	-
Issuance of common stock under dividend reinvestment plan	4,942,168	-
Net increase in net assets resulting from capital share transactions	70,942,168	-
Total increase in net assets	70,615,058	1,403,309
Net assets at beginning of period	167,369,395	127,040,377
Net assets at end of period	$ 237,984,453	$ 128,443,686
Capital share activity		
Shares issued	4,671,395	-
Shares outstanding at beginning of period	11,056,595	8,668,334
Shares outstanding at end of period	15,727,990	8,668,334

See notes to financial statements.

RUNWAY GROWTH CREDIT FUND INC.

Statements of Cash Flows
(Unaudited)

		Three Months Ended March 31, 2019		Three Months Ended March 31, 2018
Cash flows from operating activities				
Net increase in net assets resulting from operations	$	5,833,514	$	1,403,309
Adjustments to reconcile net increase in net assets resulting from operations to net cash provided by (used in) operating activities:				
Purchase of investments		(34,649,818)		(4,945,923)
Purchase of U.S. Treasury Bills		(69,943,733)		(68,994,217)
Payment in-kind interest		(174,301)		-
Sale or maturity of investments		17,467,129		2,092,724
Sale or maturity of U.S. Treasury Bills		80,000,000		72,509,000
Realized gain on non-control/non-affiliate investments		-		(59,792)
Net change in unrealized (appreciation) depreciation on non-control/non-affiliate investments		2,240,510		336,207
Amortization of fixed income premiums or discounts		(3,158,310)		(756,300)
Amortization of deferred credit facility fees		36,993		-
Changes in operating assets and liabilities:				
Accrued interest receivable		(33,302)		(82,747)
Other accounts receivable		-		(2,975)
Prepaid expenses		32,554		24,517
Payable for securities purchased		(80,699)		(2,801,003)
Deferred revenue		(100,000)		-
Accrued incentive fees		1,169,500		-
Due to portfolio company		-		(3,000,000)
Due to affiliate		(39,521)		30,044
Interest payable		(162,132)		-
Accrued expenses and other liabilities		93,179		2,310
Net cash used in operating activities		(1,468,437)		(4,244,846)
Cash flows from financing activities				
Deferred offering costs		(109,274)		-
Deferred credit facility fees		(13,782)		-
Borrowings under credit facilities		6,750,000		-
Repayments under credit facilities		(59,500,000)		-
Proceeds from reverse purchase agreements		69,594,014		-
Repayment of reverse purchase agreements		(79,560,129)		-
Dividends paid to shareholders		(1,218,456)		-
Net cash received from common stock issued		66,000,000		-
Net cash provided by financing activities		2,051,647		-
Net increase (decrease) in cash		473,936		(4,244,846)
Cash and cash equivalents at beginning of period		2,527,474		8,141,670
Cash and cash equivalents at end of period	$	3,001,410	$	3,896,824
Supplemental and non-cash financing cash flow information:				
Taxes paid	$	2,490	$	-
Interest paid		317,710		21,634
Non-cash dividend reinvestments		4,942,168		-

See notes to financial statements.

RUNWAY GROWTH CREDIT FUND INC.

Schedule of Investments (Unaudited)

March 31, 2019

Portfolio Companies	Sub-Industry	Investment Description [(1),(5),(6)]	Acquisition Date	Principal	Cost	Fair Value [(2)]	% of Net Assets
Non-control/non-affiliate investments							
Senior Secured Term Loans							
Aginity, Inc.	Application Software	LIBOR+10.5% PIK, 11.5% floor, 5% ETP, due 5/25/2020 [(15)]	5/25/2018	$ 7,144,549	$ 6,877,335	$ 6,453,936	2.71%
Aria Systems, Inc.	Application Software	LIBOR+9.00%, 11.35% floor, 4% ETP, due 12/15/2021	6/29/2018	25,000,000	24,474,178	24,201,168	10.17
CareCloud Corporation	Healthcare Technology	Prime+7.00%, 11.75% floor, 3.5% ETP, due 6/15/2022 [(16)]	6/29/2018	25,000,000	24,670,455	24,095,661	10.12
Circadence Corporation	Application Software	LIBOR+9.5%, 12% floor, 5% ETP, due 6/20/2022	12/20/2018	18,000,000	14,619,913	14,619,913	6.14
Drawbridge, Inc.	Data Processing & Outsourced Services	LIBOR+9%, 11.25% floor, 4% ETP, due 10/22/2022	10/22/2018	15,000,000	14,534,873	14,534,873	6.11
Dtex Systems, Inc.	Application Software	LIBOR+9.5%, 11.5% floor, 11.5% cash cap, 4% ETP, due 11/15/2021	6/1/2018	8,000,000	7,983,544	7,795,495	3.27
eSilicon Corporation	Semiconductors	Tranche I: LIBOR+10.5%, 11.5% floor, 5% ETP, due 7/15/2020	7/31/2017	6,666,667	6,830,828	6,942,903	2.92
		Tranche II: LIBOR+10.5%, 11.5% floor, 5% ETP, due 7/15/2020	2/8/2018	4,583,333	4,678,353	4,773,246	2.01
Jibe, Inc.	Application Software	LIBOR+10%, 12.25% floor, 5% ETP, due 6/7/2022	6/7/2018	7,000,000	6.978,890	6,978,890	2.93
MingleHealth Care Solutions, Inc.	Healthcare Technology	LIBOR+9.5%, 11.75% floor, 4% ETP, due 8/15/2022	8/15/2018	6,000,000	5,588,477	5,588,477	2.35
Mobius Imaging, LLC	Healthcare Technology	LIBOR+9.25%, 11.00% floor, 4% ETP, due 10/15/2022	11/23/2018	15,500,000	13,719,264	13,719,264	5.76

See notes to financial statements.

RUNWAY GROWTH CREDIT FUND INC.

Schedule of Investments (Unaudited) – (continued)

March 31, 2019

Portfolio Companies	Sub-Industry	Investment Description [5], [6]	Acquisition Date	Principal/ Shares	Cost	Fair Value [2]	% of Net Assets
Non-control/non-affiliate investments (continued)							
Senior Secured Term Loans (continued)							
Mojix, Inc.	Application Software	Tranche I: LIBOR+10.50%, 11.00% floor, 12.0% cash cap, 5% ETP, due 5/15/2021 [4], [9]	5/16/2017	$ 6,052,837	$ 5,629,907	$ 5,182,846	2.18%
		Tranche II: LIBOR+10.50%, 11.00% floor, 12.0% cash cap, 5% ETP, due 5/15/2021 [4], [9]	8/3/2017	2,017,613	1,882,913	1,727,616	0.73
		Tranche III: LIBOR+10.50%, 11.00% floor, 12.0% cash cap, 5% ETP, due 5/15/2021 [4], [9]	7/6/2018	503,894	474,391	431,468	0.18
		Tranche IV: LIBOR+10.50%, 11.00% floor, 12.0% cash cap, 5% ETP, due 5/15/2021 [4], [9]	9/5/2018	503,190	471,778	430,865	0.18
		Tranche V: LIBOR+10.50%, 11.00% floor, 12.0% cash cap, 5% ETP, due 5/15/2021 [4], [9]	1/28/2019	1,002,078	923,564	858,046	0.36
3DNA Corp.(dba NationBuilder)	Application Software	LIBOR+9.00%, 11.50% floor, 5% ETP, due 4/28/2022	12/28/2018	7,000,000	6,871,473	6,871,473	2.89
Ouster, Inc.	Technology Hardware, Storage & Peripherals	LIBOR+8.50%, 10.75% floor, 5.25% ETP, due 5/15/2021	11/27/2018	10,000,000	9,826,120	9,826,120	4.13
RealWear, Inc.	Technology Hardware, Storage & Peripherals	Tranche I: LIBOR+9.50%, 10.85% floor, 5% ETP, due 10/5/2021	10/5/2018	5,000,000	4,896,342	4,896,342	2.06
		Tranche II; LIBOR+9.50%, 10.85% floor, 5% ETP, due 10/5/2021	12/28/2018	1,000,000	973,955	973,955	0.41
		Tranche III: Prime + 5.5%, revolving note due 5/1/2019 [14]	3/29/2019	2,500,000	2,495,896	2,495,899	1.05
RedSeal, Inc.	Application Software	LIBOR+9.50%, 11.00% floor, 5.25% ETP, due 12/15/2020	12/15/2017	15,000,000	15,236,911	16,521,565	6.94
Scale Computing, Inc.	Technology Hardware, Storage & Peripherals	LIBOR+9.25%, 11.75% floor, 4.5% ETP, due 9/15/2022	3/29/2019	15,000,000	14,506,672	14,506,672	6.10

See notes to financial statements.

Portfolio Companies	Sub-Industry	Investment Description (5), (6)	Acquisition Date	Principal/ Shares	Cost	Fair Value (2)	% of Net Assets
Non-control/non-affiliate investments (continued)							
Senior Secured Term Loans (continued)							
ShareThis, Inc.	Data Processing & Outsourced Services	Tranche I: LIBOR+9.25%, 11.65% floor, 4% ETP, due 5/15/2022	12/3/2018	$ 19,250,000	$ 17,781,661	$ 17,839,067	7.50%
		Tranche II: LIBOR+9.25%, 11.65% floor, 4% ETP, due 5/15/2022	1/17/2019	750,000	752,434	695,028	0.29
zSpace, Inc.	Technology Hardware, Storage & Peripherals	Tranche I: LIBOR+10.50%, 12.00% floor, 5% ETP, due 12/29/2020	12/29/2017	10,000,000	9,798,231	9,598,483	4.03
		Tranche II: LIBOR+10.50%, 12.00% floor, 5% ETP, due 12/29/2020	2/11/2019	5,000,000	4,599,822	4,799,242	2.02
Total Senior Secured Term Loans					$ 228,078,180	$ 227,358,513	95.54%
Preferred Stock							
Aria Systems, Inc.	Application Software	Series G Preferred Stock	7/10/2018	289,419	$ 250,000	$ 461,826	0.19%
Warrants (8)							
Aginity, Inc.	Application Software	Warrant for Series A Preferred Stock, exercise price $1.949/share, expires 5/25/2028	5/25/2018	359,158	$ 167,727	$ -	0.00%
Aginity, Inc.	Application Software	Warrant for Series A-1 Preferred Stock, exercise price $0.01/share, expires 2/25/2029	2/25/2019	205,234	151,873	151,873	0.06
AllClear ID, Inc.	Education Services	Warrant for Common Stock, exercise price $0.01/share, expires 9/1/2027	9/1/2017	870,514	1,749,733	1,193,475	0.50
Aria Systems, Inc.	Application Software	Warrant for Series G-Preferred Stock, exercise price $0.8638/share, expires 6/29/2028	6/29/2018	2,170,641	770,578	1,797,291	0.76
Aspen Group Inc.	Education Services	Warrant for Common Stock, exercise price $6.87/share, expires 7/25/2022	7/25/2017	224,174	583,301	352,000	0.15

See notes to financial statements.

RUNWAY GROWTH CREDIT FUND INC.

Schedule of Investments (Unaudited) – (continued)

March 31, 2019

Portfolio Companies	Sub-Industry	Investment Description [5], [6]	Acquisition Date	Principal/ Shares	Cost	Fair Value [2]	% of Net Assets
Non-control/non-affiliate investments (continued)							
Warrants [8] (continued)							
CareCloud Corporation	Healthcare Technology	Warrant for Series C Preferred Stock, exercise price $1.2035/share, expires 6/19/2025 [16]	6/19/2018	1,557,956	$ 394,163	$ 261,737	0.11%
Circadence Corp.	Application Software	Warrant for Series A-5 Preferred Stock, exercise price $1.08/share, expires 12/20/2028	12/20/2018	1,666,667	3,630,000	3,630,000	1.53
Drawbridge, Inc.	Data Processing & Outsourced Services	Warrant for Series C Preferred Stock, exercise price $2.2595/share, expires 10/22/2028	10/22/2018	663,864	406,285	395,663	0.17
Dtex Systems, Inc.	Application Software	Warrant for Series C Preferred Stock, exercise price $0.600/share, expires 6/1/2025	6/1/2018	500,000	59,000	57,000	0.02
eSilicon Corporation	Semiconductors	Warrant for Series H Preferred Stock, exercise price $1.01/share, expires 7/31/2027	7/31/2017	1,485,149	543,564	1,091,584	0.46
Jibe, Inc.	Application Software	Warrant for Series C Preferred Stock, exercise price $2.265/share, expires 6/7/2028	6/7/2018	247,242	40,795	34,630	0.01
MingleHealth Care Solutions, Inc.	Healthcare Technology	Warrant for Series AA Preferred Stock, exercise price $0.24/share, expires 8/15/2028	8/15/2018	1,625,000	492,375	386,750	0.16
Mobius Imaging, LLC	Healthcare Technology	Warrant for next round security exercise price $136/share, expires 11/23/2028	11/23/2018	7,123	1,820,000	1,820,000	0.77
Mojix, Inc.	Application Software	Warrant for Common Stock exercise price $10.64/share, expires 5/16/2027[9],[10]	5/16/2017	164,427	417,645	-	0.00
		Warrant for Series 1 Preferred Stock exercise price $0.28/share, expires 12/20/2028[9],[10]	12/20/2018	7,176,973	806,991	455,532	0.19

See notes to financial statements.

RUNWAY GROWTH CREDIT FUND INC.

Schedule of Investments (Unaudited) – (continued)

March 31, 2019

Portfolio Companies	Sub-Industry	Investment Description (5), (6)	Acquisition Date	Principal/ Shares	Cost	Fair Value (2)	% of Net Assets
Non-control/non-affiliate investments (continued)							
Warrants (8) (continued)							
3DNA Corp. (dba NationBuilder)	Application Software	Warrant for Series C-1 Preferred Stock exercise price $1.4643/share, expires 12/28/2028	12/28/2018	273,164	$ 104,138	$ 102,062	0.04%
Ouster, Inc.	Technology Hardware, Storage & Peripherals	Warrant for Series A Preferred Stock, exercise price $11.3158/share, expires 11/27/2028	3/28/2019	35,349	76,212	76,112	0.03
Realwear, Inc.	Technology Hardware, Storage & Peripherals	Warrant for Series A Preferred Stock, exercise price $4.4464/share, expires 10/5/2028	10/5/2018	112,451	135,841	146,322	0.06
		Warrant for Series A Preferred Stock, exercise price $4.4464/share, expires 12/28/2028	12/28/2018	22,491	25,248	29,266	0.01
RedSeal, Inc.	Application Software	Warrant for Series C-Prime Preferred Stock, exercise price $0.27318/share, expires 12/15/2027	12/15/2017	3,569,075	364,046	-	0.00
SendtoNews Video, Inc.	Advertising	Warrant for Class B Non-Voting Stock, exercise price $0.67/share, expires 6/30/2027 (3) (7)	6/30/2017	191,500	246,461	66,000	0.03
Scale Computing, Inc.	Technology Hardware, Storage & Peripherals	Warrant for Series F-1 Preferred Stock exercise price $0.8031/share, expires 3/29/2029	3/29/2019	2,147,926	345,816	345,816	0.15
ShareThis, Inc.	Data Processing & Outsourced Services	Warrant for Series D-3 Preferred Stock, exercise price $2.4320/share, expires 12/3/2028	12/3/2018	371,030	1,548,052	1,580,000	0.66
zSpace, Inc.	Technology Hardware, Storage & Peripherals	Warrant for Series E Preferred Stock, exercise price $0.90/share, expires 12/29/2027	12/29/2017	1,896,966	707,568	278,127	0.12
		Warrant for Series E Preferred Stock, exercise price $0.90/share, expires 2/11/2029	2/11/2019	2,806,830	411,528	411,528	0.17
Total Warrants					15,998,940	14,662,768	6.16
Total non-control/non-affiliate investments					244,327,120	242,483,107	101.89

See notes to financial statements.

RUNWAY GROWTH CREDIT FUND INC.

Schedule of Investments (Unaudited) – (continued)

March 31, 2019

Portfolio Companies	Sub-Industry	Investment Description [5], [6]	Acquisition Date	Principal/ Shares	Cost	Fair Value [2]	% of Net Assets
Non-control/non-affiliate investments (continued)							
U.S. Treasury		U.S. Treasury Bill, 2.42%, due 4/9/2019[12]		$ 60,000,000	$ 59,951,771	$ 59,951,771	25.19%
		U.S. Treasury Bill, 2.36%, due 4/9/2019[12]		10,000,000	9,991,962	9,991,962	4.20
					69,943,733	69,943,733	29,.39
Total Investments					$ 314,270,853	$ 312,426,840	131.28%

(1) Disclosures of interest rates on notes include cash interest rates and payment-in-kind (“PIK”) interest rates, as applicable. Unless otherwise indicated, all of the Company’s variable rate debt investments bear interest at a rate that is determined by reference to the 3-Month London Interbank Offered Rate (“LIBOR”) or the U.S. Prime Rate. At March 31, 2019, the 3-Month LIBOR was 2.60% and the U.S. Prime Rate was 5.50%.

(2) All investments in portfolio companies, which as of March 31, 2019 represented 101.89% of the Company’s net assets, are restricted as to resale and were valued at fair value as determined in good faith by the Company’s Board of Directors.

(3) Investment is not a qualifying investment as defined under Section 55(a) of the Investment Company Act of 1940, as amended. Non-qualifying assets represent 0.02% of total investments at fair value as of March 31, 2019. Qualifying assets must represent at least 70% of total assets at the time of acquisition of any additional non-qualifying assets. If at any time qualifying assets do not represent at least 70% of the Company's total assets, the Company will be precluded from acquiring any additional non-qualifying assets until such time as it complies with the requirements of Section 55(a).

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

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

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

(7) Investment is domiciled in Canada.

(8) Investments are non-income producing.

(9) As of June 29, 2018, the Mojix, Inc. (“Mojix”) loan and security agreement was amended to: (a) increase the LIBOR spread from 10.0% to 10.5%; (b) require existing shareholders to invest additional amounts of equity in Mojix;; and, (c) make certain adjustments to the length and timing of interest-only periods based on the accomplishment of performance milestones. In exchange, the Company has agreed to provide forbearance on certain covenant defaults and make available, upon certain additional equity investment by the shareholders, the remaining $2,000,000 under the original loan commitment. As of March 31, 2019, the Company has funded $1,000,000 in a third and fourth tranche in the amount of $500,000 each along with a fifth tranche in the amount of $1,000,000.

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

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

(12) Treasury bills with $70,000,000 in aggregate of par value were purchased pursuant to a 4.00% reverse repurchase agreement with Goldman Sachs, dated March 28, 2019, due April 4, 2019, with a repurchase price of $70,000,000 and collateralized by a 2.42% U.S. Treasury Bill due April 9, 2019 with a par value of $60,000,000 and fair value of $59,951,771 and a 2.36% U.S. Treasury Bill due April 9, 2019 with a par value of $10,000,000 and fair value of $9,991,962.

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

(14) As of March 31, 2019, the RealWear secured revolving promissory note agreement was in the amount of $3,000,000, of which $2,500,000 was funded as of and for the three months ended March 31, 2019. The remaining $500,000 was funded on April 3, 2019.

(15) As of February 25, 2019, the Aginity, Inc. loan and security agreement was amended to: (a) increase LIBOR spread from 9.5% to 10.5%; (b) modify the maturity date from May 25, 2022 to May 25, 2020; and, (c) modify all accrued interest to be added to the principle amount of the term loan as PIK and be payable on the maturity date.

(16) As of April 17, 2019, the CareCloud Corporation warrant to purchase preferred stock was amended to change the warrant entitlement of the Company from Series C Preferred Stock to Series A-1 Preferred Stock at 2,262,579 shares at an exercise price of $0.08287.

The following tables show the fair value of our portfolio of investments (excluding any U.S. Treasury Bills held) by geographic region and industry as of March 31, 2019:

	March 31, 2019	
Geographic Region	**Investments at Fair Value**	**Percentage of Net Assets**
Western United States	$ 172,855,154	72.63%
Southeastern United States	24,357,398	10.23
Northeastern United States	22,552,783	9.48
Midwestern United States	21,458,297	9.02
South Central United States	1,193,475	0.50
Canada	66,000	0.03
Total	$ 242,483,107	101.89%

	March 31, 2019	
Industry	**Investments at Fair Value**	**Percentage of Net Assets**
Application Software	$ 98,763,494	41.50%
Healthcare Technology	45,871,889	19.27
Data Processing & Outsourced Services	35,044,631	14.73
Technology Hardware, Storage & Peripherals	33,531,397	14.09
System Software	14,852,488	6.24
Semiconductors	12,807,733	5.38
Specialized Consumer Services	1,193,475	0.50
Education Services	352,000	0.15
Advertising	66,000	0.03
Total	$ 242,483,107	101.89%

See notes to financial statements

RUNWAY GROWTH CREDIT FUND INC.

Schedule of Investments

December 31, 2018

Portfolio Companies	Sub-Industry	Investment Description [1],[5],[6]	Acquisition Date	Principal	Cost	Fair Value [2]	% of Net Assets
Non-control/non-affiliate investments							
Senior Secured Term Loans							
Aginity, Inc.	Application Software	LIBOR+9.5%, 11.5% floor, 5% ETP, due 5/25/2022	5/25/2018	$ 7,000,000	$ 6,795,581	$ 6,675,922	3.99%
AllClear ID, Inc.	Specialized Consumer Services	Tranche I: LIBOR+10.75%, 12.25% floor, 5% ETP, due 8/15/2021	9/1/2017	10,000,000	9,545,594	9,841,798	5.88
		Tranche II: LIBOR+8.50%, 10% floor, 5% ETP, due 8/15/2021	10/17/2018	5,000,000	4,342,367	4,920,899	2.94%
Aria Systems, Inc.	Application Software	LIBOR+9.00%, 11.35% floor, 4% ETP, due 12/15/2021	6/29/2018	25,000,000	24,305,208	24,212,998	14.46
CareCloud Corporation	Healthcare Technology	Prime+7.00%, 11.75% floor, 3.5% ETP, due 6/15/2022	6/29/2018	25,000,000	24,570,129	24,123,158	14.41
Circadence Corporation	Application Software	LIBOR+9.5%, 12% floor, 5% ETP, due 6/20/2022	12/20/2018	18,000,000	14,239,085	14,239,085	8.51
Drawbridge, Inc.	Data Processing & Outsourced Services	LIBOR+9%, 11.25% floor, 4% ETP, due 10/22/2022	10/22/2018	15,000,000	14,467,708	14,467,708	8.64
Dtex Systems, Inc.	Application Software	LIBOR+9.5%, 11.5% floor, 11.5% cash cap, 4% ETP, due 11/15/2021	6/1/2018	8,000,000	7,938,983	7,887,407	4.71
eSilicon Corporation	Semiconductors	Tranche I: LIBOR+10.5%, 11.5% floor, 5% ETP, due 7/15/2020	7/31/2017	7,916,667	7,976,198	8,227,697	4.92
		Tranche II: LIBOR+10.5%, 11.5% floor, 5% ETP, due 7/15/2020	2/8/2018	5,000,000	5,063,065	5,196,440	3.10
Jibe, Inc.	Application Software	LIBOR+10%, 12.25% floor, 5% ETP, due 6/7/2022	6/7/2018	7,000,000	6,951,535	6,951,535	4.15
MingleHealth Care Solutions, Inc.	Healthcare Technology	LIBOR+9.5%, 11.75% floor, 4% ETP, due 8/15/2022	8/15/2018	6,000,000	5,532,093	5,532,093	3.31

See notes to financial statements.

RUNWAY GROWTH CREDIT FUND INC.

Schedule of Investments (continued)

December 31, 2018

Portfolio Companies	Sub-Industry	Investment Description (5), (6)	Acquisition Date	Principal/ Shares	Cost	Fair Value (2)	% of Net Assets
Non-control/non-affiliate investments (continued)							
Senior Secured Term Loans (continued)							
Mobius Imaging, LLC	Healthcare Technology	LIBOR+9.25%, 11.00% floor, 4% ETP, due 10/15/2022	11/23/2018	$ 15,500,000	$ 13,551,386	$ 13,551,386	8.10%
Mojix, Inc.	Application Software	Tranche I: LIBOR+10.50%, 11.00% floor, 12.0% cash cap, 5% ETP, due 5/15/2021 (4), (9)	5/16/2017	6,034,383	5,514,492	5,200,452	3.11
		Tranche II: LIBOR+10.50%, 11.00% floor, 12.0% cash cap, 5% ETP, due 5/15/2021 (4), (9)	8/3/2017	2,011,462	1,845,251	1,733,484	1.04
		Tranche III: LIBOR+10.50%, 11.00% floor, 12.0% cash cap, 5% ETP, due 5/15/2021 (4), (9)	7/6/2018	502,357	465,516	432,933	0.26
		Tranche IV: LIBOR+10.50%, 11.00% floor, 12.0% cash cap, 5% ETP, due 5/15/2021 (4), (9)	9/5/2018	501,656	462,652	432,329	0.26
3DNA Corp.(dba NationBuilder)	Application Software	LIBOR+9.00%, 11.50% floor, 5% ETP, due 4/28/2022	12/28/2018	7,000,000	6,827,787	6,827,787	4.08
Ouster, Inc.	Technology Hardware, Storage & Peripherals	LIBOR+8.50%, 10.75% floor, 5.25% ETP, due 5/15/2012(14)	11/27/2018	10,000,000	-	-	-
RealWear, Inc.	Technology Hardware, Storage & Peripherals	Tranche I: LIBOR+9.50%, 10.85% floor, 5% ETP, due 10/5/2021	10/5/2018	5,000,000	4,854,551	4,832,563	2.89
		Tranche II; LIBOR+9.50%, 10.85% floor, 5% ETP, due 10/5/2021	12/28/2018	1,000,000	965,139	966,513	0.58
RedSeal, Inc.	Application Software	LIBOR+9.50%, 11.00% floor, 5.25% ETP, due 12/15/2020	12/15/2017	15,000,000	15,123,353	15,123,353	9.04
ShareThis, Inc.	Data Processing & Outsourced Services	LIBOR+9.25%, 11.65% floor, 4% ETP, due 5/15/2022	12/3/2018	19,250,000	17,568,105	17,567,923	10.50
zSpace, Inc.	Technology Hardware, Storage & Peripherals	LIBOR+10.50%, 12.00% floor, 5% ETP, due 12/29/2020	12/29/2017	10,000,000	9,682,603	9,593,890	5.73
Total Senior Secured Term Loans					$ 208,588,381	$ 208,539,353	124.61%

See notes to financial statements.

RUNWAY GROWTH CREDIT FUND INC.

Schedule of Investments (continued)

December 31, 2018

Portfolio Companies	Sub-Industry	Investment Description (5), (6)	Acquisition Date	Principal/ Shares	Cost	Fair Value (2)	% of Net Assets
Non-control/non-affiliate investments (continued)							
Preferred Stock							
Aria Systems, Inc.	Application Software	Series G Preferred Stock	7/10/2018	289,419	$ 250,000	$ 461,826	0.28%
Warrants (8)							
Aginity, Inc.	Application Software	Warrant for Series A Preferred Stock, exercise price $1.949/share, expires 5/25/2028	5/25/2018	359,158	167,727	154,346	0.09
AllClear ID, Inc.	Education Services	Warrant for Common Stock, exercise price $0.01/share, expires 9/1/2027	9/1/2017	870,514	1,749,733	1,176,700	0.70
Aria Systems, Inc.	Application Software	Warrant for Series G-Preferred Stock, exercise price $0.8638/share, expires 6/29/2028	6/29/2018	2,170,641	770,578	1,827,680	1.09
Aspen Group Inc.	Education Services	Warrant for Common Stock, exercise price $6.87/share, expires 7/25/2022	7/25/2017	224,174	583,301	593,000	0.35
CareCloud Corporation	Healthcare Technology	Warrant for Series C Preferred Stock, exercise price $1.2035/share, expires 6/19/2025	6/19/2018	1,557,956	394,163	364,562	0.22
Circadence Corp.	Application Software	Warrant for Series A-5 Preferred Stock, exercise price $1.08/share, expires 12/20/2028	12/20/2018	1,666,667	3,630,000	3,630,000	2.18
Drawbridge, Inc.	Data Processing & Outsourced Services	Warrant for Series C Preferred Stock, exercise price $2.2595/share, expires 10/22/2028	10/22/2018	663,864	406,285	429,520	0.26
Dtex Systems, Inc.	Application Software	Warrant for Series C Preferred Stock, exercise price $0.600/share, expires 6/1/2025	6/1/2018	500,000	59,000	56,000	0.03
eSilicon Corporation	Semiconductors	Warrant for Series H Preferred Stock, exercise price $1.01/share, expires 7/31/2027	7/31/2017	1,485,149	543,564	1,005,446	0.60
Jibe, Inc.	Application Software	Warrant for Series C Preferred Stock, exercise price $2.265/share, expires 6/7/2028	6/7/2018	247,242	40,795	35,603	0.02

See notes to financial statements.

Portfolio Companies	Sub-Industry	Investment Description (5), (6)	Acquisition Date	Principal/ Shares	Cost	Fair Value (2)	% of Net Assets
Non-control/non-affiliate investments (continued)							
Warrants (8) (continued)							
MingleHealth Care Solutions, Inc.	Healthcare Technology	Warrant for Series AA Preferred Stock, exercise price $0.24/share, expires 8/15/2028	8/15/2018	1,625,000	$ 492,375	$ 471,913	0.28%
Mobius Imaging, LLC	Healthcare Technology	Warrant for next round security exercise price $136/share, expires 11/23/2028	11/23/2018	7,123	1,820,000	1,820,000	1.09
Mojix, Inc.	Application Software	Warrant for Common Stock exercise price $10.64/share, expires 5/16/2027(9),(10)	5/16/2017	164,427	417,645	-	0.00
		Warrant for Series 1 Preferred Stock exercise price $0.28/share, expires 12/20/2028(9),(10)	12/20/2018	7,176,973	806,991	798,389	0.48
3DNA Corp. (dba NationBuilder)	Application Software	Warrant for Series C-1 Preferred Stock exercise price $1.4643/share, expires 12/28/2028	12/28/2018	273,164	104,138	104,138	0.06
Ouster, Inc.	Technology Hardware, Storage & Peripherals	Warrant for Series A Preferred Stock, exercise price $11.3158/share, expires 11/27/2028(14)					
Realwear, Inc.	Technology Hardware, Storage & Peripherals	Warrant for Series A Preferred Stock, exercise price $4.4464/share, expires 10/5/2028	10/5/2018	112,451	135,841	141,435	0.08
		Warrant for Series A Preferred Stock, exercise price $4.4464/share, expires 12/28/2028	12/28/2018	22,491	25,248	28,288	0.02
RedSeal, Inc.	Application Software	Warrant for Series C-Prime Preferred Stock, exercise price $0.27318/share, expires 12/15/2027	12/15/2017	3,569,075	364,046	292,664	0.17
SendtoNews Video, Inc.	Advertising	Warrant for Class B Non-Voting Stock, exercise price $0.67/share, expires 6/30/2027 (3) (7)	6/30/2017	191,500	246,461	66,000	0.04

See notes to financial statements.

RUNWAY GROWTH CREDIT FUND INC.

Schedule of Investments

December 31, 2018 – (continued)

Portfolio Companies	Sub-Industry	Investment Description (5), (6)	Acquisition Date	Principal/ Shares	Cost	Fair Value (2)	% of Net Assets
Non-control/non-affiliate investments (continued)							
Warrants (8) (continued)							
ShareThis, Inc.	Data Processing & Outsourced Services	Warrant for Series D-3 Preferred Stock, exercise price $2.4320/share, expires 12/3/2028	12/3/2018	371,030	$ 1,548,052	$ 1,580,000	0.94%
zSpace, Inc.	Technology Hardware, Storage & Peripherals	Warrant for Series E Preferred Stock, exercise price $0.90/share, expires 12/29/2027	12/29/2017	1,896,966	707,568	671,526	0.40
Total Warrants					15,013,511	15,247,210	9,10
Total non-control/non-affiliate investments					223,851,892	224,248,389	133.99
U.S. Treasury		U.S. Treasury Bill, 2.254%, due 1/3/2019(12)		$ 80,000,000	79,959,928	79,959,928	47.77
Total Investments					$ 303,811,820	$ 304,208,317	181.76%

See notes to financial statements.

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

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

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

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

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

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

(7) Investment is domiciled in Canada.

(8) Investments are non-income producing.

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

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

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

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

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

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

RUNWAY GROWTH CREDIT FUND INC.

Schedule of Investments – (continued)

December 31, 2018

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

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

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

See notes to financial statements.

Note 1 – Organization

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

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

In October 2015, in connection with the Company’s formation, the Company issued and sold 1,667 shares of common stock to R. David Spreng, the President and Chief Executive Officer of the Company and Chairman of the Company’s Board of Directors, for an aggregate purchase price of $25,000. The sale of shares of common stock was approved by the unanimous consent of the Company’s sole director at the time. In December 2016, the Company completed the initial closing of capital commitments in its first private offering of shares of common stock to investors (the “Initial Private Offering”) in reliance on exemptions from the registration requirements of the Securities Act of 1933, as amended (the “Securities Act”), and other applicable securities laws. The final closing of the Initial Private Offering occurred on December 1, 2017. As of March 31, 2019, in connection with the Initial Private Offering, the Company had total capital commitments of $275,000,000 and had issued 15,010,635 shares of its common stock for a total purchase price of $226,000,000. The Company has issued an additional 717,355 shares as part of the dividend reinvestment plan. Refer to Note 6 for further detail.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

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

In the opinion of management, all adjustments, all of which were of a normal recurring nature, considered necessary for the fair presentation of financial statements for the interim period have been included. The results of operations for the current interim period are not necessarily indicative of results that ultimately may be achieved for any other interim period or for the year ending December 31, 2019. The interim unaudited financial statements and notes hereto should be read in conjunction with the audited financial statements and notes thereto contained in the Company’s annual report on Form 10-K for the year ended December 31, 2018.

Use of Estimates

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

Cash and cash equivalents

Cash represents deposits held at financial institutions while cash equivalents are highly liquid investments held at financial institutions with an original maturity of three months or less at the date of acquisition. At times, the Company's cash and cash equivalents exceed federally insured limits, subjecting the Company to risks related to the uninsured balance. Cash and cash equivalents are held at large, established, high credit-quality financial institutions, and management believes that risk of loss associated with any uninsured balance is remote.

Deferred Credit Facility Fees

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

Reverse Repurchase agreement

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

Pursuant to a reverse repurchase agreement with Goldman Sachs, which expired on April 4, 2019, the Company purchased a U.S. Treasury Bill, due April 9, 2019. The value of the related collateral that the Company received for this agreement was $69,943,733 at March 31, 2019. Pursuant to a reverse repurchase agreement with Goldman Sachs which expired on January 2, 2019, the Company purchased a U.S. Treasury Bill, due January 3, 2019. The value of the related collateral that the Company received for this agreement was $79,959,928 at December 31, 2018. At March 31, 2019 and December 31, 2018, the repurchase liability is $69,594,014 and $79,560,129, respectively, which is reflected as Reverse Repurchase Agreement on the Statement of Assets and Liabilities.

Investment Transactions and Related Investment Income

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

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

Valuation of Investments

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

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

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

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

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

- Level 2—Valuations are based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly and model-based valuation techniques for which all significant inputs are observable.

- Level 3—Valuations based on inputs that are unobservable and significant to the overall fair value measurement. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models incorporating significant unobservable inputs, such as discounted cash flow models and other similar valuations techniques. The valuation of Level 3 assets and liabilities generally requires significant management judgment due to the inability to observe inputs to valuation.

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

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

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

- The quarterly valuation process begins with each portfolio company investment being initially valued by RGC's investment professionals that are responsible for the portfolio investment;

- Preliminary valuation conclusions are then documented and discussed with RGC's senior investment team;

- At least once annually, the valuation for each portfolio investment is reviewed by an independent valuation firm. Certain investments, however, may not be evaluated by an independent valuation firm if the net asset value and other aspects of such investments in the aggregate do not exceed certain thresholds;

- The Audit Committee then reviews these preliminary valuations from RGC and the independent valuation firm, if any, and makes a recommendation to our Board of Directors regarding such valuations; and

- The Company's Board of Directors reviews the recommended preliminary valuations and determines the fair value of each investment in the Company's portfolio, in good faith, based on the input of RGC, the independent valuation firm and the Audit Committee.

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

Investment Valuation Techniques

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

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

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

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

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

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

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

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

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

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

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

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

Fair Value of Financial Instruments

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

Investment Classification

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

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

Income Taxes

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

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

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

Per Share Information

Basic and diluted earnings per common share is calculated using the weighted-average number of common shares outstanding for the period presented. For the three months ended March 31, 2019 and 2018, basic and diluted earnings per share were the same because there were no potentially dilutive securities outstanding. Per share data is based on the weighted-average shares outstanding.

Distributions

The Company generally intends to distribute, out of assets legally available for distribution, substantially all of its available earnings, on a quarterly basis, subject to the discretion of the Board of Directors. For the three months ended March 31, 2019, the Company declared and paid dividends in the amount of $6,160,624 of which $1,218,456 was distributed in cash and the remainder distributed in shares to stockholders pursuant to the Company's dividend reinvestment plan. For the year ended December 31, 2018, the Company declared and paid dividends in the amount of $7,283,810 of which $1,428,498 was distributed in cash and the remainder distributed in shares to stockholders pursuant to the Company's dividend reinvestment plan.

Organization and Offering Costs

Organization costs include, among other things, the cost of organizing as a Maryland corporation, including the cost of legal services and other fees pertaining to our organization, all of which are expensed as incurred. Offering costs include, among other things, legal fees and other costs pertaining to the preparation of the Company's private placement memorandum and other offering documents, including travel-related expenses related to the Initial Private Offering. Pursuant to the investment advisory agreement between the Company and RGC, as subsequently amended and restated (the "Amended Advisory Agreement"), the Company and RGC agreed that organization and offering costs incurred in connection with the Initial Private Offering would be borne by the Company up to a maximum amount of $1,000,000, provided that the amount of such costs in excess of $1,000,000 would be paid by RGC. As of December 31, 2016, the Company had already incurred the maximum amount of $1,000,000 in organization and offering costs incurred in connection with the Initial Private Offering. As a result, for year ended December 31, 2018, the Company did not incur any organization or offering expenses.

Offering costs related to new or follow on offerings will be accumulated and charged to additional paid in capital at the time of closing. As of March 31, 2019 and December 31, 2018, respectively, we had accumulated and recorded $212,139 and $102,865 of deferred offering costs.

Recent Accounting Pronouncements

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

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

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

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

Note 3 – Commitments and Contingencies

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

At March 31, 2019, the Company had $23,000,000 in unfunded loan commitments to provide debt financing to its portfolio companies. The balance of unfunded commitments to extend financing as of March 31, 2019 was as follows:

Portfolio Company	Investment Type		March 31, 2019
Aria Systems, Inc.	Senior Secured Term Loan		5,000,000
Drawbridge, Inc.	Senior Secured Term Loan		3,000,000
Dtex Systems, Inc.	Senior Secured Term Loan		7,000,000
Mobius Imaging, LLC	Senior Secured Term Loan		4,500,000
RealWear, Inc.	Senior Secured Promissory Note		500,000
3DNA Corp. (dba NationBuilder, Inc.)	Senior Secured Term Loan		3,000,000
Total unused commitments to extend financing		$	23,000,000

At December 31, 2018, the Company had $41,250,000 in unfunded loan commitments.

The Company's management believes that its available cash balances and/or ability to drawdown capital from investors provides sufficient funds to cover its unfunded commitments as of March 31, 2019. The Company has evaluated the expected net future cash flows related to unfunded commitments and determined the fair value to be zero as of each of March 31, 2019 and December 31, 2018.

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

Note 4 – Concentration of Credit Risk

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

Note 5 – Net Increase in Net Assets Resulting from Operations per Common Share

The following information sets forth the computation of basic income/losses per common share for the three months ended March 31, 2019 and 2018:

		Three Months Ended March 31, 2019		Three Months Ended March 31, 2018
Net increase in net assets resulting from operations	$	5,833,514	$	1,403,309
Per Share Data [1]:				
Weighted-average shares outstanding for period				
Basic		14,751,065		8,668,334
Diluted		14,751,065		8,668,334
Basic and diluted income per common share				
Basic	$	0.40	$	0.16
Diluted	$	0.40	$	0.16

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

Note 6 – Net Assets

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

Issuance Date	Shares Issued	Price Per Share	Gross Proceeds
October 8, 2015	1,667	$ 15.00	$ 25,000
December 22, 2016	333,333	15.00	5,000,000
April 19, 2017	1,000,000	15.00	15,000,000
June 26, 2017	1,666,667	15.00	25,000,000
September 12, 2017	2,666,667	15.00	40,000,000
December 22, 2017	3,000,000	15.00	45,000,000
May 31, 2018 (1)	70,563	14.82	1,045,570
August 31, 2018 (1)	117,582	14.92	1,754,244
September 27, 2018	1,997,337	15.02	30,000,000
November 15, 2018(1)	202,779	15.07	3,055,498
January 14, 2019	4,344,964	15.19	66,000,000
March 26, 2019(1)	326,431	15.14	4,942,168
Total	**15,727,990**		**$ 236,822,480**

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

At each of March 31, 2019 and December 31, 2018, the Company had total commitments of $275,000,000 of which $49,000,000 and $115,000,000, respectively, was undrawn.

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

Note 7 – Related Party Agreements and Transactions

Amended and Restated Advisory Agreement

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

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

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

Base Management Fee

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

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

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

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

RGC earned base management fees of $1,203,125 and $1,203,125 for the three months ended March 31, 2019 and 2018, respectively.

Incentive Fee

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

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

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

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

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

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

RGC earned incentive fee of $1,881,369 for the three months ended March 31, 2019 and no incentive fee for the three months ended March 31, 2018. $1,562,821 of the incentive fees for the three months ended March 31, 2019 were earned, payable in cash, and included in accrued incentive fees in the statement of assets and liabilities as of March 31, 2019. $318,548 of the incentive fees for the three months ended March 31, 2019 were accrued and deferred, and included in accrued incentive fees in the statement of assets and liabilities as of March 31, 2019.

The capital gains incentive fee consists of fees related to realized gains, realized capital losses and unrealized capital depreciation. With respect to the incentive fee expense accrual related to the capital gains incentive fee, U.S. GAAP requires that the capital gains invective fee accrual consider the cumulative aggregate unrealized appreciation in the calculation, as a capital gains incentive fee would be payable if such unrealized appreciation were realized even though such unrealized appreciation is not permitted to be considered in calculating the fee actually payable under the Amended Advisory Agreement. As of each of March 31, 2019 and December 31, 2018, there was no capital gains incentive fee accrued, earned or payable to RGC under the Amended Advisory Agreement.

<u>Spin-Off Incentive Fee</u>

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

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

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

Administration Agreement

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

The Company reimbursed the Administrator $318,154 and $133,225 during the three months ended March 31, 2019 and 2018, respectively. As of March 31, 2019, the Company had accrued a payable to the Administrator of $103,094. Of the total amount reimbursed and accrued during the three months ended March 31, 2019, $175,725 was related to overhead allocation expense. As of March 31, 2018, the Company accrued a payable to the Administrator of $41,998. Of the total amount reimbursed and accrued during the three months ended March 31, 2018, $118,114 was related to overhead allocation expense. The Company reimbursed the Administrator $614,405 during the year ended December 31, 2018 and accrued a payable of $116,697 due to the Administrator as of December 31, 2018. Administration fees were $181,574 and $57,145 for the three months ended March 31, 2019 and 2018, respectively.

License Agreement

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

Oaktree Strategic Relationship

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

In connection with the OCM Commitment, the Company entered into a stockholder agreement, dated December 15, 2016, with OCM, pursuant to which OCM has a right to nominate a member of the Company's Board of Directors for election. Brian Laibow was appointed to the Company's Board of Directors as OCM's representative. OCM also holds an interest in RGC and has the right to appoint a member of RGC's board of managers and a member of RGC's investment committee. Brian Laibow is OCM's initial appointee to RGC's board of managers and investment committee.

Note 8 – Fair Value Measurements

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

The following tables present information about the Company's assets measured at fair value as of March 31, 2019 and December 31, 2018, respectively:

	As of March 31, 2019 (Unaudited)			
	Level 1	**Level 2**	**Level 3**	**Total**
Portfolio Investments				
Senior Secured Term Loans	$ -	$ -	$ 227,358,513	$ 227,358,513
Preferred Stock	-	-	461,826	461,826
Warrants	-	-	14,662,768	14,662,768
Total Portfolio Investments	-	-	242,483,107	242,483,107
U.S. Treasury Bill	69,943,733	-	-	69,943,733
Total Investments	$ 69,943,733	$ -	$ 242,483,107	$ 312,426,840

	As of December 31, 2018			
	Level 1	**Level 2**	**Level 3**	**Total**
Portfolio Investments				
Senior Secured Term Loans	$ -	$ -	$ 208,539,353	$ 208,539,353
Preferred Stock	-	-	461,826	461,826
Warrants	-	-	15,247,210	15,247,210
Total Portfolio Investments	-	-	224,248,389	224,248,389
U.S. Treasury Bill	79,959,928	-	-	79,959,928
Total Investments	$ 79,959,928	$ -	$ 224,348,389	$ 304,208,317

The Company recognizes transfers into and out of the levels indicated above at the end of the reporting period. There were no transfers into or out of the levels during the period ended March 31, 2019 and the year ended December 31, 2018.

The following table presents a rollforward of Level 3 assets measured at fair value as of March 31, 2019:

	Preferred Stock	**Senior Secured Term Loans**	**Warrants**	**Total**
Fair value at December 31, 2018	$ 461,826	$ 208,539,353	$ 15,247,210	$ 224,248,389
Amortization of fixed income premiums or discounts	-	3,118,238	-	3,118,238
Purchases of investments [1]	-	33,746,337	1,077,782	34,824,119
Sales of investments [1]	-	(17,374,776)	(92,353)	(17,467,129)
Realized gain	-	-	-	-
Change in unrealized gain (loss)	-	(670,639)	(1,569,871)	(2,240,510)
Fair value at March 31, 2019	$ 461,826	$ 227,358,513	$ 14,662,768	$ 242,483,107
Change in unrealized gain (loss) on Level 3 investments still held as of March 31, 2019	$ -	$ (92,109)	$ (1,122,860)	$ (1,214,969)

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

	Preferred Stock	Senior Secured Term Loans	Warrants	Total
Fair value at December 31, 2017	$ -	$ 63,977,756	$ 4,239,103	$ 68,216,859
Amortization of fixed income premiums or discounts	-	742,138	-	742,138
Purchases of investments	-	4,945,923	-	4,945,923
Sales of investments	-	(2,000,000)	(92,724)	(2,092,724)
Reorganizations	-	(67,650)	67,650	-
Realized gain	-	-	59,792	59,792
Change in unrealized gain (loss)	-	-	(336,207)	(336,207)
Fair value at March 31, 2018	$ -	$ 67,598,167	$ 3,937,614	$ 71,535,781
Change in unrealized gain (loss) on Level 3 investments still held as of March 31, 2018	$ -	$ -	$ (336,207)	$ (336,207)

The following table provides quantitative information regarding Level 3 fair value measurements as of March 31, 2019.

Description	Fair Value	Valuation Technique	Unobservable Inputs	Range (Weighted Average)
Preferred Stock	$ 461,826	Recent private market and merger and acquisition transaction prices	N/A	N/A
Senior Secured Term Loans [(1)]	212,273,736	Discounted Cash Flow analysis	Discount rate	13.4%-30.2% (18.6%)
	15,084,777	Market approach PWERM	Origination yield	13.4%-26.0% (16.3%)
Warrants [(2)]	14,662,768	Black-Scholes model	Risk-free interest rate	2.2%-2.5% (2.1%)
			Average industry volatility	9.0%-60.0% (31.9%)
			Estimated time to exit	1.0 years-5.3 years (3.3 years)
Total Level 3 Investments	**$ 242,483,107**			

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

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

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

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

Note 9 – Derivative Financial Instruments

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

Warrants

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

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

Note 10 – Credit Facilities

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

The current maximum principal amount of available borrowings under each of the Uncommitted Facility and the Committed Facility is $30 million (for a combined maximum principal amount under the Credit Facilities of $60 million), subject in each case to availability under the borrowing base, which is based on unused capital commitments. Borrowings under the Credit Facilities bear interest, at the Company's election at the time of drawdown, at a rate per annum equal to (i) in the case of LIBOR rate loans, the LIBOR rate for the applicable interest period plus 2.50% or (ii) in the case of prime rate loans, CIBC's prime commercial rate at the time of the borrowing minus 0.50%. For the three months ended March 31, 2019, the weighted average outstanding debt balance and weighted average effective interest rate under the Credit Facilities was $6,750,000 and 5.00%, respectively.

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

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

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

As of March 31, 2019, the Company had $6,750,000 outstanding under the Credit Facilities with maturities as follows:

Loan Facility	Date of Advance	Due Date	Amount	Rate
CIBC Bank USA Demand Loan Facility	3/29/2019	9/19/2019	$ 6,750,000	5.00%
			$ 6,750,000	

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

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

Note 11 – Financial Highlights

	Three Months Ended March 31, 2019 (Unaudited)	Three Months Ended March 31, 2018 (Unaudited)
Per Share Data [(1)]:		
Net asset value at beginning of period	$ 15.14	$ 14.66
Net investment income [3)]	0.55	0.19
Realized gain (loss)	-	0.01
Change in unrealized appreciation (depreciation)	(0.15)	(0.04)
Issuance of common shares	-	-
Dividends	(0.42)	-
Accretion [(4)]	0.01	-
Net asset value at end of period	$ 15.13	$ 14.82
Total return based on net asset value [(2)]	(0.05)%	1.09%
Weighted-average shares outstanding for period, basic	14,751,065	8,668,334
Ratio/Supplemental Data:		
Net assets at end of period	$ 237,984,453	$ 128,443,686
Average net assets [(5)]	$ 227,733,008	$ 129,396,813
Annualized ratio of net operating expenses to average net assets [(6)]	7.26%	5.30%
Annualized ratio of net increase (decrease) in net assets resulting from operations to average net assets	10.39%	4.40%

(1) Financial highlights are based on weighted-average shares outstanding.
(2) Total return based on net asset value is based upon the change in net asset value per share between the opening and ending net asset values per share in the period. The total returns are not annualized.
(3) Return from investment operations was 3.63% and 1.30% for the three months ended March 31, 2019 and 2018, respectively. Return from investment operations represents returns on net investment income from operations.
(4) Return from accretion was 0.08% and 0.00% for the three months ended March 31, 2019 and 2018, respectively.
(5) The annualized ratio of net investment income to average net assets was 14.38% and 5.26% for the three months ended March 31, 2019 and 2018, respectively.
(6) The annualized ratio of net operating expenses excluding management and incentive fees, to average net assets was 1.49% and 1.46% for the three months ended March 31, 2019 and 2018, respectively.

Note 12 - Subsequent Events

On April 9, 2019 RedSeal, Inc. experienced a liquidity event and the loan and all outstanding fees and interest were repaid, and the associated warrant expired.

On May 2, 2019, the Company’s Board of Directors declared a dividend in the amount of $0.45 per share payable on May 21, 2019 to stockholders of record as of May 7, 2019.

On May 2, 2019, the Company's Board of Directors declared a dividend payable on July 8, 2019 to shareholders of record on May 31, 2019. The per share amount of the dividend will be calculated based on taxable ordinary income and taxable short and long term capital gain for the five months ended May 31, 2019, less prior distributions of taxable income for 2019, divided by the number of shares outstanding as of the record date.

On May 4, 2019 the Company made an investment in Echo360, Inc. a Virginia-based education technology company, funding $15,500,000 of a $17,000,000 senior secured loan commitment.

On May 7, 2019 the Company had a partial exit on zSpace, Inc. which prepaid all outstanding loans to the Company along with all associated fees and accrued interest. The Company continues to hold warrants in zSpace, Inc.

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations.

Forward-Looking Statements

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

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

- our ability to qualify and maintain our qualification as a RIC under Subchapter M of the Code, and as a BDC;

- the occurrence of a disaster, such as a cyber-attack against us or against a third party that has access to our data or networks, a natural catastrophe, an industrial accident, failure of our disaster-recovery systems, or consequential employee error;

- the effect of legal, tax and regulatory changes; and

- the other risks, uncertainties and other factors we identify under “Risk Factors” in Part I, Item 1A of our annual report on Form 10-K for the fiscal year ended December 31, 2018 and in our other filings with the Securities and Exchange Commission (the “SEC”).

Although we believe the assumptions on which these forward-looking statements are based are reasonable, any of those assumptions could prove to be inaccurate, and as a result, the forward-looking statements based on those assumptions also could be inaccurate. In light of these and other uncertainties, the inclusion of a projection or forward-looking statement in this quarterly report on Form 10-Q should not be regarded as a representation by us that our plans and objectives will be achieved. These risks and uncertainties include those described or identified in “Risk Factors” in in Part I, Item 1A of our annual report on Form 10-K for the fiscal year ended December 31, 2018.

We have based the forward-looking statements included in this Form 10-Q on information available to us on the date of this Form 10-Q, and we assume no obligation to update any such forward-looking statements. Although we undertake no obligation to revise or update any forward-looking statements, whether as a result of new information, future events or otherwise, you are advised to consult any additional disclosures that we may make directly to you or through reports that we have filed or in the future may file with the SEC, including our annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K.

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

Overview

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

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

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

We commenced investment activities in portfolio securities during the quarter ended June 30, 2017, and we commenced investment activities in U.S. Treasury Bills during the quarter ended December 31, 2016. In October 2015, in connection with our formation, we issued and sold 1,667 shares of our common stock to R. David Spreng, our President, Chief Executive Officer and Chairman of our Board of Directors, for an aggregate purchase price of $25,000. In December 2016, we completed the initial closing of capital commitments in the Initial Private Offering, in connection with which we called capital and issued 333,333 shares of our common stock to investors for an aggregate purchase price of $5,000,000. The final closing of the Initial Private Offering occurred on December 1, 2017. As of March 31, 2019, in connection with the Initial Private Offering, the Company had total capital commitments of $275,000,000 and had issued 15,010,635 shares of our common stock to stockholders for a total purchase price of $266,000,000. The Company has issued an additional 717,355 shares as part of the dividend reinvestment plan.

Portfolio Composition and Investment Activity

Portfolio Composition

At March 31, 2019, we had investments in twenty-one portfolio companies and held one U.S. Treasury Bill. At December 31, 2018, we had investments in twenty portfolio companies and held one U.S. Treasury Bill. The following table shows the fair value of our investments, by asset class, as of March 31, 2019 and December 31, 2018:

	March 31, 2019 (Unaudited)			December 31, 2018		
Investments	**Cost**	**Fair Value**	**Percentage of Total Portfolio**	**Cost**	**Fair Value**	**Percentage of Total Portfolio**
Portfolio Investments						
Senior Secured Term Loans	$ 228,078,182	$ 227,358,513	72.8%	$ 208,588,381	$ 208,539,353	68.5%
Preferred Stock	250,000	461,826	0.1	250,000	461,826	0.2
Warrants	15,998,941	14,662,768	4.7	15,013,511	15,247,210	5.0
Total Portfolio Investments	244,327,123	242,483,107	77.6	223,851,892	224,381,389	73.7
U.S. Treasury Bill	69,943,733	69,943,733	22.4	79,959,928	79,959,928	26.3
Total Investments	$ 314,270,856	$ 312,426,840	100.0%	$ 303,811,820	$ 304,208,317	100.0%

Investment Activity

The value of our investment portfolio will change over time due to changes in the fair value of our underlying investments, as well as changes in the composition of our portfolio resulting from purchases of new and follow-on investments as well as repayments and sales of existing investments. Our primary investment activity for the three months ended March 31, 2019 was as follows:

- On January 17, 2019, the Company funded a $750,000 senior secured term loan (Tranche II) to ShareThis Inc. for a purchase price of $750,000.
- On January 28, 2019, the Company funded a $1,000,000 senior secured term loan (Tranche V) to Mojix, Inc. for a cost of $990,000. An amount of $80,699 was allocated to Tranche V's cost, which was previously held as an other liability regarding the Company's receipt of 7,182,145 Series 1 Preferred Warrants on December 20, 2018.
- On February 11, 2019, the Company funded a $5,000,000 senior secured term loan (Tranche II) to zSpace, Inc. and purchased a warrant to purchase 2,806,830 shares of Series E Preferred Stock for a total cost of $4,950,000.
- On February 25, 2019, the Company received 205,234 Series A-1 Preferred Warrants with a cost of $244,228, which was allocated to Aginity, Inc.'s original tranche.
- On March 13, 2019, the AllClear ID, Inc. senior secured loans were prepaid and we were compensated for our shares of the billings present value for total proceeds of $17,232,886.
- On March 28, 2019, the Company funded a $10,000,000 senior secured term loan to Ouster, Inc. and purchased a warrant to purchase 35,349 shares of Series A Preferred Stock for a total cost of $9,900,000.
- On March 29, 2019, the Company funded a $15,000,000 senior secured term loan to Scale Computing, Inc. and purchased a warrant to purchase 2,147,926 shares of Series F-1 Preferred Stock for a total cost of $14,850,000.
- On March 29, 2019, the Company funded a $2,500,000 senior secured revolving promissory note to RealWear, Inc. for a total cost of $2,495,500.

Portfolio Reconciliation

The following is a reconciliation of our investment portfolio, including U.S. Treasury Bills, for the three months ended March 31, 2019 and year ended December 31, 2018.

	Three Months Ended March 31, 2019 (unaudited)	Year Ended December 31, 2018
Beginning Investment Portfolio	$ 304,208,317	$ 140,721,508
Purchase of Investments	34,824,119	4,945,923
Purchase of U.S. Treasury Bills	69,943,733	68,994,217
Amortization of Fixed Income Premiums and Discounts	3,158,310	756,300
Portfolio Investments Repaid	(15,799,462)	(2,092,724)
Sales and Maturities of Investments	(1,667,667)	-
Sales and Maturities of U.S. Treasury Bills	(80,000,000)	(72,509,000)
Realized gain on Investments	-	59,792
Net Change in Unrealized Appreciation (Depreciation) on Investments	(2,240,510)	(336,207)
Net Change in Unrealized Appreciation (Depreciation) on U.S. Treasury Bills	-	-
Ending Investment Portfolio	$ 312,426,840	$ 140,539,809

Asset Quality

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

Investment Rating	Rating Definition
1	Performing above plan and/or strong enterprise profile, value, financial performance/coverage. Maintaining full covenant and payment compliance as agreed.
2	Performing at or reasonably close to plan. Acceptable business prospects, enterprise value, financial coverage. Maintaining key covenant and payment compliance as agreed. All new loans are initially graded Category 2.
3	Performing below plan of record. Potential elements of concern over performance, trends and business outlook. Loan-to-value remains adequate. Potential key covenant non-compliance. Full payment compliance.
4	Performing materially below plan. Non-compliant with material financial covenants. Payment default/deferral could result without corrective action. Requires close monitoring. Business prospects, enterprise value and collateral coverage declining. These investments may be in workout, and there is a possibility of loss of return but no loss of principal is expected
5	Going concern nature in question. Substantial decline in enterprise value and all coverages. Covenant and payment default imminent if not currently present. Investments are nearly always in workout. May experience partial and/or full loss.

The following table shows the investment rankings of our debt investments at fair value as of March 31, 2019 and December 31, 2018.

	As of March 31, 2019 (Unaudited)			As of December 31, 2018		
Investment Rating	Fair Value	% of Total Portfolio	Number of Portfolio Companies	Fair Value	% of Total Portfolio	Number of Portfolio Companies
1	$ -	0.0%	-	$ 14,762,697	4.9%	1
2	141,783,686	45.4%	12	107,685,007	35.4%	9
3	76,943,985	24.6%	5	78,292,451	25.7%	6
4	8,630,842	2.8%	1	7,799,198	2.6%	1
5	-	-	-	-	-	-
	$ 227,358,513	72.8%	18	$ 208,539,353	68.6%	17

Loans and Debt Securities on Non-Accrual Status

Generally, when interest and/or principal payments on a loan become past due, or if we otherwise do not expect the borrower to be able to service its debt and other obligations, we will place the loan on non-accrual status and will generally cease recognizing interest income on that loan for financial reporting purposes until all principal and interest have been brought current through payment or due to a restructuring such that the interest income is deemed to be collectible. As of March 31, 2019 and December 31, 2018, we did not have any loans on non-accrual status.

Results of Operations

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

Comparison of the Three Months Ended March 31, 2019 and 2018.

	Three Months Ended March 31, 2019		Three Months Ended March 31, 2018	
	Total	**Per Share [1]**	**Total**	**Per Share [1]**
Investment income				
Interest income	$ 11,638,334	$ 0.79	$ 3,067,721	$ 0.35
Other income	511,995	0.03	302,850	0.04
Total investment income	12,150,329	0.82	3,370,571	0.39
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Operating expenses				
Management fees	1,203,125	0.08	1,203,125	0.14
Incentive fees	1,881,369	0.13	-	0.00
Interest expense	155,578	0.01	21,634	0.00
Professional fees	210,248	0.02	128,557	0.01
Overhead allocation expense	199,739	0.01	118,114	0.01
Directors' fees	52,000	0.00	49,500	0.02
Administration fees	181,574	0.01	57,145	0.01
General and administrative expenses	2,009	0.00	39,330	0.00
Insurance expense	25,071	0.00	23,970	0.00
Consulting fees	27,420	0.00	13,000	0.00
Other expenses	138,171	0.01	36,472	0.01
Total operating expenses	4,076,304	0.27	1,690,847	0.20
Net investment income	8,074,025	0.55	1,679,724	0.19
Realized gain on investments	-	-	59,792	0.01
Net change in unrealized appreciation (depreciation) on investments	(2,240,511)	(0.15)	(336,207)	(0.04)
Net increase in net assets resulting from operations	5,833,514	0.40	1,403,309	0.16

(1) The basic per share figures noted above are based on weighted averages of 14,751,065 and 8,668,334 shares outstanding for the three months ended March 31, 2019 and 2018, respectively.

Investment Income

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

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

Investment income for the three months ended March 31, 2019 was $12,150,329, due primarily to interest income earned on our portfolio investments. Investment income for the three months ended March 31, 2018 was $3,370,571 due to interest income earned on our portfolio investments. The increase in interest income for the three months ended March 31, 2019 compared to the three month ended March 31, 2018 was a result of our deployment of capital and increased investment portfolio. Investment income further increased due to prepayment fees and end of term payments received during the three month period ended March 31, 2019.

Operating Expenses

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

- organization and offering (the amount of organizational and offering expenses in connection with the Initial Private Offering in excess of $1,000,000 were previously paid by RGC);
- our pro-rata portion of fees and expenses related to any future spin-off transaction;
- calculating our net asset value (including the cost and expenses of any independent valuation firm);
- fees and expenses payable to third parties, including agents, consultants or other advisers, in connection with monitoring financial and legal affairs for us and in providing administrative services, monitoring our investments and performing due diligence on our prospective portfolio companies or otherwise relating to, or associated with, evaluating and making investments;
- interest payable on debt incurred to finance our investments;
- sales and purchases of our common stock and other securities;
- investment advisory and management fees;
- administration fees payable under the Administration Agreement;
- transfer agent and custodial fees;
- federal and state registration fees;

- all costs of registration and listing our securities on any securities exchange;
- U.S. federal, state and local taxes;
- Independent directors' fees and expenses;
- costs of preparing and filing reports or other documents required by the SEC, the Financial Industry Regulatory Authority or other regulators;
- costs of any reports, proxy statements or other notices to stockholders, including printing costs;
- our allocable portion of any fidelity bond, directors' and officers' errors and omissions liability insurance, and any other insurance premiums;
- direct costs and expenses of administration, including printing, mailing, long distance telephone, copying, secretarial and other staff, independent auditors and outside legal costs; and
- all other expenses incurred by us, our Administrator or RGC in connection with administering our business, including payments under the Administration Agreement based on our allocable portion of our Administrator's overhead in performing its obligations under the Administration Agreement, including rent and the allocable portion of the cost of our Chief Compliance Officer and Chief Financial Officer and their respective staffs.

Operating expenses for the three months ended March 31, 2019 and 2018 were $4,076,304 and $1,690,847, respectively. Operating expenses increased for the three months ended March 31, 2019 from the three months ended March 31, 2018 primarily due to increased portfolio activity which resulted in increased overhead allocation expense, professional fees, the payment of incentive fees and interest expense. The increase in interest expense was a result of the use of our subscription line of credit to support our deployment of capital and increasing invested balance. The increase in overhead allocation expense was driven by allocation of RGC personnel, time, and resources utilized on fund activity. Operating expenses per share for the three months ended March 31, 2019 and 2018 were $0.27 per share and $0.20 per share, respectively.

Incentive Fees

Incentive fees for the three months ended March 31, 2019 were $1,881,369, due primarily to the increase in investment income. $1,562,821 of the incentive fees for the three months ended March 31, 2019 were earned, payable in cash, and included in accrued incentive fees in the statement of assets and liabilities as of March 31, 2019. $318,548 of the incentive fees for the three months ended March 31, 2019 were deferred and accrued, and included in accrued incentive fees in the statement of assts and liabilities as of March 31, 2019. Incentive fees per share for the three months ended March 31, 2019 were $0.13 per share. There were no incentive fees for the three months ended March 31, 2018.

Net Investment Income

Net investment income for the three months ended March 31, 2019 and 2018 were $8,074,025 and $1,679,724 respectively. The net investment income increased for the three months ended March 31, 2019 from the three months ended March 31, 2018 primarily due to interest income earned on our portfolio investments, partially offset by increased management fees and the other operating expenses discussed above. Net investment income per share for the three months ended March 31, 2019 and 2018 were $0.55 per share and $0.19 per share, respectively.

Net Realized Gain on Investment

There were no net realized gains or losses on investments for the three months ended March 31, 2019. Our net realized gain on investments of $59,792 for the three months ended March 31, 2018 was primarily due to the net realized gain on our warrants for preferred stock of Placecast, Inc.

Net Change in Unrealized Appreciation (Depreciation) on Investments

Our net change in unrealized depreciation on investments of $2,240,511 for the three months ended March 31, 2019 was primarily due to a decrease in the fair value of certain warrants in our portfolio, most notably Mojix, Inc., RedSeal, Inc. and zSpace, Inc. The net change in unrealized depreciation on investments of $336,207 for the three months ended March 31, 2018 was primarily due to a decrease in the fair value of our warrants for common stock of Aspen Group, Inc.

Net Increase (Decrease) in Net Assets Resulting from Operations

We had an increase in net assets resulting from operations for the three months ended March 31, 2019 and 2018 of $5,833,514 and $1,043,309, respectively. The increase in net assets resulting from operations for the three months ended March 31, 2019 was primarily due to interest and other income earned from our portfolio investments, partially offset by management and incentive fees, professional fees incurred and the net change in unrealized depreciation related to our warrants for preferred stock of RedSeal Inc. The net increase in net assets resulting from operations for the three months ended March 31, 2018 was primarily due to interest and other income earned from our portfolio investments, partially offset by management fees and professional fees incurred and the net change in unrealized depreciation related to our warrants for common stock of Aspen Group, Inc.

Financial Condition, Liquidity and Capital Resources

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

During the three months ended March 31, 2019, cash and cash equivalents increased to $3,001,410 from $2,527,474 as of December 31, 2018. This increase was primarily the result of the purchase of investments in portfolio companies and U.S. Treasury Bills and was partially offset by the maturity of the U.S. Treasury Bills for $79,560,000.

Equity Activity

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

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

Issuance Date	Shares Issued	Price Per Share	Gross Proceeds
December 22, 2016	333,333	$ 15.00	$ 5,000,000
April 19, 2017	1,000,000	15.00	15,000,000
June 26, 2017	1,666,667	15.00	25,000,000
September 12, 2017	2,666,667	15.00	40,000,000
December 22, 2017	3,000,000	15.00	45,000,000
May 31, 2018 (1)	70,563	14.82	1,045,570
August 31, 2018 (1)	117,582	14.92	1,754,244
September 27, 2018	1,997,337	15.02	30,000,000
November 15, 2018 (1)	202,779	15.07	3,055,498
January 14, 2019	4,344,964	15.19	66,000,000
March 26, 2019(1)	326,431	15.14	4,942,168
Total	**15,726,323**		**$ 236,797,480**

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

Contractual Obligations

At March 31, 2019, the Company had $23,000,000 in unfunded loan commitments to provide debt financing to six portfolio companies.

	Payments Due By Period				
	Total	**Less than 1 year**	**1-3 years**	**3-5 years**	**More than 5 years**
Reverse repurchase agreement (1)	$ 69,594,014	$ 69,594,014	$ -	$ -	$ -
Credit facilities (2)	6,750,000	6,750,000	-	-	-
Total	$ 76,344,014	$ 76,344,014	$ -	$ -	$ -

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

(2) Credit facilities represents the lines of credit with CIBC which expire on September 19, 2019. Loans made under the Credit Facilities must also be repaid in full on the earlier of (i) (x) one hundred and eighty (180) days following the funding date of the loan for the first two loans and (y) one hundred and twenty (120) days following the funding date of each subsequent loan, (ii) the maturity date under the Credit Facilities of September 19, 2019, (iii) the occurrence of certain bankruptcy and liquidation events that constitute events of default under the Credit Facilities, and (iv) CIBC's demand for payment after the occurrence of any other events of default. See "Note 10 – Credit Facilities."

Credit Facilities

On June 22, 2018, as amended on September 24, 2018, we entered into the Uncommitted Facility and the Committed Facility with CIBC. The maximum principal amount of available borrowings under each of the Uncommitted Facility and the Committed Facility is $30 million (for a combined maximum principal amount under the Credit Facilities of $60 million), subject in each case to availability under the borrowing base, which is based on unused capital commitments. Borrowings under the Credit Facilities bear interest, at our election at the time of drawdown, at a rate per annum equal to (i) in the case of LIBOR rate loans, the LIBOR rate for the applicable interest period plus 2.50% or (ii) in the case of prime rate loans, CIBC's prime commercial rate at the time of the borrowing minus 0.50%. The Credit Facilities mature on September 19, 2019 and are secured by a perfected first priority security interest in our right, title, and interest in and to the capital commitments of our private investors, including our right to make capital calls, receive and apply capital contributions, enforce remedies and claims related thereto together with capital call proceeds and related rights, and a pledge of the collateral account into which capital call proceeds are deposited.

During the year ended December 31, 2018, the Company drew down $74,500,000 and repaid $15,000,000, of which $59,500,000 remains outstanding at December 31, 2018. Interest is accrued at CIBC's prime commercial rate less 0.5%. At December 31, 2018 interest was accruing at a rate of 5.0% per annum. During the three months ended March 31, 2019, the Company drew down $6,750,000 and repaid $59,500,000, of which $6,750,000 remains outstanding at March 31, 2019. See "Note 10 – Credit Facilities" to our financial statements in Part I, Item 1 of this Form 10-Q for more information on the Credit Facilities.

Off-Balance Sheet Arrangements

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

Distributions

To the extent that we have funds available, we intend to make quarterly distributions to our stockholders. Our stockholder distributions, if any, will be determined by our Board of Directors. Any distribution to our stockholders will be declared out of assets legally available for distribution. We anticipate that distributions will be paid from income primarily generated by interest and dividend income earned on investments made by us. We maintain an "opt out" dividend reinvestment plan for our common stockholders. As a result, if we declare a distribution, then stockholders' cash distributions will be automatically reinvested in additional shares of our common stock, unless they specifically "opt out" of the dividend reinvestment plan so as to receive cash distributions. During the three months ended March 31, 2019, we declared and paid dividends in the amount of $6,160,624, of which $1,218,456 was distributed in cash and the remainder distributed in shares to stockholders pursuant to our dividend reinvestment plan. During the year ended December 31, 2018 we declared and paid dividends in the amount of $7,283,810, of which $1,428,498 was distributed in cash and the remainder distributed in shares to stockholders pursuant to our dividend reinvestment plan.

The timing and amount of our distributions, if any, will be determined by our Board of Directors and will be declared out of assets legally available for distribution. The following table shows the dividends per share declared since our formation through March 31, 2019.

Date Declared	Record Date	Payment Date	Amount per Share
May 3, 2018	May 15, 2018	May 31, 2018	$ 0.15
July 26, 2018	August 15, 2018	August 31, 2018	$ 0.25
November 1, 2018	October 31, 2018	November 15, 2018	$ 0.35
March 22, 2019	March 22, 2019	March 26, 2019	$ 0.40

Critical Accounting Policies

Basis of Presentation

The preparation of the financial statements and related disclosures in conformity with U.S. GAAP requires our management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and revenues and expenses during the period reports. Actual results could materially differ from those estimates. We believe that our most critical accounting policies, which are those that are most important to the portrayal of our financial condition and results of operations and require management's most difficult, subjective and complex judgments, include the valuation of investments and our election to be treated, and intent to qualify annually, as a RIC. See "Note 2 — Summary of Significant Accounting Policies" to our financial statements in Part I, Item 1 of this Form 10-Q, which describes our critical accounting policies and recently adopted accounting pronouncements not yet required to be adopted by us.

Valuation of Investments

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

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

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

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

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

- Level 2—Valuations are based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly and model-based valuation techniques for which all significant inputs are observable.

- Level 3—Valuations based on inputs that are unobservable and significant to the overall fair value measurement. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models incorporating significant unobservable inputs, such as discounted cash flow models and other similar valuations techniques. The valuation of Level 3 assets and liabilities generally requires significant management judgment due to the inability to observe inputs to valuation.

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

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

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

- Our quarterly valuation process begins with each portfolio company investment being initially valued by RGC's investment professionals that are responsible for the portfolio investment;

- Preliminary valuation conclusions are then documented and discussed with RGC's senior investment team;

- At least once annually, the valuation for each portfolio investment is reviewed by an independent valuation firm. Certain investments, however, may not be evaluated by an independent valuation firm if the net asset value and other aspects of such investments in the aggregate do not exceed certain thresholds;

- The Audit Committee then reviews these preliminary valuations from RGC and the independent valuation firm, if any, and makes a recommendation to our Board of Directors regarding such valuations; and

- Our Board of Directors reviews the recommended preliminary valuations and determines the fair value of each investment in our portfolio, in good faith, based on the input of RGC, the independent valuation firm and the Audit Committee.

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

Investment Valuation Techniques

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

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

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

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

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

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

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

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

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

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

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

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

Fair Value

The Company's assets measured at fair value on a recurring basis subject to the requirements of ASC Topic 820 at March 31, 2019 and December 31, 2018 were as follows:

	As of March 31, 2019 (Unaudited)			
	Level 1	**Level 2**	**Level 3**	**Total**
Portfolio Investments				
Senior Secured Term Loans	$ -	$ -	$ 227,358,513	$ 227,358,513
Preferred Stock	-	-	461,826	461,826
Warrants	-	-	14,662,768	14,662,768
Total Portfolio Investments	-	-	242,483,107	242,483,107
U.S. Treasury Bill	69,943,733	-	-	69,943,733
Total Investments	$ 69,943,733	$ -	$ 242,483,107	$ 312,426,840

	As of December 31, 2018			
	Level 1	**Level 2**	**Level 3**	**Total**
Portfolio Investments				
Senior Secured Term Loans	$ -	$ -	$ 208,539,353	$ 208,539,353
Preferred Stock	-	-	461,826	461,826
Warrants	-	-	15,380,210	15,380,210
Total Portfolio Investments	-	-	224,381,389	224,381,389
U.S. Treasury Bill	79,959,928	-	-	79,959,928
Total Investments	$ 79,959,928	$ -	$ 224,381,389	$ 304,341,317

The Company recognized transfers into and out of the levels indicated above at the end of the reporting period. There were no transfers into or out of the levels during the three months ended March 31, 2019 and the year ended December 31, 2018.

Investment Transactions and Related Investment Income

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

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

Management and Incentive Fees

We accrue for base management fees and incentive fees. The accrual for incentive fees includes the recognition of incentive fees on unrealized capital gains, even though such incentive fees are neither earned nor payable to RGC until the gains are both realized and in excess of unrealized depreciation on investments. See “Note 7 – Related Party Agreements and Transactions” to our financial statements in Part I, Item 1 of this Form 10-Q for more information on the Amended Advisory Agreement and the fee structure thereunder.

Income Taxes

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

Recent Developments

On April 9, 2019 RedSeal, Inc. experienced a liquidity event and the loan and all outstanding fees and interest were repaid, and the associated warrant expired.

On May 2, 2019, the Company’s Board of Directors declared a dividend in the amount of $0.45 per share payable on May 21, 2019 to stockholders of record as of May 7, 2019.

On May 2, 2019, the Company's Board of Directors declared a dividend payable on July 8, 2019 to shareholders of record on May 31, 2019. The per share amount of the dividend will be calculated based on taxable ordinary income and taxable short and long term capital gain for the five months ended May 31, 2019, less prior distributions of taxable income for 2019, divided by the number of shares outstanding as of the record date.

On May 4, 2019 the Company made an investment in Echo360, Inc. a Virginia-based education technology company, funding $15,500,000 of a $17,000,000 senior secured loan commitment.

On May 7, 2019 the Company had a partial exit on zSpace, Inc. which prepaid all outstanding loans to the Company along with all associated fees and accrued interest. The Company continues to hold warrants in zSpace, Inc.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

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

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

Valuation Risk

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

Interest Rate Risk

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

We typically expect that interest rates on the investments held in our portfolio will be based on LIBOR, with many of these investments also having a LIBOR floor. As of March 31, 2019, 100.0%, or $228,078,180 (at cost), of our debt portfolio investments bore interest at variable rates, which are Floating Prime or LIBOR-based and subject to certain floors, and none of our debt portfolio investments bore interest at fixed rates. As of March 31, 2019, 4.1% of our debt portfolio investments, or $9,382,553 (at cost), are subject to a 12.0% cap on cash interest and 3.5% of our debt portfolio investments, or $7,983,544 (at cost), are subject to a 11.5% cap on cash interest.. Any interest above the cap will accrue to principal and be treated as PIK interest. A hypothetical 200 basis point increase or decrease in the interest rates on our variable-rate debt investments could increase our investment income by a maximum of approximately $4,769,000 and decrease our investment income by a maximum of approximately $1,582,000, on an annual basis.

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

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

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

In addition, any investments we make that are denominated in a foreign currency will be subject to risks associated with changes in currency exchange rates. These risks include the possibility of significant fluctuations in the foreign currency markets, the imposition or modification of foreign exchange controls and potential illiquidity in the secondary market. These risks will vary depending upon the currency or currencies involved.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

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

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

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

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

Item 1A. Risk Factors.

You should carefully consider the risks described below and all other information contained in this quarterly report on Form 10-Q, including our interim financial statements and the related notes thereto, before making a decision to purchase our securities. The risks and uncertainties described below are not the only ones facing us. Additional risks and uncertainties note currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition and/or operating results.

If any of the following risks actually occur, our business, financial condition or results of operations could be materially adversely affected. If that happens, you may lose all or part of your investment. Other than as set forth below, there have been no material changes during the period ended March 31, 2019 to the risk factors discussed in “Risk Factors” in Part I, Item 1A of our annual report on Form 10-K for the fiscal year ended December 31, 2018, filed with the SEC on March 29, 2019.

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

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

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

On January 15, 2019, pursuant to a capital drawdown notice dated January 2, 2019, we issued 4,344,963.791 shares our common stock at a price of $15.19 per share for an aggregate offering price of $66,000,000.

On March 26, 2019, pursuant to our dividend reinvestment plan, we issued 326,431 shares of our common stock, at a price of $15.14 per share, to stockholders of record as of March 22, 2019 that did not opt out of the dividend reinvestment plan in order to satisfy the reinvestment portion of our dividends.

Other than pursuant to our dividend reinvestment plan, and except as previously reported by us on our current reports on Form 8-K, we did not sell any securities during the period covered by this Form 10-Q that were not registered under the Securities Act.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

Not applicable.

Item 6. Exhibits

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

3.1	Articles of Amendment and Restatement [(1)]
3.2	Articles of Amendment [(2)]
3.3	Amended and Restated Bylaws [(2)]
4.1	Form of Subscription Agreement [(3)]
31.1	Certification of Chief Executive Officer pursuant to Rule 13a-14 of the Securities Exchange Act of 1934, as amended*
31.2	Certification of Chief Financial Officer pursuant to Rule 13a-14 of the Securities Exchange Act of 1934, as amended*
32.1	Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002*
32.2	Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002*

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* Filed herewith.

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

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

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

(4) Previously filed as an exhibit to the Registrant’s Quarterly Report on Form 8-K filed with the SEC on September 26, 2018.

SIGNATURES

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

		RUNWAY GROWTH CREDIT FUND INC.
Date: May 9, 2019		
	By:	/s/ R. David Spreng
		R. David Spreng President, Chief Executive Officer and Chairman of the Board of Directors
Date: May 9, 2019	By:	/s/ Thomas B. Raterman
		Thomas B. Raterman Chief Financial Officer, Treasurer and Secretary (Principal Financial and Accounting Officer)

Exhibit 31.1

**Certification of Chief Executive Officer of Runway Growth Credit Fund Inc.
pursuant to Rule 13a-14(a) under the Exchange Act,
as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, R. David Spreng, as Chief Executive Officer, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Runway Growth Credit Fund Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    (c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    (d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

    (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

    (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

/s/ R. David Spreng

R. David Spreng
Chief Executive Officer

May 9, 2019

Exhibit 31.2

Certification of Chief Financial Officer of Runway Growth Credit Fund Inc.
pursuant to Rule 13a-14(a) under the Exchange Act,
as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Thomas B. Raterman, as Financial Officer, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Runway Growth Credit Fund Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Thomas B. Raterman

Thomas B. Raterman
Chief Financial Officer

May 9, 2019

Exhibit 32.1

Certification of Chief Executive Officer
Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350)

In connection with the quarterly report on Form 10-Q for the three months ended March 31, 2019 (the “Report”) of Runway Growth Credit Fund Inc. (the “Registrant”), as filed with the Securities and Exchange Commission on the date hereof, I, R. David Spreng, the Chief Executive Officer of the Registrant, hereby certify, to the best of my knowledge, that:

(1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

/s/ R. David Spreng
Name: R. David Spreng
Date: May 9, 2019

Exhibit 32.2

Certification of Chief Financial Officer
Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350)

In connection with the quarterly report on Form 10-Q for the three months ended March 31, 2019 (the “Report”) of Runway Growth Credit Fund Inc. (the “Registrant”), as filed with the Securities and Exchange Commission on the date hereof, I, Thomas B. Raterman, the Chief Financial Officer of the Registrant, hereby certify, to the best of my knowledge, that:

(1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

/s/ Thomas B. Raterman
Name: Thomas B. Raterman
Date: May 9, 2019