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

FORM 10-Q

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

For the quarterly period ended March 31, 2018

OR

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

For the transition period from to

Commission file number: 814-01154

AUDAX CREDIT BDC INC.
(Exact name of registrant as specified in its charter)

DELAWARE **(State or other jurisdiction of incorporation or organization)**	**47-3039124** **(I.R.S. Employer Identification No.)**
101 HUNTINGTON AVENUE **BOSTON, MASSACHUSETTS** **(Address of principal executive office)**	**02199** **(Zip Code)**

(617) 859-1500
(Registrant's telephone number, including area code)

Not Applicable
(Former name, former address and former fiscal year, if changed since last report)

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 and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T 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, a 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 12 b-2 of the Exchange Act. (Check one):

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒ (Do not check if a smaller reporting company)	Smaller reporting company	☐

Emerging growth company ☒

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

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

The registrant had 23,545,870 shares of common stock, par value $0.001 per share, outstanding as of May 15, 2018.

AUDAX CREDIT BDC INC.
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Audax Credit BDC Inc.

Statements of Assets and Liabilities
March 31, 2018 and December 31, 2017
(Expressed in U.S. Dollars)

	March 31, 2018 (unaudited)	December 31, 2017
Assets		
Investments, at fair value		
Non-Control/Non-Affiliate investments (Cost of $221,724,587 and $184,175,573, respectively)	$ 221,921,997	$ 184,336,177
Cash and cash equivalents	26,988,706	29,721,559
Interest receivable	566,113	429,426
Receivable from bank loan repayment	7,506	-
Other assets	125,371	2,511
Total assets	$ 249,609,693	$ 214,489,673
Liabilities		
Accrued expenses and other liabilities	$ 356,304	$ 238,821
Fee due to administrator[a]	66,250	66,250
Fees due to investment advisor, net of waivers[a]	405,393	531,055
Payable for investments purchased	21,798,321	4,457,971
Total liabilities	$ 22,626,268	$ 5,294,097
Commitments and contingencies[b]		
Net Assets		
Common stock, $0.001 par value per share, 100,000,000 shares authorized, 23,545,870 and 21,988,238 shares issued and outstanding, respectively	$ 23,546	$ 21,989
Capital in excess of par value	224,265,364	209,266,921
Accumulated net appreciation on investments	197,410	160,604
Accumulated net realized gain	149,798	-
Accumulated net investment income (distributions in excess of net investment income)	2,347,307	(253,938)
Total Net Assets	$ 226,983,425	$ 209,195,576
Net Asset Value per Share of Common Stock at End of Period	$ 9.64	$ 9.51
Shares Outstanding	23,545,870	21,988,238

(a) Refer to Note 4-*Related Party Transactions* for additional information
(b) Refer to Note 8-*Commitments and Contingencies* for additional information

The accompanying notes are an integral part of these financial statements.

Audax Credit BDC Inc.

Statements of Operations
(Expressed in U.S. Dollars)
(unaudited)

	Three Months Ended March 31, 2018	Three Months Ended March 31, 2017
Investment Income		
Interest income		
Non-Control/Non-Affiliate	$ 3,216,602	$ 2,340,753
Other	36,988	22,884
Total interest income	3,253,590	2,363,637
Other income		
Non-Control/Non-Affiliate	32,110	44,395
Total income	3,285,700	2,408,032
Expenses		
Base management fee[(a)]	$ 538,300	$ 438,663
Incentive fee[(a)]	398,564	119,397
Administrative fee[(a)]	66,250	66,250
Directors' fees	48,750	48,750
Professional fees	111,710	135,770
Other expenses	52,351	49,038
Expenses before waivers from investment adviser and administrator	1,215,925	857,868
Base management fee waivers[(a)]	(188,404)	(153,532)
Incentive fee waivers[(a)]	(343,066)	(107,458)
Total expenses, net of waivers	684,455	596,878
Net Investment Income	2,601,245	1,811,154
Realized and Unrealized Gain (Loss) on Investments		
Net realized gain on investments	149,798	90,317
Net change in unrealized appreciation (depreciation) on investments	36,806	(129,906)
Net realized and unrealized gain (loss) on investments	186,604	(39,589)
Net Increase in Net Assets Resulting from Operations	$ 2,787,849	$ 1,771,565
Basic and Diluted per Share of Common Stock:		
Net investment income	$ 0.12	$ 0.10
Net increase in net assets resulting from operations	$ 0.13	$ 0.10
Weighted average shares of common stock outstanding basic diluted	22,040,159	17,831,894

(a) Refer to Note 4-*Related Party Transactions* for additional information

The accompanying notes are an integral part of these financial statements.

Audax Credit BDC Inc.
Statements of Changes in Net Assets
(Expressed in U.S. Dollars)
(unaudited)

	Three Months Ended March 31, 2018	Three Months Ended March 31, 2017
Operations		
Net investment income	$ 2,601,245	$ 1,811,154
Net realized gain on investments	149,798	90,317
Net change in unrealized appreciation (depreciation) on investments	36,806	(129,906)
Net increase in net assets resulting from operations	2,787,849	1,771,565
Capital Share Transactions:		
Issuance of common stock	15,000,000	-
Net increase in net assets from capital share transactions	15,000,000	-
Net Increase in Net Assets	17,787,849	1,771,565
Net Assets, Beginning of Period	209,195,576	170,369,661
Net Assets, End of Period	$ 226,983,425	$ 172,141,226

The accompanying notes are an integral part of these financial statements.

Audax Credit BDC Inc.

Statements of Cash Flows
(Expressed in U.S. Dollars)
(unaudited)

	Three Months Ended March 31, 2018	Three Months Ended March 31, 2017
Cash flows from operating activities:		
Net increase in net assets resulting from operations	$ 2,787,849	$ 1,771,565
Adjustments to reconcile net increase in net assets from operations to net cash used in operating activities:		
Net realized gain on investments	(149,798)	(90,317)
Net change in unrealized (appreciation) depreciation on investments	(36,806)	129,906
Accretion of original issue discount interest	(42,947)	(68,127)
Increase in interest receivable	(136,687)	(11,139)
Increase in receivable from bank loan repayment	(7,506)	(13,233)
Increase in other assets	(122,860)	(123,160)
Increase in accrued expenses and other liabilities	117,483	143,481
Increase in fee due to administrator[(a)]	-	44,375
(Decrease) increase in fees due to investment advisor[(a)]	(125,662)	198,210
Increase (decrease) in payable for investments purchased	17,340,350	(720,439)
Investment activity:		
Investments purchased	(56,933,386)	(15,564,109)
Proceeds from investments sold	1,390,962	-
Repayment of bank loans	18,186,155	13,789,349
Total investment activity	(37,356,269)	(1,774,760)
Net cash used in operating activities	(17,732,853)	(513,638)
Cash flows from financing activities:		
Issuance of shares of common stock	15,000,000	-
Net cash provided by financing activities	15,000,000	-
Net decrease in cash and cash equivalents	(2,732,853)	(513,638)
Cash and cash equivalents:		
Cash and cash equivalents, beginning of period	29,721,559	30,566,068
Cash and cash equivalents, end of period	$ 26,988,706	$ 30,052,430

(a) Refer to Note 4-*Related Party Transactions* for additional information

The accompanying notes are an integral part of these financial statements.

Audax Credit BDC Inc.
Schedule of Investments
As of March 31, 2018
(Expressed in U.S. Dollars)
(unaudited)

Portfolio Investments [(a) (b) (c) (d)]	Par	Cost	Value
NON-CONTROL/NON-AFFILIATE INVESTMENTS - (97.8%)[(e)(f)]:			
High Tech Industries			
Sparta, Senior Secured New Term Loan (First Lien), 5.81% (Libor + 3.50%), maturity 8/21/24	$ 3,482,500	$ 3,484,849	$ 3,499,912
Syncsort, Senior Secured Initial Term Loan (First Lien), 7.31% (Libor + 5.00%), maturity 8/16/24	3,482,500	3,449,742	3,497,735
Masergy, Senior Secured Initial Loan (Second Lien), 9.81% (Libor + 7.50%), maturity 12/16/24	3,428,571	3,417,444	3,458,570
Barracuda, Senior Secured Term Loan (First Lien), 5.56% (Libor + 3.25%), maturity 2/12/25	3,000,000	3,020,625	3,014,999
Navicure, Senior Secured Initial Term Loan (First Lien), 6.06% (Libor + 3.75%), maturity 11/1/24	2,992,500	2,978,296	3,011,032
Infogroup, Senior Secured Term Loan (First Lien), 7.31% (Libor + 5.00%), maturity 4/3/23	2,972,481	2,936,647	2,957,618
HelpSystems, Senior Secured Term Loan (First Lien), 6.06% (Libor + 3.75%), maturity 3/28/25	2,500,000	2,497,500	2,512,500
McAfee, Senior Secured Closing Date USD Term Loan, 6.81% (Libor + 4.50%), maturity 9/29/24	2,492,487	2,506,797	2,486,255
Flexera Software, Senior Secured Initial Term Loan (First Lien), 5.56% (Libor + 3.25%), maturity 2/26/25	2,000,000	2,005,020	2,014,999
GlobalLogic, Senior Secured Refinancing Term B-1 Loan, 6.06% (Libor + 3.75%), maturity 6/20/22	1,985,000	1,969,225	1,985,000
Idera, Senior Secured Initial Term Loan (First Lien), 6.81% (Libor + 4.50%), maturity 6/28/24	1,678,389	1,680,001	1,674,193
SciQuest, Senior Secured Term Loan, 6.31% (Libor + 4.00%), maturity 12/28/24	1,500,000	1,492,660	1,488,750
Compusearch Software Systems, Senior Secured Initial Term Loan, 6.56% (Libor + 4.25%), maturity 5/7/21	1,485,618	1,484,371	1,481,904
ECi Software Solutions, Senior Secured Initial Term Loan, 6.56% (Libor + 4.25%), maturity 9/27/24	995,000	985,777	1,005,743
Corsair, Senior Secured Term Loan (First Lien), 7.06% (Libor + 4.75%), maturity 8/28/24	1,000,000	995,000	995,000
Intermedia, Senior Secured Initial Term Loan (First Lien), 7.81% (Libor + 5.50%), maturity 2/1/24	992,500	992,500	985,056
LANDesk, Senior Secured Term Loan (First Lien), 6.56% (Libor + 4.25%), maturity 1/20/24	995,255	983,236	981,069
Global Knowledge, Senior Secured Initial Term Loan (Second Lien), 12.56% (Libor + 10.25%), maturity 1/20/22	1,000,000	992,317	977,500
Masergy, Senior Secured 2017 Replacement Term Loan (First Lien), 5.56% (Libor + 3.25%), maturity 12/15/23	493,750	491,642	495,602
Endurance Int'l Group, Senior Secured Refinancing Loan, 6.31% (Libor + 4.00%), maturity 2/9/23	465,549	464,456	469,425
Healthcare & Pharmaceuticals			
Beaver-Visitec, Senior Secured Closing Date Term Loan (First Lien), 7.31% (Libor + 5.00%), maturity 8/21/23	3,943,722	3,943,722	3,973,300
Young, Senior Secured Initial Term Loan (First Lien), 6.31% (Libor + 4.00%), maturity 11/7/24	3,427,958	3,415,124	3,453,668
Specialty Care, Senior Secured Initial Term Loan (First Lien), 6.06% (Libor + 3.75%), maturity 9/1/23	3,397,872	3,402,970	3,393,625
Radiology Partners, Senior Secured Term A Loan, 8.06% (Libor + 5.75%), maturity 12/4/23	3,185,674	3,146,479	3,161,781
Physicians Endoscopy, Senior Secured Initial Term Loan (First Lien), 6.56% (Libor + 4.25%), maturity 8/18/23	2,958,560	2,933,156	2,928,974
Pathway, Senior Secured Term Loan (First Lien), 6.56% (Libor + 4.25%), maturity 10/10/24	2,646,826	2,632,414	2,626,975
MedRisk, Senior Secured Initial Term Loan (First Lien), 5.31% (Libor + 3.00%), maturity 12/27/24	2,493,750	2,500,555	2,496,867
Curo Health Services, Senior Secured Term B Loan (First Lien), 6.31% (Libor + 4.00%), maturity 2/7/22	2,478,398	2,485,082	2,473,603
Upstream Rehabilitation, Senior Secured Initial Term Loan, 6.81% (Libor + 4.50%), maturity 1/3/24	2,436,242	2,433,812	2,417,971
Eating Recovery Center, Senior Secured Initial Term Loan (First Lien), 6.81% (Libor + 4.50%), maturity 9/23/24	2,148,295	2,124,356	2,137,554
OB Hospitalist Group, Senior Secured Term Loan (First Lien), 6.56% (Libor + 4.25%), maturity 8/1/24	1,975,000	1,965,746	1,960,188
Sarnova, Senior Secured Term Loan (First Lien), 7.06% (Libor + 4.75%), maturity 1/28/22	1,960,000	1,946,632	1,960,000
CareCentrix, Senior Secured Initial Term Loan, 7.31% (Libor + 5.00%), maturity 7/8/21	1,467,424	1,453,717	1,467,424
ATI Physical Therapy, Senior Secured Initial Term Loan (First Lien), 5.81% (Libor + 3.50%), maturity 5/10/23	941,131	948,190	949,366
Dermatologists of Central States, Senior Secured Term Loan, 8.81% (Libor + 6.50%), maturity 4/20/22	860,413	851,363	853,960
Specialty Care, Senior Secured Initial Term Loan (Second Lien), 10.56% (Libor + 8.25%), maturity 9/1/24	850,000	841,500	841,500
U.S. Renal Care, Senior Secured Initial Term Loan (First Lien), 6.56% (Libor + 4.25%), maturity 12/30/22	498,724	499,941	499,971
RMP & MedA/Rx, Senior Secured Term Loan, 7.06% (Libor + 4.75%), maturity 3/2/22	487,500	485,510	483,844
Services: Business			
CoAdvantage, Senior Secured Term Loan (First Lien), 6.81% (Libor + 4.50%), maturity 10/1/23	3,975,025	3,960,797	3,975,025
Sungard Public Sector, Senior Secured Term Loan (Second Lien), 10.81% (Libor + 8.50%), maturity 1/31/25	3,500,000	3,518,640	3,482,500
Sterling Backcheck, Senior Secured Initial Term Loan (First Lien), 5.81% (Libor + 3.50%), maturity 6/19/24	2,946,166	2,946,166	2,957,214
Systems Maintenance Services, Senior Secured Initial Term Loan (First Lien), 7.31% (Libor + 5.00%), maturity 10/30/23	2,962,500	2,962,500	2,888,438
Kellermeyer Bergensons Services, Senior Secured Initial Term Loan (First Lien), 7.31% (Libor + 5.00%), maturity 10/29/21	2,337,779	2,325,701	2,337,779
ABILITY Network, Senior Secured Initial Term Loan (First Lien), 6.06% (Libor + 3.75%), maturity 12/13/24	1,995,000	1,985,351	1,995,000
Vistage, Senior Secured Term B Loan (First Lien), 6.31% (Libor + 4.00%), maturity 2/10/25	2,000,000	1,995,095	1,985,000
First Advantage, Senior Secured Term Loan (First Lien), 7.56% (Libor + 5.25%), maturity 6/30/22	2,000,000	1,989,931	1,980,000
DBi Services, Senior Secured Term B Loan, 7.56% (Libor + 5.25%), maturity 8/1/21	1,826,142	1,808,917	1,826,142
General Info Solutions, Senior Secured Initial Term Loan, 7.06% (Libor + 4.75%), maturity 1/26/23	1,711,226	1,698,304	1,702,670
Livingston, Senior Secured Refinancing Term B-3 Loan (First Lien), 8.06% (Libor + 5.75%), maturity 3/20/20[(g)]	1,496,250	1,501,861	1,501,861
OSG Billing Services, Senior Secured Term Loan, 6.56% (Libor + 4.25%), maturity 3/27/24	1,243,590	1,236,090	1,237,372
Intralinks, Senior Secured Initial Term Loan (First Lien), 6.31% (Libor + 4.00%), maturity 11/14/24	997,500	992,710	1,002,922
Service Logic, Senior Secured Initial Term Loan (First Lien), 6.56% (Libor + 4.25%), maturity 7/31/23	997,500	992,944	992,513
Equian, Senior Secured 2018 Incremental Term Loan, 5.56% (Libor + 3.25%), maturity 5/20/24	500,000	503,750	503,750
Sungard Public Sector, Senior Secured Term Loan, 6.56% (Libor + 4.25%), maturity 2/1/24	247,500	246,439	246,263
Chemicals, Plastics & Rubber			
Transcendia, Senior Secured 2017 Refinancing Term Loan (First Lien), 5.81% (Libor + 3.50%), maturity 5/30/24	2,985,019	2,985,123	2,955,169
Universal Fiber Systems, Senior Secured Initial Term Loan (First Lien), 7.06% (Libor + 4.75%), maturity 10/4/21	2,932,494	2,922,451	2,895,838
Spectrum Plastics, Senior Secured Closing Date Term Loan (First Lien), 5.56% (Libor + 3.25%), maturity 1/31/25	2,730,000	2,741,791	2,747,063
Zep, Senior Secured Initial Term Loan (First Lien), 6.31% (Libor + 4.00%), maturity 8/12/24	1,991,247	1,988,633	2,008,670
Borchers, Senior Secured Term Loan, 6.81% (Libor + 4.50%), maturity 11/1/24	1,984,975	1,978,344	1,984,975
DuBois, Senior Secured Term Loan (First Lien), 5.56% (Libor + 3.25%), maturity 3/15/24	997,651	997,651	997,651
Houghton International, Senior Secured Term Loan (Second Lien), 10.81% (Libor + 8.50%), maturity 12/21/20	1,000,000	1,000,000	995,000
Prince Minerals, Senior Secured Initial Term Loan (First Lien), 5.81% (Libor + 3.50%), maturity 3/31/25	1,000,000	995,000	995,000
Wholesale			
SRP, Senior Secured Term Loan, 8.81% (Libor + 6.50%), maturity 9/8/23	3,668,333	3,637,729	3,668,333

Carlisle FoodService, Senior Secured Term Loan, 5.31% (Libor + 3.00%), maturity 3/20/25	2,855,828	2,853,904	2,855,828
Ohio Transmission, Senior Secured Initial Term Loan, 6.56% (Libor + 4.25%), maturity 10/2/21	1,964,545	1,952,221	1,964,545
Colony Hardware, Senior Secured Initial Term Loan, 8.31% (Libor + 6.00%), maturity 10/23/21	1,958,729	1,944,682	1,948,936
PetroChoice, Senior Secured Initial Term Loan (First Lien), 7.31% (Libor + 5.00%), maturity 8/19/22	1,950,000	1,915,516	1,925,625
ABB Optical, Senior Secured Initial Term Loan (First Lien), 7.31% (Libor + 5.00%), maturity 6/15/23	1,481,222	1,475,982	1,489,596

The accompanying notes are an integral part of these financial statements.

Audax Credit BDC Inc.
Schedule of Investments (Continued)
As of March 31, 2018
(Expressed in U.S. Dollars)
(unaudited)

Portfolio Investments [(a) (b) (c) (d)]	Par	Cost	Value
NON-CONTROL/NON-AFFILIATE INVESTMENTS[(f)] (Continued):			
Banking, Finance, Insurance & Real Estate			
Integro Insurance Brokers, Senior Secured Initial Term Loan (First Lien), 8.06% (Libor + 5.75%), maturity 10/31/22	$ 2,933,354	$ 2,848,431	$ 2,904,021
Inst. Shareholder Services, Senior Secured Initial Term Loan (First Lien), 6.06% (Libor + 3.75%), maturity 10/16/24	2,494,271	2,488,330	2,475,564
American Beacon Advisors, Senior Secured Tranche C Term Loan (Second Lien), 9.81% (Libor + 7.50%), maturity 4/30/23	2,000,000	2,000,000	2,000,000
AmeriLife Group, Senior Secured Initial Term Loan (First Lien), 7.06% (Libor + 4.75%), maturity 7/10/22	1,912,430	1,893,798	1,893,306
EPIC Insurance, Senior Secured Initial Term Loan (First Lien), 7.06% (Libor + 4.75%), maturity 9/6/24	1,496,250	1,492,645	1,488,769
Genex Services, Senior Secured Initial Term Loan (First Lien), 5.56% (Libor + 3.25%), maturity 3/7/25	1,000,000	998,750	998,750
Services: Consumer			
Restaurant Technologies, Senior Secured Term Loan (Second Lien), 11.06% (Libor + 8.75%), maturity 11/23/23	3,140,309	3,162,740	3,124,607
A Place For Mom, Senior Secured Term Loan, 6.31% (Libor + 4.00%), maturity 8/10/24	2,213,875	2,210,297	2,213,875
CIBT Holdings, Senior Secured Initial Term Loan (First Lien), 6.06% (Libor + 3.75%), maturity 6/3/24	1,994,975	2,012,216	2,012,431
Weld North, Senior Secured Term Loan B, 6.56% (Libor + 4.25%), maturity 2/7/25	1,500,000	1,485,154	1,488,750
Smart Start, Senior Secured Initial Term Loan (First Lien), 7.06% (Libor + 4.75%), maturity 2/21/22	1,466,250	1,466,250	1,455,253
Smart Start, Senior Secured First Incremental Term Loan (First Lien), 6.81% (Libor + 4.50%), maturity 2/21/22	996,969	996,969	989,492
Consumer Goods: Non-durable			
Manna Pro, Senior Secured Term Loan, 8.31% (Libor + 6.00%), maturity 12/8/23	2,909,375	2,858,590	2,887,555
Badger Sportswear, Senior Secured Initial Term Loan (First Lien), 6.81% (Libor + 4.50%), maturity 9/11/23	1,969,914	1,953,709	1,960,064
Augusta Sportswear Group, Senior Secured Initial Term Loan, 6.81% (Libor + 4.50%), maturity 10/26/23	1,863,291	1,846,904	1,844,658
Consumer Goods: Durable			
Pelican Products, Senior Secured Term Loan (First Lien), 6.56% (Libor + 4.25%), maturity 4/10/20	3,967,655	3,953,806	3,967,655
Strategic Partners, Senior Secured Initial Term Loan, 6.06% (Libor + 3.75%), maturity 6/30/23	2,480,038	2,475,076	2,480,038
Media: Advertising, Printing & Publishing			
Ansira, Senior Secured Initial Term Loan, 8.81% (Libor + 6.50%), maturity 12/20/22	1,863,776	1,846,847	1,849,798
Northstar, Senior Secured Term Loan, 8.56% (Libor + 6.25%), maturity 6/7/22	1,598,652	1,598,652	1,586,662
Imagine! Print Solutions, Senior Secured Term B-1 Loan (First Lien), 7.06% (Libor + 4.75%), maturity 6/21/22	1,485,000	1,472,134	1,470,150
Mspark, Senior Secured Term Loan, 7.81% (Libor + 5.50%), maturity 4/22/21	926,356	919,942	921,724
Hotel, Gaming & Leisure			
TravelCLICK, Senior Secured Term-1 Loan (First Lien), 6.31% (Libor + 4.00%), maturity 5/6/21	2,926,042	2,926,042	2,939,563
On Location, Senior Secured Second Amendment Term Loan, 7.81% (Libor + 5.50%), maturity 9/29/21	1,481,250	1,463,627	1,470,141
Auto Europe, Senior Secured Initial Dollar Term Loan, 7.31% (Libor + 5.00%), maturity 10/21/23	1,407,692	1,395,525	1,397,135
Automotive			
Mavis, Senior Secured Closing Date Term Loan (First Lien), 5.56% (Libor + 3.25%), maturity 3/20/25	3,448,009	3,430,769	3,456,629
Truck Hero, Senior Secured Initial Term Loan (Second Lien), 10.56% (Libor + 8.25%), maturity 4/21/25	1,800,000	1,798,147	1,786,500
Beverage, Food & Tobacco			
Lipari, Senior Secured Term Loan A, 6.81% (Libor + 4.50%), maturity 10/1/22	1,977,180	1,965,359	1,957,408
Kettle Cuisine, Senior Secured Term Loan, 7.31% (Libor + 5.00%), maturity 8/21/21	1,953,120	1,953,120	1,943,354
Sovos Brands, Senior Secured Initial Term Loan, 6.81% (Libor + 4.50%), maturity 7/18/24	995,000	990,404	987,538
Construction & Building			
PlayPower, Senior Secured Initial Term Loan (First Lien), 7.06% (Libor + 4.75%), maturity 6/23/21	1,964,646	1,950,990	1,959,735
PlayPower, Senior Secured Initial Term Loan (Second Lien), 11.06% (Libor + 8.75%), maturity 6/23/22	1,000,000	993,032	997,500
DiversiTech Corporation, Senior Secured Tranche B-1 Term Loan (First Lien), 5.31% (Libor + 3.00%), maturity 6/3/24	997,488	997,488	997,488
PlayCore, Senior Secured Initial Term Loan (First Lien), 6.06% (Libor + 3.75%), maturity 9/30/24	876,548	874,184	869,974
Transportation: Cargo			
Odyssey Logistics & Technology , Senior Secured Initial Term Loan (First Lien), 6.56% (Libor + 4.25%), maturity 10/12/24	2,992,500	2,978,327	2,970,056
Capstone Logistics, Senior Secured Term Loan (First Lien), 6.81% (Libor + 4.50%), maturity 10/7/21	1,280,194	1,280,487	1,260,991
Capital Equipment			
MW Industries, Senior Secured Initial Term Loan (First Lien), 6.31% (Libor + 4.00%), maturity 9/30/24	2,487,500	2,475,687	2,506,869
BAS, Senior Secured Initial Term Loan, 6.56% (Libor + 4.25%), maturity 5/21/24	997,500	992,949	992,513
United Flexible, Senior Secured Term Loan, 7.06% (Libor + 4.75%), maturity 2/16/21	477,858	474,260	477,858
Aerospace & Defense			
StandardAero, Senior Secured Initial Term Loan, 6.06% (Libor + 3.75%), maturity 7/7/22	1,989,796	2,003,533	2,010,488
Tronair, Senior Secured Initial Term Loan (First Lien), 7.06% (Libor + 4.75%), maturity 9/8/23	1,482,475	1,473,329	1,463,944
Containers, Packaging & Glass			
Pregis Corporation, Senior Secured Term Loan (First Lien), 5.81% (Libor + 3.50%), maturity 5/20/21	1,744,446	1,752,941	1,750,988
Alpha Packaging, Senior Secured Tranche B-1 Term Loan, 6.56% (Libor + 4.25%), maturity 5/12/20	497,587	496,533	496,344
Tapp Label Company, Senior Secured Term Loan, 7.81% (Libor + 5.50%), maturity 7/6/20	380,936	380,599	266,655
Media: Broadcasting & Subscription			
Encompass, Senior Secured Tranche B Term Loan (Second Lien), 10.06% (Libor + 7.75%), maturity 6/6/22	1,500,000	1,481,701	1,483,125
Encompass, Senior Secured Tranche B Term Loan (First Lien), 6.81% (Libor + 4.50%), maturity 6/6/21	972,222	972,222	947,917

The accompanying notes are an integral part of these financial statements.

Audax Credit BDC Inc.
Schedule of Investments (Continued)
As of March 31, 2018
(Expressed in U.S. Dollars)
(unaudited)

Portfolio Investments [a] [b] [c] [d]	Par	Cost	Value
NON-CONTROL/NON-AFFILIATE INVESTMENTS[f] (Continued):			
Retail			
Grocery Outlet, Senior Secured Incremental Term Loan (First Lien), 5.81% (Libor + 3.50%), maturity 10/21/21	$ 1,994,962	$ 2,012,418	$ 2,012,418
Forest Products & Paper			
Hoffmaster Group, Senior Secured Initial Term Loan (First Lien), 6.81% (Libor + 4.50%), maturity 11/21/23	1,975,000	1,958,279	2,001,601
Utilities: Electric			
CLEAResult, Senior Secured Initial Term Loan, 7.81% (Libor + 5.50%), maturity 8/31/23	1,390,987	1,378,798	1,384,032
Total Portfolio Investments[h]		**$ 221,724,587**	**$ 221,921,997**

(a) All companies are located in the United States of America.
(b) Interest rate percentages represent actual interest rates which are indexed from then 30-day London Interbank Offered Rate ("LIBOR") unless otherwise noted. LIBOR rates are subject to interest rate floors which can vary based on the contractual agreement with the borrower. Due dates represent the contractual maturity date.
(c) All loans are income-producing, unless otherwise noted.
(d) All investments are qualifying assets under Section 55(a) of the Investment Company Act of 1940, as amended (the "1940 Act") unless otherwise noted.
(e) Percentages are calculated using fair value of investments over net assets.
(f) As defined in 1940 Act, the Company is not deemed to be an "Affiliated Person" of or "Control" this portfolio company because it neither owns 5% or more of the portfolio company's outstanding voting securities nor has the power to exercise control over the management or policies of such portfolio company (including through a management agreement).
(g) The borrower for Livingston, Livingston International Inc., is located in Canada.
(h) At March 31, 2018, the cost of investments for income tax purposes was $221,724,587 the gross unrealized appreciation for federal tax purposes was $814,946, the gross unrealized depreciation for federal income tax purposes was $617,536, and the net unrealized appreciation was $197,410.

The accompanying notes are an integral part of these financial statements.

Audax Credit BDC Inc.
Schedule of Investments
As of December 31, 2017
(Expressed in U.S. Dollars)

Portfolio Investments [(a) (b) (c) (d)]	Par	Cost	Value
NON-CONTROL/NON-AFFILIATE INVESTMENTS - (88.1%)[(e)(f)]:			
High Tech Industries			
Masergy, Senior Secured Initial Loan (Second Lien), 10.19% (Libor + 8.50%), maturity 12/16/24	$ 4,000,000	$ 3,986,617	$ 3,989,999
Sparta, Senior Secured Initial Term Loan (First Lien), 5.69% (Libor + 4.00%), maturity 8/21/24	3,491,250	3,493,682	3,473,793
Help/Systems, Senior Secured Refinancing Term Loan (First Lien), 6.19% (Libor + 4.50%), maturity 10/8/21	3,473,418	3,469,538	3,473,417
Syncsort, Senior Secured Initial Term Loan (First Lien), 6.69% (Libor + 5.00%), maturity 8/16/24	3,491,250	3,457,390	3,429,425
Navicure, Senior Secured Initial Term Loan (First Lien), 5.44% (Libor + 3.75%), maturity 11/1/24	3,000,000	2,985,311	3,011,250
Infogroup, Senior Secured Term Loan (First Lien), 6.69% (Libor + 5.00%), maturity 4/3/23	2,979,987	2,942,629	2,965,088
GlobalLogic, Senior Secured Closing Date Term Loan, 6.19% (Libor + 4.50%), maturity 6/20/22	1,985,000	1,968,369	1,989,963
Idera, Senior Secured Initial Term Loan (First Lien), 6.69% (Libor + 5.00%), maturity 6/28/24	1,682,535	1,684,149	1,678,329
SciQuest, Senior Secured Term Loan, 5.69% (Libor + 4.00%), maturity 12/28/24	1,500,000	1,492,500	1,492,500
Flexera Software, Senior Secured Term Loan (Second Lien), 8.69% (Libor + 7.00%), maturity 4/2/21	1,000,000	981,929	997,500
Intermedia, Senior Secured Initial Term Loan (First Lien), 7.19% (Libor + 5.50%), maturity 2/1/24	995,000	995,000	997,488
ECi Software Solutions, Senior Secured Initial Term Loan, 5.94% (Libor + 4.25%), maturity 9/27/24	997,500	987,787	990,019
Compusearch Software Systems, Senior Secured Initial Term Loan, 6.19% (Libor + 4.50%), maturity 5/7/21	989,420	989,420	989,420
Global Knowledge, Senior Secured Initial Term Loan (Second Lien), 11.94% (Libor + 10.25%), maturity 1/20/22	1,000,000	991,916	977,500
McAfee, Senior Secured Closing Date USD Term Loan, 6.19% (Libor + 4.50%), maturity 9/30/24	498,750	493,884	497,860
Masergy, Senior Secured 2017 Replacement Term Loan (First Lien), 5.44% (Libor + 3.75%), maturity 12/15/23	495,000	492,815	493,763
Endurance Int'l Group, Senior Secured Refinancing Loan, 5.69% (Libor + 4.00%), maturity 2/9/23	473,057	471,912	476,775
LANDesk, Senior Secured Term Loan (First Lien), 5.94% (Libor + 4.25%), maturity 1/20/24	497,630	491,604	474,615
Healthcare & Pharmaceuticals			
Beaver-Visitec, Senior Secured Closing Date Term Loan (First Lien), 6.69% (Libor + 5.00%), maturity 8/21/23	3,953,731	3,953,731	3,933,962
Physicans Endoscopy, Senior Secured Initial Term Loan, 6.69% (Libor + 5.00%), maturity 8/18/23	2,965,975	2,939,822	2,936,315
Young, Senior Secured Initial Term Loan (First Lien), 5.69% (Libor + 4.00%), maturity 11/7/24	2,750,000	2,732,984	2,750,000
Pathway, Senior Secured Term Loan (First Lien), 5.94% (Libor + 4.25%), maturity 10/10/24	2,176,311	2,161,569	2,159,989
Eating Recovery Center, Senior Secured Initial Term Loan (First Lien), 6.19% (Libor + 4.50%), maturity 9/23/24	2,153,693	2,129,086	2,137,540
OB Hospitalist Group, Senior Secured Term Loan (First Lien), 5.94% (Libor + 4.25%), maturity 8/1/24	2,000,000	1,990,432	2,012,500
Sarnova, Senior Secured Term Loan (First Lien), 6.44% (Libor + 4.75%), maturity 1/28/22	1,965,000	1,950,833	1,965,000
Upstream Rehabilitation, Senior Secured Term Loan, 5.69% (Libor + 4.00%), maturity 12/15/21	1,936,242	1,904,024	1,936,242
Radiology Partners, Senior Secured Term Loan, 7.44% (Libor + 5.75%), maturity 12/4/23	1,824,433	1,804,541	1,806,189
Specialty Care, Senior Secured Initial Term Loan (First Lien), 5.94% (Libor + 4.25%), maturity 9/1/23	1,500,000	1,507,781	1,488,750
Curo Health Services, Senior Secured Term B Loan (First Lien), 5.69% (Libor + 4.00%), maturity 2/7/22	1,484,770	1,487,960	1,486,255
CareCentrix, Senior Secured Initial Term Loan, 6.69% (Libor + 5.00%), maturity 7/8/21	1,471,187	1,456,513	1,485,899
NAPA, Senior Secured Initial Term Loan (First Lien), 6.69% (Libor + 5.00%), maturity 4/19/23	903,118	896,101	894,087
Dermatologists of Central States, Senior Secured Term Loan, 8.19% (Libor + 6.50%), maturity 4/20/22	862,583	853,203	856,113
RMP & MedA/Rx, Senior Secured Term Loan, 6.44% (Libor + 4.75%), maturity 3/2/22	490,625	488,507	485,719
Services: Business			
CoAdvantage, Senior Secured Term Loan (First Lien), 6.19% (Libor + 4.50%), maturity 10/1/23	3,985,013	3,970,218	3,955,125
Sungard Public Sector, Senior Secured Term Loan (Second Lien), 10.19% (Libor + 8.50%), maturity 1/31/25	3,500,000	3,519,114	3,482,500
Sterling Backcheck, Senior Secured Initial Term Loan (First Lien), 5.19% (Libor + 3.50%), maturity 6/19/24	2,953,587	2,953,587	2,968,860
Systems Maintenance Services, Senior Secured Initial Term Loan (First Lien), 6.69% (Libor + 5.00%), maturity 10/30/23	2,970,000	2,970,000	2,895,750
Kellermeyer Bergensons Services, Senior Secured Initial Term Loan (First Lien), 6.69% (Libor + 5.00%), maturity 10/29/21	2,342,823	2,329,977	2,336,966
ABILITY Network, Senior Secured Initial Term Loan (First Lien), 5.44% (Libor + 3.75%), maturity 12/13/24	2,000,000	1,990,000	2,007,500
First Advantage, Senior Secured Term Loan (First Lien), 6.94% (Libor + 5.25%), maturity 6/30/22	2,000,000	1,989,326	1,945,000
General Info Solutions, Senior Secured Initial Term Loan, 6.44% (Libor + 4.75%), maturity 1/26/23	1,215,625	1,204,679	1,206,508
Service Logic, Senior Secured Initial Term Loan (First Lien), 5.94% (Libor + 4.25%), maturity 7/31/23	1,000,000	995,254	995,000
Intralinks, Senior Secured Initial Term Loan (First Lien), 5.69% (Libor + 4.00%), maturity 11/14/24	1,000,000	995,052	992,500
DBi Services, Senior Secured Term B Loan, 6.94% (Libor + 5.25%), maturity 8/1/21	989,985	981,912	987,510
ACA Compliance Group, Senior Secured Term Loan, 6.44% (Libor + 4.75%), maturity 1/30/21	497,500	493,116	493,769
Sungard Public Sector, Senior Secured Term Loan, 5.94% (Libor + 4.25%), maturity 2/1/24	248,125	247,024	251,057
Banking, Finance, Insurance & Real Estate			
Integro Insurance Brokers, Senior Secured Initial Term Loan (First Lien), 7.44% (Libor + 5.75%), maturity 10/31/22	2,940,854	2,851,768	2,911,446
Inst. Shareholder Services, Senior Secured Initial Term Loan (First Lien), 5.44% (Libor + 3.75%), maturity 10/16/24	2,291,667	2,285,541	2,303,125
American Beacon Advisors, Senior Secured Tranche C Term Loan (Second Lien), 9.19% (Libor + 7.50%), maturity 4/30/23	2,000,000	2,000,000	2,000,000
AmeriLife Group, Senior Secured Initial Term Loan (First Lien), 6.44% (Libor + 4.75%), maturity 7/10/22	1,945,641	1,926,032	1,923,752
EPIC Insurance, Senior Secured Initial Term Loan (First Lien), 6.44% (Libor + 4.75%), maturity 9/6/24	1,500,000	1,496,280	1,492,500
GENEX Services, Senior Secured Initial Term Loan (Second Lien), 9.44% (Libor + 7.75%), maturity 5/30/22	1,271,000	1,216,818	1,266,234
Wholesale			
SRP, Senior Secured Term Loan, 8.19% (Libor + 6.50%), maturity 9/8/23	3,436,401	3,404,984	3,419,219
PetroChoice, Senior Secured Initial Term Loan (First Lien), 6.69% (Libor + 5.00%), maturity 8/19/22	1,955,000	1,919,234	1,967,219
Ohio Transmission, Senior Secured Initial Term Loan, 5.94% (Libor + 4.25%), maturity 10/2/21	1,969,545	1,956,406	1,964,622
Colony Hardware, Senior Secured Initial Term Loan, 7.69% (Libor + 6.00%), maturity 10/23/21	1,963,741	1,948,815	1,949,013
ABB Optical, Senior Secured Initial Term Loan (First Lien), 6.69% (Libor + 5.00%), maturity 6/15/23	1,484,981	1,479,366	1,490,131
Chemicals, Plastics & Rubber			
Transcendia, Senior Secured 2017 Refinancing Term Loan (First Lien), 5.19% (Libor + 3.50%), maturity 5/30/24	2,992,500	2,992,608	2,992,500
Universal Fiber Systems, Senior Secured Initial Term Loan (First Lien), 6.44% (Libor + 4.75%), maturity 10/4/21	2,939,995	2,929,297	2,903,245
Borchers, Senior Secured Term Loan, 6.19% (Libor + 4.50%), maturity 11/1/24	1,989,987	1,983,107	1,985,012
Zep, Senior Secured Initial Term Loan (First Lien), 5.69% (Libor + 4.00%), maturity 8/12/24	1,496,250	1,489,035	1,485,028
Houghton International, Senior Secured Term Loan (Second Lien), 10.19% (Libor + 8.50%), maturity 12/21/20	1,000,000	1,000,000	1,005,000

Services: Consumer			
Restaurant Technologies, Senior Secured Term Loan (Second Lien), 10.44% (Libor + 8.75%), maturity 11/23/23	3,140,309	3,163,677	3,163,861
A Place For Mom, Senior Secured Term Loan, 5.69% (Libor + 4.00%), maturity 8/10/24	2,219,438	2,215,736	2,213,889
Smart Start, Senior Secured Initial Term Loan (First Lien), 6.44% (Libor + 4.75%), maturity 2/21/22	1,470,000	1,470,000	1,466,325
Smart Start, Senior Secured First Incremental Term Loan (First Lien), 6.19% (Libor + 4.50%), maturity 2/21/22	998,484	995,988	997,236
Consumer Goods: Non-durable			
Manna Pro, Senior Secured Term Loan, 7.69% (Libor + 6.00%), maturity 12/8/23	2,916,667	2,864,167	2,872,917
Badger Sportswear, Senior Secured Initial Term Loan (First Lien), 6.19% (Libor + 4.50%), maturity 9/11/23	1,974,957	1,958,097	1,955,207
Augusta Sportswear Group, Senior Secured Initial Term Loan, 6.19% (Libor + 4.50%), maturity 10/26/23	1,868,354	1,851,317	1,849,671

The accompanying notes are an integral part of these financial statements.

Audax Credit BDC Inc.
Schedule of Investments (Continued)
As of December 31, 2017
(Expressed in U.S. Dollars)

Portfolio Investments [a] [b] [c] [d]	Par	Cost	Value
NON-CONTROL/NON-AFFILIATE INVESTMENTS[f] (Continued):			
Consumer Goods: Durable			
Pelican Products, Senior Secured Term Loan (First Lien), 5.94% (Libor + 4.25%), maturity 4/10/20	$ 3,977,987	$ 3,962,506	$ 3,992,904
Strategic Partners, Senior Secured Initial Term Loan, 6.19% (Libor + 4.50%), maturity 6/30/23	1,980,038	1,974,869	1,994,888
Capital Equipment			
MW Industries, Senior Secured Initial Term Loan (First Lien), 5.69% (Libor + 4.00%), maturity 9/30/24	2,493,750	2,481,542	2,522,096
FCX, Senior Secured Eighth Amendment Acquisition Loan, 5.94% (Libor + 4.25%), maturity 8/4/20	997,500	992,710	992,513
BAS, Senior Secured Initial Term Loan, 5.94% (Libor + 4.25%), maturity 5/21/24	1,000,000	995,111	992,500
FCX, Senior Secured Seventh Amendment Acquisition Loan, 6.19% (Libor + 4.50%), maturity 8/4/20	987,500	987,500	982,563
United Flexible, Senior Secured Term Loan, 6.44% (Libor + 4.75%), maturity 2/16/21	477,858	473,970	476,663
Media: Advertising, Printing & Publishing			
Ansira, Senior Secured Initial Term Loan, 8.19% (Libor + 6.50%), maturity 12/20/22	1,868,492	1,850,917	1,854,480
Northstar, Senior Secured Term Loan, 7.94% (Libor + 6.25%), maturity 6/7/22	1,620,083	1,620,083	1,607,932
Imagine! Print Solutions, Senior Secured Term B-1 Loan (First Lien), 6.44% (Libor + 4.75%), maturity 6/21/22	1,488,750	1,475,137	1,462,697
Mspark, Senior Secured Term Loan, 7.19% (Libor + 5.50%), maturity 4/22/21	926,356	919,435	926,356
Hotel, Gaming & Leisure			
TravelCLICK, Senior Secured Term-1 Loan (First Lien), 5.69% (Libor + 4.00%), maturity 5/6/21	2,933,431	2,933,431	2,953,539
On Location, Senior Secured Second Amendment Incremental Term Loan, 7.19% (Libor + 5.50%), maturity 9/29/21	1,490,625	1,471,992	1,471,992
Auto Europe, Senior Secured Initial Dollar Term Loan, 6.69% (Libor + 5.00%), maturity 10/21/23	1,407,692	1,395,010	1,404,173
Aerospace & Defense			
StandardAero, Senior Secured Initial Term Loan, 5.44% (Libor + 3.75%), maturity 7/7/22	1,994,898	2,009,478	2,013,191
MB Aerospace, Senior Secured Initial Term Loan, 7.19% (Libor + 5.50%), maturity 12/15/22	1,962,456	1,946,911	1,952,644
Tronair, Senior Secured Initial Term Loan (First Lien), 6.44% (Libor + 4.75%), maturity 9/8/23	1,486,237	1,476,682	1,482,522
Beverage, Food & Tobacco			
Lipari, Senior Secured Term Loan A, 6.19% (Libor + 4.50%), maturity 10/1/22	1,982,180	1,968,907	1,962,358
Kettle Cuisine, Senior Secured Term Loan, 6.69% (Libor + 5.00%), maturity 8/21/21	1,958,093	1,958,093	1,958,093
Sovos Brands, Senior Secured Initial Term Loan, 6.19% (Libor + 4.50%), maturity 7/18/24	997,500	992,745	990,019
Transportation: Cargo			
Odyssey Logistics & Technology , Senior Secured Initial Term Loan (First Lien), 5.94% (Libor + 4.25%), maturity 10/12/24	3,000,000	2,985,000	2,977,500
Capstone Logistics, Senior Secured Term Loan (First Lien), 6.19% (Libor + 4.50%), maturity 10/7/21	1,280,194	1,280,506	1,267,392
Construction & Building			
PlayPower, Senior Secured Initial Term Loan (First Lien), 6.44% (Libor + 4.75%), maturity 6/23/21	1,969,697	1,954,979	1,979,545
PlayPower, Senior Secured Initial Term Loan (Second Lien), 10.44% (Libor + 8.75%), maturity 6/23/22	1,000,000	992,705	997,500
PlayCore, Senior Secured Initial Term Loan (First Lien), 5.44% (Libor + 3.75%), maturity 9/30/24	878,750	876,316	872,159
Media: Broadcasting & Subscription			
Encompass, Senior Secured Tranche B Term Loan (Second Lien), 9.44% (Libor + 7.75%), maturity 6/6/22	1,500,000	1,480,811	1,485,000
Encompass, Senior Secured Tranche B Term Loan (First Lien), 6.19% (Libor + 4.50%), maturity 6/6/21	974,748	974,748	965,000
Forest Products & Paper			
Hoffmaster Group, Senior Secured Initial Term Loan (First Lien), 6.19% (Libor + 4.50%), maturity 11/21/23	1,980,000	1,962,639	1,998,977
Automotive			
Truck Hero, Senior Secured Initial Term Loan (Second Lien), 9.94% (Libor + 8.25%), maturity 4/21/25	1,800,000	1,798,099	1,786,500
Utilities: Electric			
CLEAResult, Senior Secured Initial Term Loan, 7.19% (Libor + 5.50%), maturity 8/31/23	1,390,987	1,378,314	1,390,987
Media: Diversified & Production			
Vubiquity, Senior Secured Initial Term Loan, 7.19% (Libor + 5.50%), maturity 8/12/21	980,000	973,568	970,200
Containers, Packaging & Glass			
Tapp Label Company, Senior Secured Term Loan, 7.19% (Libor + 5.50%), maturity 7/6/20	463,487	462,519	324,441
Alpha Packaging, Senior Secured Tranche B-1 Term Loan, 5.94% (Libor + 4.25%), maturity 5/12/20	498,392	497,269	498,392
Total Portfolio Investments[g]		**$ 184,175,573**	**$ 184,336,177**

(a) All companies are located in the United States of America.
(b) Interest rate percentages represent actual interest rates which are indexed from then 30-day London Interbank Offered Rate ("LIBOR") unless otherwise noted. LIBOR rates are subject to interest rate floors which can vary based on the contractual agreement with the borrower. Due dates represent the contractual maturity date.
(c) All loans are income-producing, unless otherwise noted.
(d) All investments are qualifying assets under Section 55(a) of the Investment Company Act of 1940, as amended (the "1940 Act") unless otherwise noted.
(e) Percentages are calculated using fair value of investments over net assets.

(f) As defined in 1940 Act, the Company is not deemed to be an “Affiliated Person” of or “Control” this portfolio company because it neither owns 5% or more of the portfolio company’s outstanding voting securities nor has the power to exercise control over the management or policies of such portfolio company (including through a management agreement).
(g) At December 31, 2017, the cost of investments for income tax purposes was $184,175,573 the gross unrealized appreciation for federal tax purposes was $745,404, the gross unrealized depreciation for federal income tax purposes was $584,800, and the net unrealized appreciation was $160,604.

The accompanying notes are an integral part of these financial statements.

Note 1. Organization

Audax Credit BDC Inc. (the "Company") is a Delaware corporation that was formed on January 29, 2015. The Company is an externally managed, closed-end, non-diversified management investment company that has elected to be treated as a business development company ("BDC") under the Investment Company Act of 1940, as amended (the "1940 Act"). In addition, effective with the Company's taxable year ended December 31, 2015, the Company has elected to be treated for federal income tax purposes as a regulated investment company ("RIC") under Subchapter M of the U.S. Internal Revenue Code of 1986, as amended (the "Code").

The Company commenced business operations on July 8, 2015, the date on which the Company made its first investment. The Company has been formed for the purpose of investing primarily in the debt of leveraged, non-investment grade middle market companies, with the principal objective of generating income and capital appreciation. The Company's investment strategy is to invest primarily in first lien senior secured loans and selectively in second lien loans to middle market companies. During the period prior to July 8, 2015, the Company was a development stage company, as defined in Paragraph 915-10-05, *Development Stage Entity*, of the Financial Accounting Standards Board's ("FASB's") Accounting Standards Codification, as amended ("ASC") . During this time, the Company was devoting substantially all of its efforts to establishing its business and its planned principal operations had not commenced. All losses incurred during the period prior to July 8, 2015 have been considered a part of the Company's development stage activities.

Audax Management Company (NY), LLC (the "Adviser") is the investment adviser of the Company. The Adviser is registered as an investment adviser with the U.S. Securities and Exchange Commission (the "SEC") under the Investment Advisers Act of 1940, as amended.

Note 2. Significant Accounting Policies

Basis of Presentation
As an investment company, the accompanying financial statements of the Company are prepared in accordance with the investment company accounting and reporting guidance of ASC Topic 946, "*Financial Services – Investment Companies*," as amended, which incorporates the requirements for reporting on Form 10-Q and Articles 6 and 10 of Regulation S-X, as well as accounting principles generally accepted in the United States of America ("GAAP").

Certain financial information that is normally included in annual financial statements, including certain financial statement footnotes, prepared in accordance with GAAP, is not required for interim reporting purposes and has been condensed or omitted herein. Accordingly, certain disclosures accompanying annual financial statements prepared in accordance with GAAP are omitted. In the opinion of management of the Company, the unaudited financial results included herein contain all adjustments, consisting solely of normal accruals, considered necessary for the fair presentation of financial statements for the interim period included herein. The current period's results of operations are not necessarily indicative of the operating results to be expected for future periods. The accounting records of the Company are maintained in U.S. dollars.

Use of Estimates
The preparation of financial statements in conformity with GAAP requires management of the Company to make estimates and assumptions that may affect the reported amounts and disclosures in the financial statements. Changes in the economic environment, financial markets and any other parameters used in determining these estimates could cause actual results to differ and these differences could be material.

Cash and Cash Equivalents
Cash and cash equivalents are stated at fair value. The Company considers all highly liquid investments purchased with maturities of three months or less and money market mutual funds to be cash equivalents. No cash equivalent balances were held at March 31, 2018 and December 31, 2017. At such dates, cash was not subject to any restrictions on withdrawal.

Offering Expenses
The Company incurred offering costs of $145,358 in prior periods. The Company's offering costs included legal fees and other costs pertaining to the preparation of the Company's registration statement on Form 10 (the "Registration Statement") and sale of the Company's shares of common stock. The Company capitalized these expenses and amortized them on a straight-line basis over a twelve-month period. The Company did not amortize offering costs during the three months ended March 31, 2018 or 2017.

Expenses
The Company is responsible for investment expenses, legal expenses, auditing fees and other expenses related to the Company's operations. Such fees and expenses, including expenses initially incurred by the Adviser, may be reimbursed by the Company.

Investment Valuation Policy
The Company conducts the valuation of the Company's investments, pursuant to which the Company's net asset value is determined, at all times consistent with GAAP and the 1940 Act. The Company's Board of Directors, with the assistance of the Audit Committee, determines the fair value of the Company's investments, for investments with a public market and for investments with no readily available public market, on at least a quarterly basis, in accordance with the terms of ASC Topic 820, "*Fair Value Measurement and Disclosures*," ("ASC 820"). The Company's valuation procedures are set forth in more detail below.

ASC 820 defines fair value as "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." Fair value is a market-based measurement, not an entity-specific measurement. For some assets and liabilities, observable market transactions or market information might be available. For other assets and liabilities, observable market transactions and market information might not be available. However, the objective of a fair value measurement in both cases is the same – to estimate the price when an orderly transaction to sell the asset or transfer the liability would take place between market participants at the measurement date under current market conditions (that is, an exit price at the measurement date from the perspective of a market participant that holds the asset or owes the liability).

ASC 820 establishes a hierarchal disclosure framework which ranks the observability of inputs used in measuring financial instruments at fair value. The observability of inputs is impacted by a number of factors, including the type of financial instruments and their specific characteristics. Financial instruments with readily available quoted prices, or for which fair value can be measured from quoted prices in active markets, generally will have a higher degree of market price observability and a lesser degree of judgment applied in determining fair value.

The three-level hierarchy for fair value measurement is defined as follows:

Level 1 — Inputs to the valuation methodology are quoted prices available in active markets for identical financial instruments as of the measurement date. The types of financial instruments in this category include unrestricted securities, including equities and derivatives, listed in active markets. The Company does not adjust the quoted price for these instruments, even in situations where the Company holds a large position, and a sale could reasonably be expected to impact the quoted price.

Level 2 — Inputs to the valuation methodology are quoted prices in markets that are not active or for which all significant inputs are either directly or indirectly observable as of the measurement date. The types of financial instruments in this category include less liquid and restricted securities listed in active markets, securities traded in markets that are not active, government and agency securities, and certain over-the-counter derivatives where the fair value is based on observable inputs.

Level 3 — Inputs to the valuation methodology are unobservable and significant to the overall fair value measurement, and include situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value require significant management judgment or estimation. The types of financial instruments in this category include investments in privately held entities, non-investment grade residual interests in securitizations, collateralized loan obligations, and certain over-the-counter derivatives where the fair value is based on unobservable inputs.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the determination of which category within the fair value hierarchy is appropriate for any given financial instrument is based on the lowest level of input that is significant to the fair value measurement. Assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the financial instrument.

Pursuant to the framework set forth above, the Company values securities traded in active markets on the measurement date by multiplying the exchange closing price of such traded securities/instruments by the quantity of shares or amount of the instrument held. The Company may also obtain quotes with respect to certain of its investments from pricing services, brokers or dealers' quotes, or counterparty marks in order to value liquid assets that are not traded in active markets.

Pricing services aggregate, evaluate and report pricing from a variety of sources including observed trades of identical or similar securities, broker or dealer quotes, model-based valuations and internal fundamental analysis and research. When doing so, the Company determines whether the quote obtained is sufficient according to GAAP to determine the fair value of the security. If determined adequate, the Company uses the quote obtained.

Securities that are illiquid or for which the pricing source does not provide a valuation or methodology or provides a valuation or methodology that, in the judgment of the Company's Board of Directors, does not represent fair value, are each valued as of the measurement date using all techniques appropriate under the circumstances and for which sufficient data are available. These valuation techniques vary by investment but include comparable public market valuations, comparable precedent transaction valuations and discounted cash flow analyses. The process used to determine the applicable value is as follows: (i) each portfolio company or investment is initially valued by the investment professionals of the Adviser responsible for the portfolio investment using a standardized template designed to approximate fair market value based on observable market inputs and updated credit statistics and unobservable inputs; (ii) preliminary valuation conclusions are documented and discussed with the Company's senior management and members of the Company's Adviser's valuation team; (iii) the Company's Audit Committee reviews the assessments of the Adviser and provides the Company's Board of Directors with recommendations with respect to the fair value of the investments in the Company's portfolio; and (iv) the Company's Board of Directors discusses the valuation recommendations of the Company's Audit Committee and determines the fair value of the investments in the Company's portfolio in good faith based on the input of the Adviser and in accordance with the Company's valuation policy.

The Company's Audit Committee's recommendation of fair value is generally based on its assessment of the following factors, as relevant:

- the nature and realizable value of any collateral;
- call features, put features and other relevant terms of debt;

- the portfolio company's ability to make payments;
- the portfolio company's actual and expected earnings and discounted cash flow;
- prevailing interest rates for like securities and expected volatility in future interest rates;
- the markets in which the portfolio company does business and recent economic and/or market events; and
- comparisons to publicly traded securities.

Investment performance data utilized are the most recently available as of the measurement date, which in many cases may reflect up to a one quarter lag in information.

Securities for which market quotations are not readily available or for which a pricing source is not sufficient may include the following:

- private placements and restricted securities that do not have an active trading market;
- securities whose trading has been suspended or for which market quotes are no longer available;
- debt securities that have recently gone into default and for which there is no current market;
- securities whose prices are stale; and
- securities affected by significant events.

The Company's Board of Directors is responsible for the determination, in good faith, of the fair value of the Company's portfolio investments.

Determination of fair value involves subjective judgments and estimates. Accordingly, these notes to the Company's financial statements express the uncertainty with respect to the possible effect of such valuations, and any change in such valuations, on the Company's financial statements.

Security transactions are recorded on trade date (date the order to buy or sell is executed or, in the case of privately issued securities, the closing date, which is when all terms of the transactions have been defined).

Realized gains and losses on investments are determined based on the identified cost method.

Refer to Note 3 — *Investments* in the notes accompanying the financial statements for additional information regarding fair value measurements and the Company's application of ASC 820.

Interest Income Recognition
Interest income, adjusted for amortization of premium, acquisition costs, and amendment fees and the accretion of original issue discount ("OID"), is recorded on an accrual basis to the extent that such amounts are expected to be collected. Generally, when a loan becomes 120 days or more past due, or if the Company's qualitative assessment indicates that the debtor is unable to service its debt or other obligations, the Company will place the loan on non-accrual status and cease recognizing interest income on that loan for financial reporting purposes until the borrower has demonstrated the ability and intent to pay contractual amounts due. However, the Company will remain contractually entitled to this interest. Interest payments received on non-accrual loans are restored to accrual status when past due principal and interest are paid and, in management's judgment, are likely to remain current or, due to a restructuring, the interest income is deemed to be collectible.

The Company currently holds loans in the portfolio that contain OID and expects to hold loans in the future that contain payment-in-kind ("PIK") provisions. The Company recognizes OID for loans originally issued at a discount and recognizes the income over the life of the obligation based on an effective yield calculation. PIK interest, computed at the contractual rate specified in a loan agreement, is added to the principal balance of a loan and recorded as income over the life of the obligation. Therefore, the actual collection of PIK income may be deferred until the time of debt principal repayment. To maintain the ability to be taxed as a RIC, the Company may need to pay out of both OID and PIK non-cash income amounts in the form of distributions, even though the Company has not yet collected the cash on either.

As of March 31, 2018, the Company held 103 investments in loans with OID. The Company accrued OID income of $42,947 for the three months ended March 31, 2018. The unamortized balance of OID investments as of March 31, 2018, totaled $814,901. As of December 31, 2017, the Company held 89 investments in loans with OID. The unamortized balance of OID investments as of December 31, 2017, totaled $1,028,002. The Company accrued OID income of $68,127 for the three months ended March 31, 2017.

As of March 31, 2018 and December 31, 2017, the Company held $26,988,706 and $29,721,559 cash and cash equivalents, respectively. For the three months ended March 31, 2018 and 2017, the Company earned $36,988 and $22,884, respectively, of interest income related to cash, which is included in other interest income within the accompanying statement of operations.

Other Income Recognition
The Company generally records prepayment fees upon receipt of cash or as soon as the Company becomes aware of the prepayment.

Dividend income on equity investments is accrued to the extent that such amounts are expected to be collected and if the Company has the option to collect such amounts in cash.

Prepayment fees and dividend income are both accrued in other income in the accompanying statements of operations.

For the three months ended March 31, 2018 and 2017, the Company accrued $32,110 and $44,395 of other income, respectively, related to amendment fees.

New Accounting Pronouncements
In May 2014, the FASB issued ASU 2014-09 ("ASU 2014-09"), *"Revenue from Contracts with Customers (Topic 606)."* The guidance in this ASU supersedes the revenue recognition requirements in Topic 605, Revenue Recognition. Under the new guidance, an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The amendments in ASU 2014-09 are effective for annual reporting periods beginning after December 15, 2017, including interim periods within that reporting period. Early adoption is permitted for annual reporting periods beginning after December 15, 2016 and interim periods therein. The Company has determined that this standard will not have a material impact on the financial statements, primarily because the majority of the Company's revenue is accounted for under FASB ASC Topic 320, *"Investments – Debt and Equity Securities"*, which is scoped out of this standard.

Note 3. Investments

Fair Value

In accordance with ASC 820, the Company's investments' fair value is determined to be the price that would be received for an investment in a current sale, assuming an orderly transaction between willing market participants on the measurement date. This fair value definition focuses on exit price in the principal, or most advantageous, market and prioritizes, within a measurement of fair value, the use of market-based inputs over entity-specific inputs. ASC 820 also establishes the three-level hierarchy for fair value measurements based upon the transparency of inputs to the valuation of a financial instrument as of the measurement date as described in Note–2 – *Significant Accounting Policies*.

As of March 31, 2018, $110,423,577 of the Company's investments were valued using unobservable inputs, and $111,498,420 were valued using observable inputs. During the three months ended March 31, 2018, $56,071,203 and $24,569,555 of investments transferred into and out of Level 3, respectively.

As of December 31, 2017, $80,094,421 of the Company's investments were valued using unobservable inputs, and $104,241,756 were valued using observable inputs. During the three months ended March 31, 2017, $21,566,731 and $8,897,250 of investments transferred into and out of Level 3, respectively.

The following tables present the Company's investments carried at fair value as of March 31, 2018 and December 31, 2017, by caption on the Company's accompanying statements of assets and liabilities and by security type.

	Assets at Fair Value as of March 31, 2018			
	Level 1	Level 2	Level 3	Total
First lien debt	$ -	$107,198,350	$ 95,576,845	$202,775,195
Second lien debt		4,300,070	14,846,732	19,146,802
Total	$ -	$111,498,420	$110,423,577	$221,921,997

	Assets at Fair Value as of December 31, 2017			
	Level 1	Level 2	Level 3	Total
First lien debt	$ -	$ 98,806,661	$ 64,377,922	$163,184,583
Second lien debt		5,435,095	15,716,499	21,151,594
Total	$ -	$104,241,756	$ 80,094,421	$184,336,177

In accordance with ASC 820, the following table provides quantitative information about the Level 3 fair value measurements of the Company's investments as of March 31, 2018. The weighted average calculations in the table below are based on the fair value balances for all debt related calculations for the particular input.

	Fair Value	Valuation Technique	Unobservable Inputs [(1)]	As of March 31, 2018 Range [(2)]	As of March 31, 2018 Weighted Average [(3)]
First lien debt	$ 95,310,190	Matrix Pricing	Senior Leverage	3.06x - 6.62x	4.60x
			Total Leverage	3.41x - 7.68x	5.81x
			Interest Coverage	1.38x - 5.55x	2.30x
			Debt Service Coverage	1.14x - 3.12x	1.78x
			TEV Coverage	1.56x - 3.63x	2.42x
			Liquidity	58.38% - 479.10%	129.84%
			Spread Comparison	350bps - 650bps	473bps
	266,655	Market Analysis	Senior Leverage	5.77x	5.77x
			Total Leverage	15.05x	15.05x
			Interest Coverage	0.34x	0.34x
			Debt Service Coverage	0.25x	0.25x
			TEV Coverage	0.87x	0.87x
			Liquidity	16.21%	16.21%
			Spread Comparison	550bps	550bps
Second lien debt	14,846,732	Matrix Pricing	Senior Leverage	4.60x - 6.61x	5.87x
			Total Leverage	4.60x - 6.61x	5.87x
			Interest Coverage	1.19x - 3.53x	1.92x
			Debt Service Coverage	0.97x - 3.10x	1.56x
			TEV Coverage	1.33x - 2.07x	1.78x
			Liquidity	33.50% - 198.03%	126.51%
			Spread Comparison	750bps - 1025bps	845bps
Total	**$ 110,423,577**				

(1) For any portfolio company, the unobservable input “Liquidity” is a fraction, expressed as a percentage, the numerator of which is the sum of the company’s undrawn revolving credit facility capacity plus cash, and the denominator of which is the total amount that may be borrowed under the company’s revolving credit facility. The unobservable input “Spread Comparison” is a comparison of the spread over LIBOR for each investment to the spread over LIBOR for general leveraged loan transactions.

(2) Each range represents the variance of outputs from calculating each statistic for each portfolio company within a specific credit seniority. The range may be a single data point when there is only one company represented in a specific credit seniority.

(3) Inputs are weighted based on the fair value of the investments included in the range.

In accordance with ASC 820, the following table provides quantitative information about the Level 3 fair value measurements of the Company’s investments as of December 31, 2017. The weighted average calculations in the table below are based on the fair value balances for all debt related calculations for the particular input.

	Fair Value	Valuation Technique	Unobservable Inputs (1)	As of December 31, 2017 Range (2)	Weighted Average (3)
First lien debt	$ 64,053,481	Matrix Pricing	Senior Leverage	1.87x - 6.08x	4.55x
			Total Leverage	2.86x - 8.32x	5.72x
			Interest Coverage	1.38x - 3.91x	2.27x
			Debt Service Coverage	1.15x - 2.72x	1.70x
			TEV Coverage	1.44x - 4.88x	2.48x
			Liquidity	50.39% - 280.44%	120.80%
			Spread Comparison	375bps - 650bps	473bps
	324,441	Market Analysis	Senior Leverage	(55.65)x	(55.65)x
			Total Leverage	(130.28)x	(130.28)x
			Interest Coverage	(0.37)x	(0.37)x
			Debt Service Coverage	(0.27)x	(0.27)x
			TEV Coverage	(0.09)x	(0.09)x
			Liquidity	52.10%	52.10%
			Spread Comparison	550bps	550bps
Second lien debt	15,716,499	Matrix Pricing	Senior Leverage	4.65x - 6.61x	5.93x
			Total Leverage	4.65x - 6.61x	5.92x
			Interest Coverage	1.51x - 3.97x	2.24x
			Debt Service Coverage	1.14x - 3.42x	1.84x
			TEV Coverage	1.33x - 2.15x	1.79x
			Liquidity	32.50% - 222.30%	125.66%
			Spread Comparison	700bps - 1025bps	830bps
Total	$ 80,094,421				

(1) For any portfolio company, the unobservable input "Liquidity" is a fraction, expressed as a percentage, the numerator of which is the sum of the company's undrawn revolving credit facility capacity plus cash, and the denominator of which is the total amount that may be borrowed under the company's revolving credit facility. The unobservable input "Spread Comparison" is a comparison of the spread over LIBOR for each investment to the spread over LIBOR for general leveraged loan transactions.

(2) Each range represents the variance of outputs from calculating each statistic for each portfolio company within a specific credit seniority. The range may be a single data point when there is only one company represented in a specific credit seniority.

(3) Inputs are weighted based on the fair value of the investments included in the range.

Fair value measurements can be sensitive to changes in one or more of the valuation inputs. Changes in market yields, discounts rates, leverage, earnings before interest, taxes, depreciation and amortization ("EBITDA") or EBITDA multiples (or revenue or revenue multiples), each in isolation, may change the fair value of certain of the Company's investments. Generally, an increase or decrease in market yields, discount rates or leverage or a decrease in EBITDA or EBITDA multiples (or revenue or revenue multiples) may result in a corresponding decrease or increase, respectively, in the fair value of certain of the Company's investments.

The following tables provide the changes in fair value, broken out by security type, during the three months ended March 31, 2018 and 2017 for all investments for which the Company determines fair value using unobservable (Level 3) factors.

Three Months Ended March 31, 2018	**First lien debt**	**Second lien debt**	**Total**
Fair Value as of December 31, 2017	$ 64,377,922	$ 15,716,499	$ 80,094,421
Transfers into Level 3	50,636,108	5,435,095	56,071,203
Transfers out of Level 3	(20,579,556)	(3,989,999)	(24,569,555)
Total gains:			
Net realized gain[(a)]	58,355	69,789	128,144
Net unrealized depreciation[(b)]	(180,738)	(116,371)	(297,109)
New investments, repayments and settlements:[(c)]			
Purchases	13,424,267	-	13,424,267
Settlements/repayments	(12,187,027)	(2,271,000)	(14,458,027)
Net amortization of premiums, discounts and fees	27,514	2,719	30,233
Fair Value as of March 31, 2018	$ 95,576,845	$ 14,846,732	$ 110,423,577

(a) Included in net realized gain on the accompanying *Statement of Operations* for the three months ended March 31, 2018.

(b) Included in net change in unrealized depreciation on the accompanying *Statement of Operations* for the three months ended March 31, 2018.

(c) Includes increases in the cost basis of investments resulting from portfolio investments, the amortization of discounts, and PIK, as well as decreases in the costs basis of investments resulting from principal repayments or sales, the amortization of premiums and acquisition costs and other cost-basis adjustments.

Three Months Ended March 31, 2017	**First lien debt**	**Second lien debt**	**Total**
Fair Value as of December 31, 2016	$ 83,470,626	$ 9,705,218	$ 93,175,844
Transfers into Level 3	21,566,731	-	21,566,731
Transfers out of Level 3	(8,897,250)	-	(8,897,250)
Total gains:			
Net realized gain[(a)]	49,507	-	49,507
Net unrealized depreciation[(b)]	(255,621)	(1,393)	(257,014)
New investments, repayments and settlements:[(c)]			
Purchases	6,327,756	-	6,327,756
Settlements/repayments	(5,855,511)	-	(5,855,511)
Net amortization of premiums, discounts and fees	53,351	6,393	59,744
Fair Value as of March 31, 2017	$ 96,459,589	$ 9,710,218	$ 106,169,807

(a) Included in net realized gain on the accompanying *Statement of Operations* for the three months ended March 31, 2017.

(b) Included in net change in unrealized depreciation on the accompanying *Statement of Operations* for the three months ended March 31, 2017.

(b) Includes increases in the cost basis of investments resulting from portfolio investments, the amortization of discounts, and PIK, as well as decreases in the costs basis of investments resulting from principal repayments or sales, the amortization of premiums and acquisition costs and other cost-basis adjustments.

The change in unrealized value attributable to investments still held at March 31, 2018 and 2017 $(198,204) and $(238,572), respectively.

Transfers between levels of the fair value hierarchy are reported at the beginning of the reporting period in which they occur. For the three months ended March 31, 2018 and 2017, transfers between Level 2 to Level 3 were primarily due to increased or decreased price transparency.

Investment Activities

The Company held a total of 116 syndicated investments with an aggregate fair value of $221,921,997 as of March 31, 2018. During the three months ended March 31, 2018, the Company invested in 29 new syndicated investments for a combined $45,743,336 and in existing investments for a combined $11,190,050. The Company also received $18,186,155 in repayments from investments and $1,390,962 from investments sold during the three months.

The Company held a total of 102 syndicated investments with an aggregate fair value of $184,336,177 as of December 31, 2017. During the three months ended March 31, 2017, the Company invested in 13 new syndicated investments for a combined $13,408,164 and $2,155,945 in existing investments. The Company also received $13,789,349 in repayments from investments during the period.

Investment Concentrations

As of March 31, 2018, the Company's investment portfolio consisted of investments in 110 companies located in 28 states across 22 different industries, with an aggregate fair value of $221,921,997. The five largest investments at fair value as of March 31, 2018 totaled $19,084,225, or 8.60% of the Company's total investment portfolio as of such date. As of March 31, 2018, the Company's average investment was $1,911,419 at cost.

As of December 31, 2017, the Company's investment portfolio consisted of investments in 96 companies located in 28 states across 22 different industries, with an aggregate fair value of $184,336,177. The five largest investments at fair value as of December 31, 2017 totaled $19,354,490, or 10.50% of the Company's total investment portfolio as of such date. As of December 31, 2017, the Company's average investment was $1,918,496 at cost.

	March 31, 2018				December 31, 2017			
	Cost	Percentage of Total Investments	Fair Value	Percentage of Total Investments	Cost	Percentage of Total Investments	Fair Value	Percentage of Total Investments
First lien debt	$ 202,519,066	91.34%	$ 202,775,195	91.37%	$ 163,043,887	88.53%	$ 163,184,583	88.53%
Second lien debt	19,205,521	8.66%	19,146,802	8.63%	21,131,686	11.47%	21,151,594	11.47%
Total Investments	$ 221,724,587	100.00%	$ 221,921,997	100.00%	$ 184,175,573	100.00%	$ 184,336,177	100.00%

Investments at fair value consisted of the following industry classifications as of March 31, 2018 and December 31, 2017:

	March 31, 2018		December 31, 2017	
Industry	**Fair Value**	**Percentage of Total Investments**	**Fair Value**	**Percentage of Total Investments**
High Tech Industries	$ 38,992,862	17.57%	$ 32,398,704	17.58%
Healthcare & Pharmaceuticals	38,080,571	17.16	28,334,560	15.37
Services: Business	30,614,449	13.80	24,518,045	13.30
Chemicals, Plastics & Rubber	15,579,366	7.02	10,370,785	5.63
Wholesale	13,852,863	6.24	10,790,204	5.85
Banking, Finance, Insurance & Real Estate	11,760,410	5.30	11,897,057	6.45
Services: Consumer	11,284,408	5.08	7,841,311	4.25
Consumer Goods: Non-durable	6,692,277	3.02	6,677,795	3.62
Consumer Goods: Durable	6,447,693	2.91	5,987,792	3.25
Media: Advertising, Printing & Publishing	5,828,334	2.63	5,851,465	3.17
Hotel, Gaming & Leisure	5,806,839	2.62	5,829,704	3.16
Automotive	5,243,129	2.36	1,786,500	0.97
Beverage, Food & Tobacco	4,888,300	2.20	4,910,470	2.66
Construction & Building	4,824,697	2.17	3,849,204	2.09
Transportation: Cargo	4,231,047	1.91	4,244,892	2.30
Capital Equipment	3,977,240	1.79	5,966,335	3.24
Aerospace & Defense	3,474,432	1.57	5,448,357	2.96
Containers, Packaging & Glass	2,513,987	1.13	822,833	0.46
Media: Broadcasting & Subscription	2,431,042	1.10	2,450,000	1.33
Retail	2,012,418	0.91	-	-
Forest Products & Paper	2,001,601	0.90	1,998,977	1.08
Utilities: Electric	1,384,032	0.61	1,390,987	0.75
Media: Diversified & Production	-	-	970,200	0.53
	$ 221,921,997	100.00%	$ 184,336,177	100.00%

Investments at fair value were included in the following geographic regions of the United States as of March 31, 2018 and December 31, 2017:

	March 31, 2018		December 31, 2017	
Geographic Region	**Fair Value**	**Percentage of Total Investments**	**Fair Value**	**Percentage of Total Investments**
Northeast	$ 52,883,770	23.83%	$ 44,603,594	24.20%
Midwest	49,596,656	22.35	43,870,888	23.80
Southeast	36,135,590	16.28	28,690,823	15.56
West	32,603,121	14.69	21,087,825	11.44
East	23,596,351	10.63	20,861,634	11.32
Southwest	21,552,938	9.71	20,144,926	10.93
South	3,339,695	1.50	2,862,598	1.55
Northwest	2,213,876	1.01	2,213,889	1.20
Total Investments	$ 221,921,997	100.00%	$ 184,336,177	100.00%

The geographic region indicates the location of the headquarters of the Company's portfolio companies. A portfolio company may have a number of other business locations in other geographic regions.

Investment Principal Repayments

The following table summarizes the contractual principal repayments and maturity of the Company's investment portfolio by fiscal year, assuming no voluntary prepayments, as of March 31, 2018:

For the Fiscal Years Ending December 31:	Amount
2018	$ 1,616,047
2019	3,944,895
2020	9,165,982
2021	35,260,182
2022	36,503,709
Thereafter	136,048,673
Total contractual repayments	222,539,488
Adjustments to cost basis on debt investments[(a)]	(814,901)
Total Cost Basis of Investments Held at March 31, 2018:	$ 221,724,587

(a) Adjustment to cost basis related to unamortized balance of OID investments.

Note 4. Related Party Transactions

Investment Advisory Agreement
The Company has entered into an investment advisory agreement (the "Investment Advisory Agreement") with the Adviser. In accordance with the Investment Advisory Agreement, the Company pays the Adviser certain fees as compensation for its services, such fees consisting of a base management fee and an incentive fee (the "Incentive Fee"). The services the Adviser provides to the Company, subject to the overall supervision of the Company's Board of Directors, include managing the day-to-day operations of, and providing investment services to, the Company. The Company also entered into a management fee waiver agreement with the Adviser (the "Waiver Agreement"), which the Company or the Adviser may terminate upon 60 days' prior written notice.

Management Fee
The base management fee is calculated at an annual rate of 1.0% of the Company's average gross assets including cash and any temporary investments in cash-equivalents, including U.S government securities and other high-quality investment grade debt investments that mature in 12 months or less from the date of investment, payable quarterly in arrears on a calendar quarter basis.

Pursuant to the Waiver Agreement, the Adviser has agreed to waive the right to receive the base management fee to the extent necessary so that the base management fee payable under the Investment Advisory Agreement equals, and is calculated in the same manner as if, the base management fee otherwise payable by the Company were calculated at an annual rate equal to 0.65% (instead of an annual rate of 1.00%).

For the three months ended March 31, 2018, the Company recorded base management fees of $538,300 and waivers to the base management fees of $188,404, as set forth within the accompanying statements of operations. For the three months ended March 31, 2017, the Company recorded management fees of $438,663 and waivers to the management fees of $153,532, as set forth within the accompanying statements of operations.

Incentive Fee

The Incentive Fee has two parts, as follows: one is calculated and payable quarterly in arrears based on the Company's pre-incentive fee net investment income for the immediately preceding calendar quarter. For this purpose, pre-incentive fee net investment income means interest income, dividend income and any other income (including any other fees (other than fees for providing managerial assistance), such as commitment, origination, structuring, diligence and consulting fees or other fees that the Company receives from portfolio companies) accrued during the calendar quarter, minus the Company's operating expenses accrued for the quarter (including the base management fee, expenses payable under the Administration Agreement and any interest expense on any credit facilities or outstanding debt and dividends paid on any issued and outstanding preferred stock, but excluding the Incentive Fee).

The Company determines pre-incentive fee net investment income in accordance with GAAP, including, in the case of investments with a deferred interest feature, such as OID, debt instruments with PIK interest and OID securities, accrued income that the Company has not yet received in cash. Pre-incentive fee net investment income does not include any realized capital gains, computed net of all 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 at the end of the immediately preceding calendar quarter, is compared to a hurdle of 1.0% per quarter (4.0% annualized). The Company determines its average gross assets during each fiscal quarter and calculates the base management fee payable with respect to such amount at the end of each fiscal quarter. As a result, a portion of the Company's net investment income is included in its gross assets for the period between the date on which such income is earned and the date on which such income is distributed. Therefore, the Company's net investment income used to calculate part of the Incentive Fee is also included in the amount of the Company's gross assets used to calculate the 1% annual base management fee. The Company pays its Adviser an Incentive Fee with respect to its pre-incentive fee net investment income in each calendar quarter as follows:

- no amount is paid on the income-portion of the Incentive Fee in any calendar quarter in which the Company's pre-incentive fee net investment income does not exceed the hurdle of 1.0% (4.0% annualized);

- 100% 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 1.1765 % in any calendar quarter (4.706% annualized). The Company refers to this portion of its pre-incentive fee net investment income (which exceeds the hurdle rate but is less than 1.1765%) as the "catch-up" provision. The catch-up is meant to provide the Company's Adviser with 15.0% of the pre-incentive fee net investment income as if a hurdle rate did not apply if net investment income exceeds 1.1765% in any calendar quarter (4.706% annualized); and

- 15.0% of the amount of the Company's pre-incentive fee net investment income, if any, that exceeds 1.1765% in any calendar quarter (4.706% annualized) is payable to the Company's Adviser.

Pursuant to the Waiver Agreement, the Adviser has agreed to waive its right to receive the Incentive Fee on pre-incentive fee net investment income to the extent necessary so that such Incentive Fee equals, and is calculated in the same manner as, the corresponding Incentive Fee on pre-incentive fee net investment income, if such Incentive Fee (i) were calculated based upon the Adviser receiving 10% (instead of 15%) of the applicable pre-incentive fee net investment income and (ii) did not include any "catch-up" feature in favor of the Adviser.

The second part of the Incentive Fee is determined and payable in arrears as of the end of each calendar year (or upon termination of the Investment Advisory Agreement, as of the termination date), and equals 15% of the Company's realized capital gains, if any, on a cumulative basis from June 16, 2015, the effectiveness of the Registration Statement, through the end of each calendar year, computed net of all realized capital losses and unrealized capital depreciation on a cumulative basis, less the aggregate amount of any previously paid capital gain Incentive Fees with respect to each of the investments in the Company's portfolio.

Pursuant to the Waiver Agreement, the Adviser has agreed to waive the right to receive the Incentive Fee on capital gains to the extent necessary so that such portion of the Incentive Fee equals, and is calculated in the same manner as, the corresponding Incentive Fee on capital gains, if such portion of the Incentive Fee were calculated based upon the Adviser receiving 10% (instead of 15%).

In addition, pursuant to the Waiver Agreement, the Adviser has agreed to waive the right to receive both components of the Incentive Fee to the extent necessary so that it does not receive Incentive Fees which are attributable to income and gains of the Company that exceed an annualized rate of 12% in any calendar quarter.

The waivers from the Adviser will remain effective until terminated earlier by either party on 60 days' prior to written notice.

For the three months ended March 31, 2018, the Company recorded incentive fees related to net investment income of $398,564. Offsetting the incentive fees were waivers of the incentive fess of $343,066, as set forth within the accompanying statements of operations. For the three months ended March 31, 2017, the Company recorded incentive fees related to net investment income of $119,397. Offsetting the incentive fees were waivers of the incentive fess of $107,458, as set forth within the accompanying statements of operations.

Administrative Fee

The Company has also entered into an administration agreement (the "Administration Agreement") with Audax Management Company, LLC (the "Administrator") under which the Administrator provides administrative services to the Company. Under the Administration Agreement, the Administrator performs, or oversees the performance of administrative services necessary for the operation of the Company, which include being responsible for the financial records which the Company is required to maintain and prepare reports filed with the SEC. In addition, the Administrator assists in determining and publishing the Company's net asset value, oversees the preparation and filing of the Company's tax returns and the printing and dissemination of reports to the Company's stockholders, and generally oversees the payment of the Company's expenses and the performance of administrative and professional services rendered to the Company by others. The Company reimburses the Administrator for its allocable portion of the costs and expenses incurred by the Administrator for overhead in performance by the Administrator of its duties under the Administration Agreement, including the cost of facilities, office equipment and the Company's allocable portion of cost of compensation and related expenses of its Chief Financial Officer and Chief Compliance Officer and their respective staffs, as well as any costs and expenses incurred by the Administrator relating to any administrative or operating services provided by the Administrator to the Company. Such costs are reflected as an administrative fee in the accompanying statements of operations.

The Company has also entered into a fee waiver agreement with the Administrator, pursuant to which the Administrator may waive, in whole or in part, its entitlement to receive reimbursements from the Company.

The Company accrued administrative fees of $66,250, for each of the three months ended March 31, 2018 and 2017, as set forth within the accompanying statements of operations.

Related Party Fees

Fees due to related parties as of March 31, 2018 and December 31, 2017 on the Company's accompanying statements of assets and liabilities were as follows:

	March 31, 2018	December 31, 2017
Net base management fee due to Adviser	$ 349,896	$ 309,784
Net incentive fee due to Adviser	55,497	68,237
Other expenses due to Adviser [(a)]	-	153,034
Total fees due to Adviser, net of waivers	405,393	531,055
Fee due to Administrator, net of waivers	66,250	66,250
Total Related Party Fees Due	$ 471,643	$ 597,305

(a) Expenses paid on behalf of the Company by the Adviser

Note 5. Net Increase in Net Assets Resulting from Operations Per Share of Common Stock:

The following table sets forth the computation of basic and diluted net increase in net assets resulting from operations per weighted average share of Company's common stock for the three months ended March 31, 2018 and 2017:

	Three Months Ended March 31, 2018	Three Months Ended March 31, 2017
Numerator for basic and diluted net increase in net assets resulting from operations per common share	$ 2,787,849	$ 1,771,565
Denominator for basic and diluted weighted average common shares	22,040,159	17,831,894
Basic and diluted net increase in net assets resulting from operations per common share	**$ 0.13**	**$ 0.10**

Note 6. Income Tax

The Company has elected to be regulated as a BDC under the 1940 Act, as well as elected to be treated as a RIC under Subchapter M of the Code. As a RIC, the Company generally is not subject to corporate-level U.S. federal income taxes on any ordinary income or capital gains that it timely distributes as dividends for U.S. federal income tax purposes to its stockholders. To qualify to be treated as a RIC, the Company is required to meet certain source of income and asset diversification requirements, and to timely distribute dividends out of assets legally available for distributions to its stockholders of an amount generally equal to at least 90% of the sum of its net ordinary income and net short-term capital gains in excess of net long-term capital losses, if any (i.e., "investment company taxable income," determined without regard to any deduction for dividends paid), for each taxable year. The amount to be paid out as distributions to the Company's stockholders is determined by the Company's Board of Directors and is based on management's estimate of the fiscal year earnings. Based on that estimate, the Company intends to make the requisite distributions to its stockholders, which will generally relieve the Company from corporate-level U.S. federal income taxes. Although the Company currently intends to distribute its net capital gains (i.e., net long-term capital gains in excess of net short-term capital losses), if any, recognized in respect of each taxable year as dividends out of the Company's assets legally available for distribution, the Company in the future may decide to retain for investment and be subject to entity-level income tax on such net capital gains. Additionally, depending on the level of taxable income earned in a taxable year, the Company may choose to carry forward taxable income in excess of current year distributions into the next taxable year and incur a 4% excise tax on such income, as required. To the extent that the Company determines that its estimated current year annual taxable income will be in excess of estimated current year distributions, the Company will accrue an excise tax, if any, on estimated excess taxable income as such excess taxable income is earned.

The Company had aggregate distributions declared and paid to its shareholders for the year ended December 31, 2017 of $8,915,421, or $0.47 per share. The tax character of the distributions declared and paid represented $8,199,556 from ordinary income, $505,988 capital gains, and $209,867 from tax return of capital. The Company had aggregate distributions declared and paid to its shareholders for the year ended December 31, 2016 of $5,144,149, or $0.35 per share. The tax character of the distributions declared and paid represented $4,798,829 from ordinary income, $103,499 capital gains, and $241,821 from tax return of capital. We estimate that the full amount of the distributions declared and paid during such period will be characterized, for U.S. federal income tax purposes, as ordinary income.

The determination of the tax attributes of the Company's distributions is made annually at the end of the Company's taxable year, based upon the Company's taxable income for the full taxable year and distributions paid for the full taxable year. Therefore, a determination made on an interim basis may not be representative of the actual tax attributes of distributions for a full taxable year. The actual tax characteristics of distributions to stockholders will reported to the Company's stockholders subject to information reporting after the close of each calendar year on Form 1099-DIV.

At December 31, 2017, the components of accumulated net unrealized appreciation on investments and net investment losses and losses on a tax basis as detailed below differ from the amounts reflected in the Company's statements of assets and liabilities by temporary book/tax differences primarily arising from amortization of organizational expenditures.

Temporary Differences

	As of December 31, 2017
Other temporary book/tax differences	$ (253,937)
Net tax basis unrealized appreciation	160,604
Components of tax distributable deficit at period end	$ (93,333)

Certain losses incurred by the Company after October 31 of a taxable year are deemed to arise on the first business day of the Company's next taxable year. The Company did not incur such losses after October 31 of the Company's taxable year ended December 31, 2017.

Capital losses are generally eligible to be carried forward indefinitely, and retain their status as short-term or long-term in the manner originally incurred by the company. The Company did not maintain any capital losses as of December 31, 2017. The Company has evaluated tax positions it has taken, expects to take, or that are otherwise relevant to the Company for purposes of determining whether any relevant tax positions would "more-likely-than-not" be sustained by the applicable tax authority in accordance with ASC Topic 740, "*Income Taxes*," as modified by ASC Topic 946. The Company has analyzed such tax positions and has concluded that no unrecognized tax benefits should be recorded for uncertain tax positions for taxable years that may be open. The Company is not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will change materially in the next twelve months. The Company's U.S. federal tax returns for fiscal years 2017, 2016, 2015 remain subject to examination by the Internal Revenue Service. The Company records tax positions that are not deemed to meet a more-likely-than-not threshold as tax expenses as well as any applicable penalties or interest associated with such positions. During each of the three months ended March 31, 2018 and 2017, no tax expense or any related interest or penalties were incurred.

Note 7. Equity

On June 23, 2015, an investor made a $140,000,000 capital commitment to the Company. On December 2, 2016, the same investor made an additional capital commitment of $50,000,000. On December 7, 2017, the same investor made an additional capital commitment of $100,000,000. As of March 31, 2018, $65,000,000 of total capital commitments remained unfunded by the Company's investors.

The number of Shares issued and outstanding as of March 31, 2018 and December 31, 2017, were 23,545,870 and 21,988,238, respectively.

Note 8. Commitments and Contingencies

The Company may enter into certain credit agreements that include loan commitments where all or a portion of such commitment may be unfunded. The Company is generally obligated to fund the unfunded loan commitments at the borrowers' discretion. Funded portions of credit agreements are presented on the accompanying schedule of investments. Unfunded loan commitments and funded portions of credit agreements are fair valued and unrealized appreciation or depreciation, if any, have been included in the accompanying statements of assets and liabilities and statements of operations.

The following table summarizes the Company's significant contractual payment obligations as of March 31, 2018 and December 31, 2017:

Investment	Industry	March 31, 2018	December 31, 2017
Radiology Partners, Senior Secured Term A Loan, 8.06% (Libor + 5.75%), maturity 12/4/23	Healthcare & Pharmaceuticals	$ 808,235	$ 175,567
Manna Pro, Senior Secured Term Loan, 8.31% (Libor + 6.00%), maturity 12/8/23	Consumer Goods: Non-durable	583,333	583,333
Mavis, Senior Secured Closing Date Term Loan (First Lien), 5.56% (Libor + 3.25%), maturity 3/20/25	Automotive	551,991	-
Young, Senior Secured Initial Term Loan (First Lien), 6.31% (Libor + 4.00%), maturity 11/7/24	Healthcare & Pharmaceuticals	501,667	687,500
Pathway, Senior Secured Term Loan (First Lien), 6.56% (Libor + 4.25%), maturity 10/10/24	Healthcare & Pharmaceuticals	342,703	818,454
Eating Recovery Center, Senior Secured Initial Term Loan (First Lien), 6.81% (Libor + 4.50%), maturity 9/23/24	Healthcare & Pharmaceuticals	340,909	340,909
SRP, Senior Secured Term Loan, 8.81% (Libor + 6.50%), maturity 9/8/23	Wholesale	296,429	535,714
Spectrum Plastics, Senior Secured Closing Date Term Loan (First Lien), 5.56% (Libor + 3.25%), maturity 1/31/25	Chemicals, Plastics & Rubber	270,000	-
Dermatologists of Central States, Senior Secured Term Loan, 8.81% (Libor + 6.50%), maturity 4/20/22	Healthcare & Pharmaceuticals	133,257	133,257
PlayCore, Senior Secured Initial Term Loan (First Lien), 6.06% (Libor + 3.75%), maturity 9/30/24	Construction & Building	119,048	119,048
Ansira, Senior Secured Initial Term Loan, 8.81% (Libor + 6.50%), maturity 12/20/22	Media: Advertising, Printing & Publishing	113,346	113,346
Inst. Shareholder Services, Senior Secured Initial Term Loan (First Lien), 6.06% (Libor + 3.75%), maturity 10/16/24	Banking, Finance, Insurance & Real Estate	-	208,333
		$ 4,060,918	**$ 3,715,461**

Note 9. Financial Highlights

	Three Months Ended March 31, 2018	Three Months Ended March 31, 2017
Per Share Data:		
Net asset value, beginning of period	$ 9.51	$ 9.55
Net investment income[(a)]	0.12	0.10
Net realized gain on investments and change in unrealized (depreciation) appreciation on investments[(a)(b)]	0.01	-
Net increase in net assets resulting from operations	$ 0.13	$ 0.10
Net asset value at end of period	$ 9.64	$ 9.65
Total return[(c)(g)]	1.37%	1.05%
Shares of common stock outstanding at end of period	23,545,870	17,831,894
Statement of Assets and Liabilities Data:		
Net assets at end of period	$ 226,983,425	$ 172,141,226
Average net assets[(d)]	216,134,650	171,599,020
Ratio/Supplemental Data:		
Ratio of gross expenses to average net assets-annualized[(e)]	2.28%	2.03%
Ratio of net expenses to average net assets-annualized[(f)]	1.28%	1.41%
Ratio of net investment income to average net assets-annualized	4.88%	4.28%
Portfolio turnover[(g)]	0.69%	9.51%

(a) Based on weighted average basic per share of Common Stock data.
(b) The per share amount varies from the net realized and unrealized gain/loss for the period because of the timing of sales of fund shares and the per share amount of realized and unrealized gains and losses at such time.
(c) Total return is based on the change in net asset value during the respective periods. Total return also takes into account dividends and distributions, if any, reinvested in accordance with the Company's dividend reinvestment plan.
(d) Average net assets are computed using the average balance of net assets at the end of each month of the reporting period.
(e) Ratio of gross expenses to average net assets is computed using expenses before waivers from the Adviser and Administrator.

(f) Ratio of net expenses to average net assets is computed using total expenses net of waivers from the Adviser and Administrator.
(g) Not annualized.

Note 10. Indemnification

In the normal course of business, the Company may enter into certain contracts that provide a variety of indemnities. The Company's maximum exposure under these indemnities is unknown. The Company does not consider it necessary to record a liability in this regard.

Note 11. Subsequent Events

The Company has considered the effects, if any, of events occurring after the date of the Company's Statement of Assets and Liabilities through May 15, 2018, the date the quarterly report on Form 10-Q was issued. The Company has concluded there are no material items that warrant disclosure.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

In this quarterly report on Form 10-Q, except where the context suggests otherwise, the terms "we," us," our" and the "Company" refer to Audax Credit BDC Inc. The information contained in this section should be read in the conjunction with the financial statements and notes to the financial statements appearing elsewhere in this report.

This report and other statements contain 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 our company, our current and prospective portfolio investments, our industry, our beliefs and our assumptions. Words such as "anticipates," "expects," "intends," "plans," "will," "may," "continue," "believes," "seeks," "estimates," "would," "could," "should," "targets," "projects," 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:

- our future operating results;
- our business prospects and the prospects of our portfolio companies;
- the ability of our portfolio companies to achieve their objectives;
- the timing of cash flows, if any, from the operations of our portfolio companies;
- the ability of our Adviser to locate suitable investments for us and to monitor and administer our investments;
- changes in the general economy;
- risk associated with possible disruptions in our operations or the economy generally;
- the effect of investments that we expect to make;
- our contractual arrangements and relationships with third parties;
- actual and potential conflicts of interest with Adviser and its affiliates;
- the dependence of our future success on the general economy and its effect on the industries in which we invest;
- the adequacy of our financing sources and working capital;
- the ability of our Adviser and its affiliates to attract and retain highly talented professionals;
- our ability to qualify and maintain our qualification as a BDC and as a RIC; and
- the risks, uncertainties and other factors we identify under "*Item 1A. Risk Factors*" and elsewhere in our Annual Report (file no. 814-01154) (the "Annual Report").

Although we believe that 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 report 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 the section of our Annual Report entitled "Item 1A. Risk Factors". You should not place undue reliance on these forward-looking statements, which apply only as of the date of this quarterly report. Moreover, we assume no duty and do not undertake to update the forward-looking statements. The forward-looking statements and projections contained in this report are excluded from the safe harbor protection provided by Section 27A of the Securities Act of 1933, as amended, and provided by Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act").

OVERVIEW

Audax Credit BDC Inc. is a Delaware corporation that was formed on January 29, 2015. We are an externally managed, closed-end, non-diversified management investment company that has elected to be treated as a BDC under the 1940 Act. In addition, we have elected to be treated for U.S. federal income tax purposes as a RIC under Subchapter M of the Code.

Our investment objective is to generate current income and, to a lesser extent, long-term capital appreciation. We intend to meet our investment objective by investing primarily in senior secured debt of privately owned U.S. middle- market companies. We intend to invest at least 80% of our net assets plus the amount of any borrowings in “credit instruments,” which we define as any fixed income instruments.

Although we have no present intention of doing so, we may decide to incur leverage. If we do incur leverage, however, we anticipate that it will be used in limited circumstances and on a short-term basis for purposes such as funding distributions. As a BDC, we are limited in our use of leverage under the 1940 Act. Under the 1940 Act, a BDC generally is required to maintain asset coverage of 200% for senior securities representing indebtedness (such as borrowings from banks or other financial institutions) or stock (such as preferred stock). The Small Business Credit Availability Act, which was signed into law on March 23, 2018, provides that a BDC’s required asset coverage under the 1940 Act may be reduced from 200% to 150%. This reduction in asset coverage would permit a BDC to double the amount of leverage it may utilize, subject to certain approval, timing and reporting requirements, including either stockholder approval or approval of a majority of the directors who are not “interested persons” (as defined in the 1940 Act) of the BDC and who have no financial interest in the arrangement. In determining whether to use leverage, we will analyze the maturity, covenants and interest rate structure of the proposed borrowings, as well as the risks of such borrowings within the context of our investment outlook and the impact of leverage on our investment portfolio. The amount of any leverage that we will employ as a BDC will be subject to oversight by our Board of Directors.

We generate revenue in the form of interest on the debt securities that we hold in our portfolio companies. The senior debt we invest in generally has stated terms of three to ten years. Our senior debt investments generally bear interest at a floating rate. Interest on debt securities is generally payable quarterly or semiannually. In some cases, some of our investments may provide for deferred interest payments or PIK interest. The principal amount of the debt securities and any accrued but unpaid interest generally will become due at the maturity date. In addition, we may generate revenue in the form of commitment and other fees in connection with transactions, although we do not expect to do so. OID as well as market discount and premium are accreted and amortized in determining our interest income. We record any prepayment premiums on loans and debt securities as income.

PORTFOLIO COMPOSITION AND INVESTMENT ACTIVITY

Portfolio Composition

The fair value of our investments, all of which were syndicated loans as of March 31, 2018, was approximately $221,921,997 and held in 110 portfolio companies as of March 31, 2018. The fair value of our investments, all of which were syndicated loans as of December 31, 2017, was approximately $184,336,177 and held in 96 portfolio companies as of December 31, 2017.

During the three months ended March 31, 2018, we invested in 29 new syndicated investments for a combined $45,743,336 and in existing investments for a combined $11,190,050. We also received $18,186,155 in repayments from investments and $1,390,962 from investments sold during the three months. During the three months ended March 31, 2017, we purchased $15,564,109 in investments, and we had $13,789,349 in debt repayments by existing portfolio companies. In addition, for the three months ended March 31, 2018, we had a change in unrealized appreciation of approximately $36,806 and realized gains of $149,798. In addition, for the three months ended March 31, 2017, we had a change in unrealized depreciation of approximately $129,906 and realized gains of $90,317.

Our investment activity for the three months ended March 31, 2018 and 2017, is presented below:

	Three Months Ended March 31, 2018	Three Months Ended March 31, 2017
Beginning investment portfolio, at fair value	$ 184,336,177	$ 143,789,221
Investments in new portfolio investments	45,743,336	13,408,164
Investments in existing portfolio investments	11,190,050	2,155,945
Principal repayments	(18,186,155)	(13,789,349)
Proceeds from investments sold	(1,390,962)	-
Change in premiums, discounts and amortization	42,947	68,127
Net unrealized appreciation (depreciation) on investments	36,806	(129,906)
Realized gain on investments	149,798	90,317
Ending portfolio investment activity, at fair value	$ 221,921,997	$ 145,592,519
Number of portfolio investments	116	88
Average investment amount, at cost	$ 1,911,419	$ 1,642,953
Percentage of investments at floating rates	100.00%	100.00%

As of March 31, 2018 and December 31, 2017, our entire portfolio consisted of non-controlled/non-affiliated investments.

RECENT DEVELOPMENTS

Subsequent to March 31, 2018 and through May 15, 2018, we invested $6,698,916 at cost in eight portfolio companies.

RESULTS OF OPERATIONS

The net increase or decrease in net assets from operations may vary substantially from period to period as a result of various factors, including the recognition of realized gains and/or losses and net change in unrealized appreciation and depreciation.

Revenue

Total investment income for the three months ended March 31, 2018 and 2017, is presented in the table below.

	Three Months Ended March 31, 2018	Three Months Ended March 31, 2017
Total interest income from non-controlled/non-affiliated investments	$ 3,216,602	$ 2,340,753
Total other interest income	36,988	22,884
Total other income	32,110	44,395
Total investment income	$ 3,285,700	$ 2,408,032

Total investment income for the three months ended March 31, 2018 increased to $3,285,700 from $2,408,032 for the three months ended March 31, 2017, and was driven by our interest income from our increasing investment balance. As of March 31, 2018 and 2017, the size of our portfolio was $221,724,587 and $145,579,855 at amortized cost, respectively, with total principal amount outstanding of $222,539,488 and $146,049,711, respectively.

Expenses

Total expenses net of waivers for the three months ended March 31, 2018 and 2017, were as follows:

	Three Months Ended March 31, 2018	Three Months Ended March 31, 2017
Base management fee[(a)]	$ 538,300	$ 438,663
Incentive fee[(a)]	398,564	119,397
Administrative fee[(a)]	66,250	66,250
Directors' fees	48,750	48,750
Professional fees	111,710	135,770
Other expenses	52,351	49,038
Total expenses	1,215,925	857,868
Base management fee waivers[(a)]	(188,404)	(153,532)
Incentive fee waivers[(a)]	(343,066)	(107,458)
Total expenses, net of waivers	$ 684,455	$ 596,878

(a) Refer to Note 4-*Related Party Transactions* within the financial statements for a description of the relevant fees.

The increase in base management fees before waivers for the three months ended March 31, 2018 in comparison to the three months ended March 31, 2017 was driven by our increasing invested balance. For the three months ended March 31, 2018 and 2017, we accrued gross base management fees before waivers of $538,300 and $438,663, respectively. Offsetting those fees, we recognized base management fee waivers of $188,404 and $153,532, respectively. For the three months ended March 31, 2018 and 2017, we accrued incentive fees related to net investment income before waivers of $398,564 and $119,397, respectively. Offsetting those fees, we recognized incentive fee waivers of $343,066 and $107,458, respectively. Additionally, we accrued $66,250 of administrative fees for each of the three months ended March 31, 2018 and 2017. Refer to Note 4 — *Related Party Transactions* in the notes accompanying our financial statements for more information related to base management fees, incentive fees and waivers.

During the three months ended March 31, 2018 and 2017, we incurred professional fees of $111,710 and $135,770, respectively, related to audit fees, tax fees, and legal fees. The decrease in professional fees was driven by a decrease in legal expenses during the three months ended March 31, 2018 as compared to the three months ended March 31, 2017. We also incurred expenses related to fees paid to our independent directors of $48,750 for each of the three months ended March 31, 2018 and 2017.

Realized and Unrealized Gains and Losses

We recognized $149,798 and $90,317 in net realized gains for the three months ended March 31, 2018 and 2017, respectively.

Net change in unrealized appreciation (depreciation) appreciation on investments for the three months ended March 31, 2018 and 2017 was as follows:

Type	Three Months Ended March 31, 2018	Three Months Ended March 31, 2017
First Lien Debt	$ 115,433	$ (214,309)
Second Lien Debt	(78,627)	84,403
Net change in unrealized appreciation (depreciation) on investments	$ 36,806	$ (129,906)

Net change in unrealized appreciation on investments during the three months ended March 31, 2018 was primarily due to an increase in performance of our portfolio companies and changes in the capital market conditions. Net change in unrealized depreciation on investments during the three months ended March 31, 2017 was primarily due to the reversal of previously appreciated investments due to full principal paydowns.

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

We generate cash primarily from the net proceeds of any offering of shares of our common stock, from cash flows from interest and fees earned from our investments, and from principal repayments and proceeds from sales of our investments. Our primary use of cash is investments in portfolio companies, payments of our expenses and cash distributions to our stockholders. As of March 31, 2018 and December 31, 2017, we had cash of $26,988,706 and $29,721,559, respectively.

Operating Activities

Net cash used in operating activities for the three months ended March 31, 2018 was $17,732,853. The primary operating activity during this period was investment in portfolio companies. This was partially offset by repayments of bank loans. Net cash used in operating activities for the three months ended March 31, 2017 was $513,638. The primary operating activity during this period was investment in portfolio companies. This was partially offset by repayments of bank loans.

As of March 31, 2018 and December 31, 2017, we had eleven and ten investments with unfunded commitments of $4,060,918 and $3,715,461, respectively. We believe that, as of March 31, 2018 and December 31, 2017, we had sufficient assets to adequately cover any obligations under our unfunded commitments.

The following table summarizes our total portfolio activity during the three months ended March 31, 2018 and 2017:

	Three Months Ended March 31, 2018	Three Months Ended March 31, 2017
Beginning investment portfolio	$ 184,336,177	$ 143,789,221
Investments in new portfolio investments	45,743,336	13,408,164
Investments in existing portfolio investments	11,190,050	2,155,945
Principal repayments	(18,186,155)	(13,789,349)
Proceeds from sales of investments	(1,390,962)	-
Net unrealized appreciation (depreciation) on investments	36,806	(129,906)
Net realized gain on investments	149,798	90,317
Net change in premiums, discounts and amortization	42,947	68,127
Investment Portfolio, at Fair Value	$ 221,921,997	$ 145,592,519

Financing Activities

Net cash provided by our financing activities for the three months ended March 31, 2018 was $15,000,000 from issuances of 1,557,632 of Shares to our shareholders, in connection with our capital calls during the period.

Equity Activity

On June 23, 2015, an investor made a $140,000,000 capital commitment to the Company. On December 2, 2016, the same investor made an additional capital commitment of $50,000,000. On December 7, 2017, the same investor made an additional capital commitment of $100,000,000. As of March 31, 2018, $65,000,000 of total capital commitments remained unfunded by the Company's investors.

The number of Shares issued and outstanding as of March 31, 2018 and December 31, 2017, were 23,545,870 and 21,988,238, respectively.

Distributions to Stockholders – Common Stock Distributions

We have elected to be treated as a RIC for U.S. federal income tax purposes. As a RIC, we generally are not subject to corporate-level U.S. federal income taxes on ordinary income or capital gains that we timely distribute as dividends for U.S. federal income tax purposes to our stockholders. To qualify to be taxed as a RIC and thus avoid corporate-level income tax on the income that we distribute as dividends to our stockholders, we are required to distribute dividends to our stockholders each taxable year generally of an amount at least equal to 90% of our investment company taxable income, determined without regard to the deduction for any dividends paid. To avoid the imposition of a 4% excise tax on undistributed earnings, we are required to distribute dividends to our stockholders in respect of each calendar year of an amount at least equal to the sum of (i) 98% of our ordinary income (taking into account certain deferrals and elections) for such calendar year, (ii) 98.2% of our capital gain net income, adjusted for certain ordinary losses, for the one-year period ending October 31 of that calendar year and (iii) any income or capital gains recognized, but not distributed, in preceding calendar years and on which we incurred no U.S. federal income tax. We intend to make distributions to stockholders on an annual basis of substantially all of our net investment income. Although we intend to make distributions of net realized capital gains, if any, at least annually, out of assets legally available for such distributions, we may in the future decide to retain such capital gains for investment. In addition, the extent and timing of special dividends, if any, will be determined by our Board of Directors and will largely be driven by portfolio specific events and tax considerations.

We may fund our cash distributions from any sources of funds available, including offering proceeds, borrowings, net investment income from operations, capital gains proceeds from the sale of assets, non-capital gains proceeds from the sale of assets, dividends or other distributions paid to us on account of preferred and common equity investments in portfolio companies and fee waivers from our Adviser. Our distributions may exceed our earnings, especially during the period before we have substantially invested the proceeds from an offering. As a result, a portion of the distributions we may represent a return of capital for U.S. federal income tax purposes. Thus the source of a distribution to our stockholders may be the original capital invested by the stockholder rather than our income or gains. In addition, we may be limited in our ability to make distributions due to the asset coverage test for borrowings applicable to us as a BDC under the 1940 Act. We did not declare or pay any distributions during the three months ended March 31, 2018 and 2017.

The determination of the tax attributes of our distributions is made annually at the end of our taxable year, based upon our taxable income for the full taxable year and distributions paid for the full taxable year. Therefore, estimates made on an interim basis may not be representative of the actual tax attributes of distributions for a full year. The actual tax characteristics of distributions to stockholders will reported to stockholders subject to information reporting after the close of each calendar year on Form 1099-DIV.

Related Party Fees

For the three months ended March 31, 2018 and 2017, we recorded base management fees of $538,300 and $438,663, respectively. Offsetting these fees were waivers to the base management fees of $188,404 and $153,532, respectively, as set forth within the accompanying statements of operations.

For the three months ended March 31, 2018 and 2017, we recorded incentive fees of $398,564 and $119,397, respectively. Offsetting these waivers to the incentive fees of $343,066 and $107,458, respectively, as set forth within the accompanying statements of operations.

For each of the three months ended March 31, 2018 and 2017, we recorded administrative fees of $62,500, respectively, as set forth within the accompanying statements of operations.

Fees due to related parties as of March 31, 2018 and December 31, 2017 on our accompanying statements of assets and liabilities were as follows:

	March 31, 2018	December 31, 2017
Net base management fee due to Adviser	$ 349,896	$ 309,784
Net incentive fee due to Adviser	55,497	68,237
Other expenses due to Adviser [(a)]	-	153,034
Total fees due to Adviser, net of waivers	405,393	531,055
Fee due to Administrator, net of waivers	66,250	66,250
Total Related Party Fees Due	$ 471,643	$ 597,305

(a) Expenses paid on behalf of the Company by the Adviser

Tender Offers

We do not currently intend to list our common stock on any securities exchange, and we do not expect a public market for it to develop in the foreseeable future. Therefore, stockholders should not expect to be able to sell our common stock promptly or at a desired price. To provide our stockholders with limited liquidity, we may, in the absolute discretion of our Board of Directors, conduct an annual tender offer. Our tenders for the common stock, if any, would be conducted on such terms as may be determined by our Board of Directors and in accordance with the requirements of applicable law, including Section 23(c) of the 1940 Act and Regulation M under the Exchange Act. We have not commenced any tender offers, and we do not currently intend to conduct any tender offers.

CRITICAL ACCOUNTING POLICIES

This discussion of our operations is based upon our financial statements, which are prepared in accordance with GAAP. The preparation of these financial statements requires our management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses.

Changes in the economic environment, financial markets and any other parameters used in determining such estimates could cause actual results to differ. In addition to the discussion below, we describe our critical accounting policies in the notes to our financial statements.

Valuation of Investments

We conduct the valuation of our investments, pursuant to which our net asset value is determined, at all times consistent with GAAP and the 1940 Act. Our Board of Directors, with the assistance of our Audit Committee, determines the fair value of our investments, for investments with a public market and for investments with no readily available public market, on at least a quarterly basis, in accordance with the terms of ASC 820. Our valuation procedures are set forth in more detail below.

ASC 820 defines fair value as “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.” Fair value is a market-based measurement, not an entity-specific measurement. For some assets and liabilities, observable market transactions or market information might be available. For other assets and liabilities, observable market transactions and market information might not be available. However, the objective of a fair value measurement in both cases is the same – to estimate the price when an orderly transaction to sell the asset or transfer the liability would take place between market participants at the measurement date under current market conditions (that is, an exit price at the measurement date from the perspective of a market participant that holds the asset or owes the liability).

ASC 820 establishes a hierarchal disclosure framework which ranks the observability of inputs used in measuring financial instruments at fair value. The observability of inputs is impacted by a number of factors, including the type of financial instruments and their specific characteristics. Financial instruments with readily available quoted prices, or for which fair value can be measured from quoted prices in active markets, generally will have a higher degree of market price observability and a lesser degree of judgment applied in determining fair value.
The three-level hierarchy for fair value measurement is defined as follows:

Level 1 — Inputs to the valuation methodology are quoted prices available in active markets for identical financial instruments as of the measurement date. The types of financial instruments in this category include unrestricted securities, including equities and derivatives, listed in active markets. We do not adjust the quoted price for these instruments, even in situations where we hold a large position, and a sale could reasonably be expected to impact the quoted price.

Level 2 — Inputs to the valuation methodology are quoted prices in markets that are not active or for which all significant inputs are either directly or indirectly observable as of the measurement date. The types of financial instruments in this category include less liquid and restricted securities listed in active markets, securities traded in markets that are not active, government and agency securities, and certain over-the-counter derivatives where the fair value is based on observable inputs.

Level 3 — Inputs to the valuation methodology are unobservable and significant to the overall fair value measurement, and include situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value require significant management judgment or estimation. The types of financial instruments in this category include investments in privately held entities, non-investment grade residual interests in securitizations, collateralized loan obligations, and certain over-the-counter derivatives where the fair value is based on unobservable inputs.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the determination of which category within the fair value hierarchy is appropriate for any given financial instrument is based on the lowest level of input that is significant to the fair value measurement. Assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the financial instrument.

Pursuant to the framework set forth above, we value securities traded in active markets on the measurement date by multiplying the exchange closing price of such traded securities/instruments by the quantity of shares or amount of the instrument held. We also obtain quotes with respect to certain of our investments from pricing services, brokers or dealers’ quotes, or counterparty marks in order to value liquid assets that are not traded in active markets.

Pricing services aggregate, evaluate and report pricing from a variety of sources including observed trades of identical or similar securities, broker or dealer quotes, model-based valuations and internal fundamental analysis and research. When doing so, we determine whether the quote obtained is sufficient according to GAAP to determine the fair value of the security. If determined adequate, we use the quote obtained.

Securities that are illiquid or for which the pricing source does not provide a valuation or methodology or provides a valuation or methodology that, in the judgment of our Board of Directors, does not represent fair value, are each valued as of the measurement date using all techniques appropriate under the circumstances and for which sufficient data are available. These valuation techniques vary by investment but include comparable public market valuations, comparable precedent transaction valuations and discounted cash flow analyses. The process used to determine the applicable value is as follows: (i) each portfolio company or investment is initially valued by the investment professionals of the Adviser responsible for the portfolio investment using a standardized template designed to approximate fair market value based on observable market inputs and updated credit statistics and unobservable inputs; (ii) preliminary valuation conclusions are documented and discussed with our senior management and members of our Adviser's valuation team; (iii) our Audit Committee reviews the assessments of the Adviser and provides our Board of Directors with recommendations with respect to the fair value of the investments in our portfolio; and (iv) our Board of Directors discusses the valuation recommendations of our Audit Committee and determines the fair value of the investments in our portfolio in good faith based on the input of the Adviser and in accordance with our valuation policy.

Our Audit Committee's recommendation of fair value is generally based on its assessment of the following factors, as relevant:

- the nature and realizable value of any collateral;
- call features, put features and other relevant terms of debt;
- the portfolio company's ability to make payments;
- the portfolio company's actual and expected earnings and discounted cash flow;
- prevailing interest rates for like securities and expected volatility in future interest rates;
- the markets in which the portfolio company does business and recent economic and/or market events; and
- comparisons to publicly traded securities.

Investment performance data utilized are the most recently available as of the measurement date, which in many cases may reflect up to a one quarter lag in information.

Securities for which market quotations are not readily available or for which a pricing source is not sufficient may include the following:

- private placements and restricted securities that do not have an active trading market;
- securities whose trading has been suspended or for which market quotes are no longer available;
- debt securities that have recently gone into default and for which there is no current market;
- securities whose prices are stale; and
- securities affected by significant events.

Our Board of Directors is responsible for the determination, in good faith, of the fair value of our portfolio investments.

Determination of fair value involves subjective judgments and estimates. Accordingly, the notes to our financial statements express the uncertainty with respect to the possible effect of such valuations, and any change in such valuations, on our financial statements.

Security transactions are recorded on trade date (date the order to buy or sell is executed or, in the case of privately issued securities, the closing date, which is when all terms of the transactions have been defined). Realized gains and losses on investments are determined based on the identified cost method.

Refer to Note 3 — *Investments* in the notes to our accompanying financial statements included elsewhere in this quarterly report for additional information regarding fair value measurements and our application of ASC 820.

Revenue Recognition

We record interest income on an accrual basis to the extent that we expect to collect such amounts. For loans and debt securities with contractual PIK interest, which represents contractual interest accrued and added to the principal balance, we generally will not accrue PIK interest for accounting purposes if the portfolio company valuation indicates that such PIK interest is not collectible. We do not accrue as a receivable interest on loans and debt securities for accounting purposes if we have reason to doubt our ability to collect such interest. OID, market discounts or premiums are accreted or amortized using the effective interest method as interest income. We record prepayment premiums on loans and debt securities as interest income.

Net Realized Gains or Losses and Net Change in Unrealized Appreciation or Depreciation

We measure net realized gains or losses by the difference between the net proceeds from the repayment or sale and the amortized cost basis of the investment, without regard to unrealized appreciation or depreciation previously recognized, but considering unamortized upfront fees and prepayment penalties. Net change in unrealized appreciation or depreciation reflects the change in portfolio investment values during the reporting period, including any reversal of previously recorded unrealized appreciation or depreciation, when gains or losses are realized.

PIK Interest

We may have investments in our portfolio that contain a PIK interest provision. Any PIK interest will be added to the principal balance of such investments and is recorded as income if the portfolio company valuation indicates that such PIK interest is collectible. In order to maintain our status as a RIC, substantially all of this income must be included in the amounts paid out by us to stockholders in the form of dividends, even if we have not collected any cash.

Organization and Offering Expenses

We incurred offering costs of $145,358 in prior periods. Our offering costs included legal fees and other costs pertaining to the preparation of the Registration Statement and sale of our shares of common stock. We capitalized these expenses and amortized them on a straight-line basis over a twelve-month period. We did not amortize offering costs during the three months ended March 31, 2018 and 2017.

U.S. Federal Income Taxes

We have elected to be subject to tax as a RIC under Subchapter M of the Code. As a RIC, we generally will not have to incur any corporate-level U.S. federal income taxes on any ordinary income or capital gains that we distribute as dividends to our stockholders. To qualify and maintain our qualification as a RIC, we must meet certain source-of-income and asset diversification requirements as well as distribute dividends to our stockholders each taxable year of an amount generally at least equal to 90% of our investment company taxable income, determined without regard to any distributions paid.

Depending on the level of taxable income earned in a taxable year, we may choose to retain taxable income in excess of current year distributions into the next taxable year. We would then incur a 4% excise tax on such taxable income, as required. To the extent that we determine that our estimated current year annual taxable income may exceed estimated current year distributions, we will accrue an excise tax, if any, on estimated excess taxable income as taxable income is earned. We did not accrue any excise tax for the fiscal years ended December 31, 2017, 2016, and 2015.

Because U.S. federal income tax regulations differ from GAAP, distributions in accordance with tax regulations may differ from net investment income and realized gains recognized for financial reporting purposes. Differences may be permanent or temporary. Permanent differences are reclassified within capital accounts in the financial statements to reflect their tax character. Permanent differences may also result from differences in classification in certain items, such as the treatment of short-term gains as ordinary income for tax purposes. Temporary differences arise when certain items of income, expense, gain or loss are recognized at some time in the future.

We evaluate tax positions taken or expected to be taken in the course of preparing our financial statements to determine whether the tax positions are “more-likely-than-not” of being sustained by the applicable tax authority. Tax positions not deemed to meet the “more-likely-than-not” threshold are reversed and recorded as a tax benefit or expense in the current fiscal year. All penalties and interest associated with any income taxes accrued are included in income tax expense. Conclusions regarding tax positions are subject to review and may be adjusted at a later date based on factors including, but not limited to, ongoing analyses of tax law, regulations and interpretations thereof. Our accounting policy on income taxes is critical because if we are unable to qualify, or once qualified, maintain our tax status as a RIC, we would be required to record a provision for corporate-level U.S. federal income taxes, as well as any related state or local taxes which may be significant to our financial results.

COMMITMENTS AND CONTINGENCIES

From time to time, we, or the Adviser, may become party to legal proceedings in the ordinary course of business, including proceedings related to the enforcement of our rights under contracts with our portfolio companies. Neither we nor the Adviser is currently subject to any material legal proceedings.

Unfunded commitments to provide funds to portfolio companies are not reflected in our accompanying statements of assets and liabilities. Our unfunded commitments may be significant from time to time. These commitments are subject to the same underwriting and ongoing portfolio maintenance as are the on-balance sheet financial instruments that we hold. Since these commitments may expire without being drawn, the total commitment amount does not necessarily represent future cash requirements. We use cash flow from normal and early principal repayments and proceeds from borrowings and offerings to fund these commitments. As of March 31, 2018, we had eleven investments with unfunded commitments of $4,060,918. As of December 31, 2017, we had ten investments with unfunded commitments of $3,715,461. We believe that, as of March 31, 2018 and December 31, 2017, we had sufficient assets to adequately cover any obligations under our unfunded commitments.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are subject to financial market risks, including changes in interest rates. As a result, there can be no assurance that a significant change in market interest rates will not have a material adverse effect on our net investment income. As of March 31, 2018 and December 31, 2017, all of our investments included variable rates with a minimum guaranteed rate, or floor, and bore interest at the minimum guaranteed rate.

Assuming that the accompanying statement of assets and liabilities as of March 31, 2018 was to remain constant and that we took no actions to alter interest rate sensitivity as of such date, the following table shows the annualized impact of hypothetical base rate changes in interest rates.

Change in interest rates	Increase (decrease) in investment income
Down 100 basis points	(1,946,543)
Up 100 basis points	2,225,395
Up 200 basis points	4,450,790
Up 300 basis points	6,676,185

Although we believe that this measure is indicative of our sensitivity to interest rate changes, it does not reflect potential changes in the credit market, credit quality, size and composition of the assets on the Consolidated Statements of Assets and Liabilities and other business developments that could affect our net increase in net assets resulting from operations or net investment income. Accordingly, no assurances can be given that actual results would not differ materially from those shown above.

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.

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.

ITEM 4. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

As of March 31, 2018, our management, including our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness and design and operation of our disclosure controls and procedures. Based on that evaluation, our management, including the Chief Executive Officer and Chief Financial Officer, concluded that our disclosure controls and procedures were effective at a reasonable assurance level in timely alerting management, including the Chief Executive Officer and Chief Financial Officer, of material information about us required to be included in periodic SEC filings. However, in evaluation of the disclosure controls and procedures, management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

Changes in Internal Control Over Financial Reporting

There have been no changes in our internal control over financial reporting, as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act, 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 proceeding, nor, to our knowledge, is any material legal proceeding threatened against us.

From time to time, we, our Adviser or Administrator 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. 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.

From time to time, we are involved in various legal proceedings, lawsuits and claims incidental to the conduct of our business. Our businesses are also subject to extensive regulation, which may result in regulatory proceedings against us.

ITEM 1A. RISK FACTORS

In addition to the risks discussed below, important risk factors that could cause results or events to differ from current expectations are described in Part I, Item 1A “Risk Factors” of the Company’s Annual Report on Form 10-K for the year ended December 31, 2017 filed with the Securities and Exchange Commission on March 16, 2018.

Recently passed legislation may allow us to incur additional leverage would require us to offer liquidity to our stockholders.

Under the 1940 Act, a BDC generally is required to maintain asset coverage of 200% for senior securities representing indebtedness (such as borrowings from banks or other financial institutions) or stock (such as preferred stock). The Small Business Credit Availability Act, which was signed into law on March 23, 2018, provides that a BDC’s required asset coverage under the 1940 Act may be reduced from 200% to 150%. This reduction in asset coverage would permit a BDC to double the amount of leverage it may utilize, subject to certain approval, timing and reporting requirements, including either stockholder approval or approval of a majority of the directors who are not “interested persons” (as defined in the 1940 Act) of the BDC and who have no financial interest in the arrangement. As a result, if we receive the relevant approval and we comply with the applicable disclosure requirements, we would be able to incur additional leverage, which may increase the risk of investing in us. In addition, since our base management fee is payable based upon our average adjusted gross assets, which includes any borrowings for investment purposes, our base management fee expenses may increase if we incur additional leverage.

We have not commenced any tender offers, and we do not currently intend to conduct any tender offers. As a non-traded BDC, however, if we receive the relevant approval to increase our authorized leverage, we will be required to offer our stockholders the opportunity to sell their shares of common stock over the next year following the calendar quarter in which the approval was obtained. The timing and method for such offers has not been determined at this time.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS.

Not applicable.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

Not applicable.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

Not applicable.

ITEM 6. EXHIBITS

3.1	Amended and Restated Certificate of Incorporation (Incorporated by reference to Exhibit 3.1 to the Registration Statement on Form 10 (File no. 000-55426), filed on April 17, 2015).
3.2	Form of Bylaws (Incorporated by reference to Exhibit 3.2 to the Registration Statement on Form 10 (File no. 000-55426), filed on April 17, 2015).
11.1	Computation of per share earnings (included in the notes to the financial statements included in this report).
31.1	Certification of Chief Executive Officer pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934, as amended.
31.2	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934, as amended.
32.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, as amended (18 U.S.C. 1350).
32.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, as amended (18 U.S.C. 1350).
99.1	Code of Ethics (Incorporated by reference to Exhibit 99.1 to Pre-Effective Amendment No. 1 to the Registration Statement on Form 10, File No. 000-55426, filed on June 5, 2015).

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

	Audax Credit BDC Inc.
Date: May 15, 2018	By: /s/ Michael P. McGonigle Michael P. McGonigle Chief Executive Officer
Date: May 15, 2018	By: /s/ Richard T. Joseph Richard T. Joseph Chief Financial Officer

EXHIBIT 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO EXCHANGE ACT
RULES 13a-14 AND 15d-14

I, Michael P. McGonigle, Chief Executive Officer of Audax Credit BDC Inc., certify that:

1. I have reviewed this quarterly report on Form 10-Q of Audax Credit BDC 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 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 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.

Date: May 15, 2018

By: /s/ Michael P. McGonigle
Chief Executive Officer

EXHIBIT 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO EXCHANGE ACT
RULES 13a-14 AND 15d-14

I, Richard T. Joseph, Chief Financial Officer of Audax Credit BDC Inc., certify that:

1. I have reviewed this quarterly report on Form 10-Q of Audax Credit BDC 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 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 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.

Date: May 15, 2018

By: /s/ Richard T. Joseph
Chief Financial Officer

EXHIBIT 32.1

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of Audax Credit BDC Inc. (the “Company”) for the quarterly period ended March 31, 2018 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Michael P. McGonigle, as Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

(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 Company.

/s/ Michael P. McGonigle

Name: **Michael P. McGonigle**
Title: **Chief Executive Officer**

Date: May 15, 2018

EXHIBIT 32.2

**CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of Audax Credit BDC Inc. (the "Company") for the quarterly period ended March 31, 2018 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Richard T. Joseph, as Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

(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 Company.

/s/ Richard T. Joseph

Name: **Richard T. Joseph**
Title: **Chief Financial Officer**

Date: May 15, 2018