

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

FORM 10-Q

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

For the quarterly period ended **March 31, 2019**
OR

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

For the transition period _____ to _____
Commission File No. **000-54899**

TCG BDC, INC.

(Exact name of Registrant as specified in its charter)

Maryland

(State or other jurisdiction of incorporation or organization)

80-0789789

(I.R.S. Employer Identification Number)

520 Madison Avenue, 40th Floor, New York, NY 10022

(Address of principal executive office) (Zip Code)

(212) 813-4900

(Registrant's telephone number, including area code)

N/A

(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 every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit 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 definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
Emerging growth company	<input type="checkbox"/>		

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

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

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of Each Class</u>	<u>Trading Symbol(s)</u>	<u>Name of Each Exchange on Which Registered</u>
Common stock, \$0.01 par value	CGBD	NASDAQ Global Select Market

The number of shares of the registrant's common stock, \$0.01 par value per share, outstanding at May 7, 2019 was 60,613,488.

TCG BDC, INC.
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TCG BDC, INC.
CONSOLIDATED STATEMENTS OF ASSETS AND LIABILITIES
(dollar amounts in thousands, except per share data)

	<u>March 31, 2019</u>	<u>December 31, 2018</u>
	<u>(unaudited)</u>	
ASSETS		
Investments, at fair value		
Investments—non-controlled/non-affiliated, at fair value (amortized cost of \$1,965,496 and \$1,799,751, respectively)	\$ 1,899,537	\$ 1,731,319
Investments—non-controlled/affiliated, at fair value (amortized cost of \$14,081 and \$13,839, respectively)	21,081	18,543
Investments—controlled/affiliated, at fair value (amortized cost of \$241,801 and \$230,001, respectively)	234,591	222,295
Total investments, at fair value (amortized cost of \$2,221,378 and \$2,043,591, respectively)	<u>2,155,209</u>	<u>1,972,157</u>
Cash and cash equivalents	40,071	87,186
Receivable for investment sold	—	8,060
Deferred financing costs	4,069	3,950
Interest receivable from non-controlled/non-affiliated investments	7,658	5,853
Interest receivable from non-controlled/affiliated investments	8	3
Interest and dividend receivable from controlled/affiliated investments	7,256	7,405
Prepaid expenses and other assets	8	129
Total assets	<u>\$ 2,214,279</u>	<u>\$ 2,084,743</u>
LIABILITIES		
Secured borrowings (Note 6)	\$ 660,959	\$ 514,635
Notes payable, net of unamortized debt issuance costs of \$3,095 and \$3,157, respectively (Note 7)	446,105	446,043
Payable for investments purchased	—	1,870
Due to Investment Adviser	169	236
Interest and credit facility fees payable (Notes 6 and 7)	7,994	7,500
Dividend payable (Note 9)	22,681	35,497
Base management and incentive fees payable (Note 4)	13,531	13,834
Administrative service fees payable (Note 4)	139	94
Other accrued expenses and liabilities	2,514	1,816
Total liabilities	<u>1,154,092</u>	<u>1,021,525</u>
Commitments and contingencies (Notes 8 and 11)		
NET ASSETS		
Common stock, \$0.01 par value; 200,000,000 shares authorized; 61,272,069 shares and 62,230,251 shares issued and outstanding at March 31, 2019 and December 31, 2018, respectively	613	622
Paid-in capital in excess of par value	1,160,258	1,174,334
Offering costs	(1,633)	(1,633)
Total distributable earnings (loss)	(99,051)	(110,105)
Total net assets	<u>\$ 1,060,187</u>	<u>\$ 1,063,218</u>
NET ASSETS PER SHARE	<u>\$ 17.30</u>	<u>\$ 17.09</u>

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

TCG BDC, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(dollar amounts in thousands, except per share data)
(unaudited)

	For the three month periods ended	
	March 31, 2019	March 31, 2018
Investment income:		
From non-controlled/non-affiliated investments:		
Interest income	\$ 45,242	\$ 39,328
Other income	2,028	895
Total investment income from non-controlled/non-affiliated investments	47,270	40,223
From non-controlled/affiliated investments:		
Interest income	379	379
Total investment income from non-controlled/affiliated investments	379	379
From controlled/affiliated investments:		
Interest income	3,538	2,631
Dividend income	4,000	4,250
Total investment income from controlled/affiliated investments	7,538	6,881
Total investment income	55,187	47,483
Expenses:		
Base management fees (Note 4)	7,685	7,222
Incentive fees (Note 4)	5,846	5,330
Professional fees	745	762
Administrative service fees (Note 4)	216	186
Interest expense (Notes 6 and 7)	11,991	7,815
Credit facility fees (Note 6)	568	525
Directors' fees and expenses	93	98
Other general and administrative	421	405
Total expenses	27,565	22,343
Net investment income (loss) before taxes	27,622	25,140
Excise tax expense	60	10
Net investment income (loss)	27,562	25,130
Net realized gain (loss) and net change in unrealized appreciation (depreciation) on investments:		
Net realized gain (loss) from:		
Non-controlled/non-affiliated investments	899	(129)
Net change in unrealized appreciation (depreciation):		
Non-controlled/non-affiliated investments	2,473	(6,044)
Non-controlled/affiliated investments	2,296	1,432
Controlled/affiliated investments	496	700
Net realized gain (loss) and net change in unrealized appreciation (depreciation) on investments	6,164	(4,041)
Net increase (decrease) in net assets resulting from operations	\$ 33,726	\$ 21,089
Basic and diluted earnings per common share (Note 9)	\$ 0.55	\$ 0.34
Weighted-average shares of common stock outstanding—Basic and Diluted (Note 9)	61,772,774	62,504,465

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

TCG BDC, INC.
CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS
(dollar amounts in thousands)
(unaudited)

	For the three month periods ended	
	March 31, 2019	March 31, 2018
Increase (decrease) in net assets resulting from operations:		
Net investment income (loss)	\$ 27,562	\$ 25,130
Net realized gain (loss) on investments	899	(129)
Net change in unrealized appreciation (depreciation) on investments	5,265	(3,912)
Net increase (decrease) in net assets resulting from operations	<u>33,726</u>	<u>21,089</u>
Capital transactions:		
Common stock issued, net of offering and underwriting costs	—	(15)
Reinvestment of dividends	—	6,629
Repurchase of common stock	(14,085)	—
Dividends declared (Note 12)	(22,672)	(23,150)
Net increase (decrease) in net assets resulting from capital share transactions	<u>(36,757)</u>	<u>(16,536)</u>
Net increase (decrease) in net assets	<u>(3,031)</u>	<u>4,553</u>
Net assets at beginning of period	1,063,218	1,127,304
Net assets at end of period	<u>\$ 1,060,187</u>	<u>\$ 1,131,857</u>

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

TCG BDC, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(dollar amounts in thousands)
(unaudited)

	For the three month periods ended	
	March 31, 2019	March 31, 2018
Cash flows from operating activities:		
Net increase (decrease) in net assets resulting from operations	\$ 33,726	\$ 21,089
Adjustments to reconcile net increase (decrease) in net assets resulting from operations to net cash provided by (used in) operating activities:		
Amortization of deferred financing costs	298	252
Net accretion of discount on investments	(2,161)	(2,390)
Paid-in-kind interest	(1,052)	(213)
Net realized (gain) loss on investments	(899)	129
Net change in unrealized (appreciation) depreciation on investments	(5,265)	3,912
Cost of investments purchased and change in payable for investments purchased	(247,039)	(111,938)
Proceeds from sales and repayments of investments and change in receivable for investments sold	79,554	164,119
<i>Changes in operating assets:</i>		
Interest receivable	(1,361)	(486)
Dividend receivable	(300)	(1,410)
Prepaid expenses and other assets	121	(159)
<i>Changes in operating liabilities:</i>		
Due to Investment Adviser	(67)	35
Interest and credit facility fees payable	494	160
Base management and incentive fees payable	(303)	(546)
Administrative service fees payable	45	30
Other accrued expenses and liabilities	698	(101)
Net cash provided by (used in) operating activities	<u>(143,511)</u>	<u>72,483</u>
Cash flows from financing activities:		
Proceeds from issuance of common stock, net of offering and underwriting costs	—	(15)
Repurchase of common stock	(14,085)	—
Borrowings on SPV Credit Facility and Credit Facility	253,950	253,050
Repayments of SPV Credit Facility and Credit Facility	(107,626)	(288,078)
Debt issuance costs paid	(355)	(17)
Dividends paid in cash	(35,488)	(23,852)
Net cash provided by (used in) financing activities	<u>96,396</u>	<u>(58,912)</u>
Net increase (decrease) in cash and cash equivalents	(47,115)	13,571
Cash and cash equivalents, beginning of period	87,186	32,039
Cash and cash equivalents, end of period	<u>\$ 40,071</u>	<u>\$ 45,610</u>
Supplemental disclosures:		
Interest paid during the period	\$ 11,515	\$ 7,682
Taxes, including excise tax, paid during the period	\$ 225	\$ 105
Dividends declared during the period	\$ 22,672	\$ 23,150
Reinvestment of dividends	\$ —	\$ 6,629

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

TCG BDC, INC.
CONSOLIDATED SCHEDULE OF INVESTMENTS
As of March 31, 2019
(dollar amounts in thousands)
(unaudited)

Investments—non-controlled/non-affiliated <small>(1)</small>		Footnotes	Industry	Reference Rate & Spread <small>(2)</small>	Interest Rate <small>(2)</small>	Acquisition Date	Maturity Date	Par/Principal Amount	Amortized Cost <small>(4)</small>	Fair Value <small>(5)</small>	% of Net Assets
First Lien Debt (76.51%)											
Advanced Instruments, LLC	^+*	(2) (3) (13)	Healthcare & Pharmaceuticals	L + 5.25%	7.73%	11/1/2016	10/31/2022	\$ 19,916	\$ 19,679	\$ 19,779	1.87 %
Aero Operating, LLC (Dejana Industries, Inc.)	^+*	(2) (3) (13)	Business Services	L + 7.25%	9.74%	1/5/2018	12/29/2022	3,560	3,527	3,545	0.32
Alpha Packaging Holdings, Inc.	+*	(2) (3)	Containers, Packaging & Glass	L + 4.25%	6.85%	6/26/2015	5/12/2020	2,858	2,857	2,855	0.27
Alpine SG, LLC	^*	(2) (3)	High Tech Industries	L + 5.50%	8.24%	2/2/2018	11/16/2022	13,801	13,677	13,741	1.30
American Physician Partners, LLC	^+	(2) (3) (13)	Healthcare & Pharmaceuticals	L + 6.50%	9.10%	1/7/2019	12/21/2021	35,376	34,798	35,388	3.33
AMS Group HoldCo, LLC	^+*	(2) (3) (13)	Transportation: Cargo	L + 6.00%	8.60%	9/29/2017	9/29/2023	32,567	31,977	30,821	2.91
Analogic Corporation	^+*	(2) (3) (13)	Healthcare & Pharmaceuticals	L + 6.00%	8.50%	6/22/2018	6/22/2024	35,160	34,474	34,586	3.26
Anchor Hocking, LLC	^	(2) (3)	Durable Consumer Goods	L + 8.25%	10.99%	1/25/2019	1/25/2024	11,575	11,209	11,199	1.06
Apptio, Inc.	^	(2) (3) (13)	Software	L + 7.25%	9.74%	1/10/2019	1/10/2025	28,402	27,804	28,332	2.67
Avenu Holdings, LLC	+*	(2) (3)	Sovereign & Public Finance	L + 5.25%	7.85%	9/28/2018	9/28/2024	38,959	38,321	38,199	3.60
Brooks Equipment Company, LLC	+*	(2) (3)	Construction & Building	L + 5.00%	7.63%	6/26/2015	8/29/2020	2,502	2,494	2,499	0.24
Capstone Logistics Acquisition, Inc.	+*	(2) (3)	Transportation: Cargo	L + 4.50%	7.00%	6/26/2015	10/7/2021	14,306	14,238	14,295	1.35
Captive Resources Midco, LLC	^*	(2) (3) (13)	Banking, Finance, Insurance & Real Estate	L + 5.75%	8.25%	6/30/2015	12/18/2021	29,182	28,968	29,108	2.75
Central Security Group, Inc.	+*	(2) (3)	Consumer Services	L + 5.63%	8.13%	6/26/2015	10/6/2021	23,424	23,276	23,075	2.18
Chemical Computing Group ULC (Canada)	^*	(2) (3) (7) (13)	Software	L + 5.50%	8.00%	8/30/2018	8/30/2023	15,755	15,604	15,619	1.47
CIP Revolution Holdings, LLC	^+*	(2) (3) (13)	Media: Advertising, Printing & Publishing	L + 6.00%	8.61%	8/19/2016	8/19/2021	20,530	20,407	20,228	1.91
CircusTrix Holdings, LLC	^+*	(2) (3) (13)	Hotel, Gaming & Leisure	L + 5.50%	8.00%	2/2/2018	12/16/2021	9,190	9,125	9,037	0.85
Comar Holding Company, LLC	^*	(2) (3) (13)	Containers, Packaging & Glass	L + 5.25%	7.74%	6/18/2018	6/18/2024	27,137	26,527	26,647	2.51
Continuum Managed Services Holdco, LLC	^+*	(2) (3) (13)	High Tech Industries	L + 6.00%	8.50%	6/20/2017	6/8/2023	28,171	27,571	27,992	2.64
Dade Paper & Bag, LLC	^+*	(2) (3)	Forest Products & Paper	L + 7.50%	10.00%	6/9/2017	6/10/2024	49,125	48,363	48,771	4.60
Datto, Inc.	^+*	(2) (3) (13)	High Tech Industries	L + 8.00%	10.49%	12/7/2017	12/7/2022	35,622	35,199	36,349	3.43
Dent Wizard International Corporation	+	(2) (3)	Automotive	L + 4.00%	6.50%	4/28/2015	4/7/2020	884	882	881	0.08
Derm Growth Partners III, LLC (Dermatology Associates)	^	(2) (3)	Healthcare & Pharmaceuticals	L + 6.25%	8.85%	5/31/2016	5/31/2022	52,567	52,204	48,519	4.58
DermaRite Industries, LLC	^*	(2) (3) (13)	Healthcare & Pharmaceuticals	L + 7.00%	9.60%	3/3/2017	3/3/2022	21,803	21,584	21,654	2.04
Dimensional Dental Management, LLC	^	(2) (3) (11)	Healthcare & Pharmaceuticals	L + 6.75%	9.22%	2/12/2016	2/12/2021	33,674	33,301	28,213	2.66
Direct Travel, Inc.	^+*	(2) (3) (13)	Hotel, Gaming & Leisure	L + 6.50%	9.12%	10/14/2016	12/1/2021	35,287	34,899	35,162	3.32
DTI Holdco, Inc.	*	(2) (3)	High Tech Industries	L + 4.75%	7.49%	12/18/2018	9/30/2023	1,990	1,868	1,860	0.18

TCG BDC, INC.
CONSOLIDATED SCHEDULE OF INVESTMENTS (Continued)
As of March 31, 2019
(dollar amounts in thousands)
(unaudited)

Investments—non-controlled/non-affiliated <small>(1)</small>		Footnotes	Industry	Reference Rate & Spread ⁽²⁾	Interest Rate ⁽²⁾	Acquisition Date	Maturity Date	Par/Principal Amount	Amortized Cost ⁽⁴⁾	Fair Value ⁽⁵⁾	% of Net Assets
First Lien Debt (76.51%) (continued)											
EIP Merger Sub, LLC (Evolve IP)	^+*	(2) (3) (11)	Telecommunications	L + 5.75%	8.25%	6/7/2016	6/7/2022	\$ 36,093	\$ 35,465	\$ 34,834	3.29 %
Emergency Communications Network, LLC	^+*	(2) (3)	Telecommunications	L + 6.25%	8.75%	6/1/2017	6/1/2023	24,561	24,394	24,160	2.28
Ensono, LP	*	(2) (3)	Telecommunications	L + 5.25%	7.75%	4/30/2018	6/27/2025	8,602	8,517	8,505	0.80
Frontline Technologies Holdings, LLC	^	(2) (3) (13)	Software	L + 6.50%	9.10%	9/18/2017	9/18/2023	40,420	40,093	40,401	3.81
FWR Holding Corporation	^+*	(2) (3) (13)	Beverage, Food & Tobacco	L + 5.50%	8.00%	8/21/2017	8/21/2023	46,190	45,379	46,051	4.34
Green Energy Partners/Stonewall, LLC	+*	(2) (3)	Energy: Electricity	L + 5.50%	8.10%	6/26/2015	11/13/2021	19,700	19,459	19,256	1.82
GRO Sub Holdco, LLC (Grand Rapids)	^+*	(2) (3) (13)	Healthcare & Pharmaceuticals	L + 6.00%	8.60%	2/28/2018	2/22/2024	6,653	6,473	6,242	0.59
Hummel Station, LLC	+*	(2) (3)	Energy: Electricity	L + 6.00%	8.50%	2/3/2016	10/27/2022	14,753	14,095	13,924	1.31
Hydrofarm, LLC	^	(2) (3)	Wholesale	L+10.00% (30% cash/70% PIK)	12.49%	5/15/2017	5/12/2022	20,111	19,801	13,565	1.28
iCIMS, Inc.	^	(2) (3) (13)	Software	L + 6.50%	8.99%	9/12/2018	9/12/2024	20,025	19,630	19,798	1.87
Indra Holdings Corp. (Totes Isotoner)	^	(2) (3)	Non-durable Consumer Goods	L + 4.25%	6.83%	4/29/2014	5/1/2021	18,965	17,640	9,760	0.92
Innovative Business Services, LLC	^*	(2) (3) (13)	High Tech Industries	L + 5.50%	8.30%	4/5/2018	4/5/2023	16,266	15,775	15,917	1.50
Legacy.com, Inc.	^	(2) (3) (11)	High Tech Industries	L + 6.00%	8.55%	3/20/2017	3/20/2023	17,000	16,706	16,330	1.54
Mailgun Technologies, Inc.	^	(2) (3) (13)	High Tech Industries	L + 6.00%	8.61%	3/26/2019	3/26/2025	11,526	11,273	11,268	1.06
Maravai Intermediate Holdings, LLC	^*	(2) (3)	Healthcare & Pharmaceuticals	L + 4.25%	6.75%	8/2/2018	8/2/2025	19,900	19,723	19,737	1.86
Metrogistics, LLC	+*	(2) (3)	Transportation: Cargo	L + 6.50%	9.10%	12/13/2016	9/30/2022	17,402	17,247	17,326	1.63
Moxie Liberty, LLC	+*	(2) (3)	Energy: Electricity	L + 6.50%	9.10%	10/16/2017	8/21/2020	9,848	9,260	8,773	0.83
National Carwash Solutions, Inc.	^+	(2) (3) (13)	Automotive	L + 6.00%	8.49%	8/7/2018	4/28/2023	8,393	8,218	8,292	0.78
National Technical Systems, Inc.	^+*	(2) (3) (13)	Aerospace & Defense	L + 6.25%	8.74%	6/26/2015	6/12/2021	28,169	27,939	28,105	2.65
NES Global Talent Finance US, LLC (United Kingdom)	+*	(2) (3) (7)	Energy: Oil & Gas	L + 5.50%	8.24%	5/9/2018	5/11/2023	9,967	9,816	9,773	0.92
Nexus Technologies, LLC	*	(2) (3)	High Tech Industries	L + 5.50%	8.10%	12/11/2018	12/5/2023	6,219	6,162	6,083	0.57
NMI AcquisitionCo, Inc.	^+*	(2) (3) (13)	High Tech Industries	L + 6.75%	9.25%	9/6/2017	9/6/2022	51,296	50,562	49,646	4.68
North American Dental Management, LLC	^	(2) (3) (13)	Healthcare & Pharmaceuticals	L + 5.25%	7.81%	10/26/2018	7/7/2023	3,335	3,241	3,246	0.31
Northland Telecommunications Corporation	^*	(2) (3) (13)	Media: Broadcast & Subscription	L + 5.75%	8.24%	10/1/2018	10/1/2025	21,584	21,254	21,284	2.01
Plano Molding Company, LLC	^	(2) (3)	Hotel, Gaming & Leisure	L + 7.50%	9.99%	5/1/2015	5/12/2021	14,865	14,702	13,912	1.31

TCG BDC, INC.
CONSOLIDATED SCHEDULE OF INVESTMENTS (Continued)
As of March 31, 2019
(dollar amounts in thousands)
(unaudited)

Investments—non-controlled/non-affiliated (1)	Footnotes	Industry	Reference Rate & Spread (2)	Interest Rate (2)	Acquisition Date	Maturity Date	Par/Principal Amount	Amortized Cost (4)	Fair Value (5)	% of Net Assets	
First Lien Debt (76.51%) (continued)											
PPC Flexible Packaging, LLC	^+*	(2) (3) (13)	Containers, Packaging & Glass	L + 5.25%	7.75%	11/23/2018	11/23/2024	\$ 13,767	\$ 13,549	\$ 13,437	1.27 %
PPT Management Holdings, LLC	^	(2) (3)	Healthcare & Pharmaceuticals	L+1.00%, 6.50% PIK	9.99%	12/15/2016	12/16/2022	27,041	26,909	21,957	2.07
PricewaterhouseCoopers Public Sector LLP	^	(2) (3) (13)	Aerospace & Defense	L + 2.75%	5.24%	5/1/2018	5/1/2023	—	(128)	(104)	(0.01)
Prime Risk Partners, Inc.	^	(2) (3) (11) (13)	Banking, Finance, Insurance & Real Estate	L + 5.38%	8.11%	8/15/2017	8/13/2023	27,719	27,195	27,217	2.57
Prime Risk Partners, Inc.	^	(2) (3) (13)	Banking, Finance, Insurance & Real Estate	L + 5.38%	7.98%	8/15/2017	8/13/2023	2,186	2,089	2,151	0.20
Product Quest Manufacturing, LLC	^	(2) (3) (9)	Containers, Packaging & Glass	L + 6.75%	10.00%	9/21/2017	3/31/2019	2,794	2,794	2,794	0.26
Product Quest Manufacturing, LLC	^	(2) (3) (9) (11)	Containers, Packaging & Glass	L + 5.75%	5.75%	9/9/2015	9/9/2020	33,000	32,270	—	—
Prowler Acquisition Corp. (Pipeline Supply and Service, LLC)	+*	(2) (3)	Wholesale	L + 4.50%	7.00%	12/1/2017	1/28/2020	14,712	14,421	14,712	1.39
PSI Services, LLC	^	(2) (3)	Business Services	L + 5.00%	7.51%	9/19/2018	1/20/2023	4,527	4,472	4,458	0.42
QW Holding Corporation (Quala)	^+*	(2) (3) (13)	Environmental Industries	L + 5.75%	8.42%	8/31/2016	8/31/2022	39,060	38,443	38,646	3.65
Redwood Services Group, LLC	^*	(2) (3)	High Tech Industries	L + 6.00%	8.63%	11/13/2018	6/6/2023	6,028	5,983	6,004	0.57
Sapphire Convention, Inc. (Smart City)	^+*	(2) (3) (13)	Telecommunications	L + 5.25%	7.93%	11/20/2018	11/20/2025	28,793	28,159	28,270	2.67
Smile Doctors, LLC	^+*	(2) (3) (13)	Healthcare & Pharmaceuticals	L + 5.75%	8.36%	10/6/2017	10/6/2022	19,034	18,925	18,715	1.76
SolAero Technologies Corp.	^	(2) (3) (9)	Telecommunications	L + 5.25%	7.74%	5/24/2016	12/10/2020	24,362	23,787	14,688	1.39
SolAero Technologies Corp.	^	(2) (3)	Telecommunications	L+7.25%, 4.00% PIK	10.25%	9/6/2018	4/12/2019	5,494	5,476	5,494	0.52
Sovos Brands Intermediate, Inc.	^	(2) (3)	Beverage, Food & Tobacco	L + 5.00%	7.50%	11/16/2018	11/20/2025	20,050	19,858	19,799	1.87
SPay, Inc.	^+*	(2) (3) (13)	Hotel, Gaming & Leisure	L + 5.75%	8.26%	6/15/2018	6/15/2024	19,966	19,418	18,338	1.73
Superior Health Linens, LLC	^+*	(2) (3) (13)	Business Services	L + 7.50%	10.00%	9/30/2016	9/30/2021	22,137	21,941	21,861	2.06
Surgical Information Systems, LLC	^+*	(2) (3) (11)	High Tech Industries	L + 4.85%	7.34%	4/24/2017	4/24/2023	26,168	25,976	25,754	2.43
T2 Systems Canada, Inc.	+	(2) (3)	Transportation: Consumer	L + 6.75%	9.35%	5/24/2017	9/28/2022	3,959	3,893	3,949	0.37
T2 Systems, Inc.	^+*	(2) (3) (13)	Transportation: Consumer	L + 6.75%	9.35%	9/28/2016	9/28/2022	32,251	31,711	32,169	3.03
Tank Holding Corp.	^	(2) (3) (13)	Capital Equipment	L + 4.00%	6.49%	3/26/2019	3/26/2024	—	—	—	—
The Hilb Group, LLC	^	(2) (3) (11) (13)	Banking, Finance, Insurance & Real Estate	L + 6.00%	8.53%	6/24/2015	6/24/2021	50,949	50,459	50,093	4.72
The Topps Company, Inc.	+*	(2) (3)	Non-durable Consumer Goods	L + 6.00%	8.60%	6/26/2015	10/2/2020	22,065	21,905	22,065	2.08

TCG BDC, INC.
CONSOLIDATED SCHEDULE OF INVESTMENTS (Continued)
As of March 31, 2019
(dollar amounts in thousands)
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Investments—non-controlled/non-affiliated ⁽¹⁾		Footnotes	Industry	Reference Rate & Spread ⁽²⁾	Interest Rate ⁽²⁾	Acquisition Date	Maturity Date	Par/Principal Amount	Amortized Cost ⁽⁴⁾	Fair Value ⁽⁵⁾	% of Net Assets
First Lien Debt (76.51%) (continued)											
Transform SR Holdings, LLC	^	(2) (3) (11)	Retail	L + 7.25%	9.74%	2/11/2019	2/11/2024	\$ 19,050	\$ 18,863	\$ 18,860	1.78 %
Trump Card, LLC	^+*	(2) (3) (13)	Transportation: Cargo	L + 5.00%	7.61%	6/26/2018	4/21/2022	7,955	7,910	7,864	0.74
TSB Purchaser, Inc. (Teaching Strategies, LLC)	^+*	(2) (3) (13)	Media: Advertising, Printing & Publishing	L + 6.00%	8.60%	5/14/2018	5/14/2024	27,958	27,306	27,525	2.60
Tweddle Group, Inc.	^	(2) (3)	Media: Advertising, Printing & Publishing	L + 4.50%	6.99%	9/17/2018	9/17/2023	2,080	2,052	2,069	0.20
U.S. Acute Care Solutions, LLC	+	(2) (3)	Healthcare & Pharmaceuticals	L + 5.00%	7.60%	2/21/2019	5/15/2021	4,298	4,241	4,293	0.40
USLS Acquisition, Inc.	^*	(2) (3) (13)	Business Services	L + 5.75%	8.35%	11/30/2018	11/30/2024	19,128	18,696	18,623	1.76
VRC Companies, LLC	^+*	(2) (3) (13)	Business Services	L + 6.50%	9.01%	3/31/2017	3/31/2023	56,995	56,282	56,564	5.34
Watchfire Enterprises, Inc.	*	(2) (3)	Media: Advertising, Printing & Publishing	L + 4.25%	6.85%	6/9/2017	10/2/2020	1,248	1,242	1,248	0.12
Westfall Technik, Inc.	^	(2) (3) (13)	Chemicals, Plastics & Rubber	L + 5.00%	7.60%	9/13/2018	9/13/2024	19,936	19,479	19,376	1.83
Zemax Software Holdings, LLC	^*	(2) (3) (13)	Software	L + 5.75%	8.35%	6/25/2018	6/25/2024	10,223	10,091	10,132	0.96
Zenith Merger Sub, Inc.	^+*	(2) (3) (13)	Business Services	L + 5.50%	8.10%	12/13/2017	12/13/2023	15,583	15,347	15,417	1.45
First Lien Debt Total									\$ 1,718,671	\$ 1,648,980	155.54 %
Second Lien Debt (10.63%)											
Access CIG, LLC	^	(2) (3)	Business Services	L + 7.75%	10.24%	2/14/2018	2/27/2026	\$ 2,700	\$ 2,678	\$ 2,653	0.25 %
Aimbridge Acquisition Co., Inc.	^	(2) (3)	Hotel, Gaming & Leisure	L + 7.50%	9.99%	2/1/2019	2/1/2027	7,727	7,594	7,631	0.72
AmeriLife Group, LLC	^*	(2) (3)	Banking, Finance, Insurance & Real Estate	L + 8.75%	11.25%	7/9/2015	1/10/2023	22,000	21,722	21,945	2.07
AQA Acquisition Holding, Inc.	^	(2) (3)	High Tech Industries	L + 8.00%	10.49%	10/1/2018	5/24/2024	40,000	39,636	39,892	3.77
Argon Medical Devices Holdings, Inc.	^*	(2) (3)	Healthcare & Pharmaceuticals	L + 8.00%	10.50%	11/2/2017	1/23/2026	9,497	9,439	9,458	0.89
Brave Parent Holdings, Inc.	^*	(2) (3)	Software	L + 7.50%	10.00%	10/3/2018	4/19/2026	19,062	18,626	18,495	1.74
Drew Marine Group Inc.	^+*	(2) (3)	Chemicals, Plastics & Rubber	L + 7.00%	9.50%	11/19/2013	5/19/2021	12,500	12,488	12,423	1.17
Outcomes Group Holdings, Inc.	^*	(2) (3)	Business Services	L + 7.50%	10.00%	10/23/2018	10/26/2026	4,500	4,500	4,484	0.42
Pharmalogic Holdings Corp.	^	(2) (3) (13)	Healthcare & Pharmaceuticals	L + 8.00%	10.50%	6/7/2018	12/11/2023	563	560	563	0.05
Project Accelerate Parent, LLC	^*	(2) (3)	Software	L + 8.50%	10.99%	1/2/2018	1/2/2026	22,500	21,996	22,214	2.10
Prowler Acquisition Corp. (Pipeline Supply and Service, LLC)	^	(2) (3)	Wholesale	L + 8.50%	11.00%	1/24/2014	7/28/2020	3,000	2,973	3,000	0.28
Reladyne, Inc.	^+*	(2) (3) (13)	Wholesale	L + 9.50%	12.10%	4/19/2018	1/21/2023	12,242	12,048	12,234	1.15
Santa Cruz Holdco, Inc.	^	(2) (3)	Non-durable Consumer Goods	L + 8.25%	10.85%	12/15/2017	12/13/2024	17,137	16,988	17,059	1.61
Tank Holding Corp.	^	(2) (3)	Capital Equipment	L + 8.25%	10.74%	3/26/2019	3/26/2027	37,380	36,634	36,633	3.46
Ultimate Baked Goods MIDCO, LLC (Rise Baking)	^	(2) (3)	Beverage, Food & Tobacco	L + 8.00%	10.50%	8/9/2018	8/9/2026	8,333	8,179	8,227	0.78

TCG BDC, INC.
CONSOLIDATED SCHEDULE OF INVESTMENTS (Continued)
As of March 31, 2019
(dollar amounts in thousands)
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Investments—non-controlled/non-affiliated ⁽¹⁾		Footnotes	Industry	Reference Rate & Spread ⁽²⁾	Interest Rate ⁽²⁾	Acquisition Date	Maturity Date	Par/Principal Amount	Amortized Cost ⁽⁴⁾	Fair Value ⁽⁵⁾	% of Net Assets
Second Lien Debt (10.63%) (continued)											
Watchfire Enterprises, Inc.	^	(2) (3)	Media: Advertising, Printing & Publishing	L + 8.00%	10.60%	10/2/2013	10/2/2021	\$ 7,000	\$ 6,953	\$ 6,990	0.66 %
Zywave, Inc.	^	(2) (3)	High Tech Industries	L + 9.00%	11.49%	11/18/2016	11/17/2023	4,950	4,894	4,950	0.47
Second Lien Debt Total									\$227,908	\$228,851	21.59 %
Investments—non-controlled/non-affiliated ⁽¹⁾		Footnotes	Industry			Acquisition Date	Shares/ Units	Cost	Fair Value ⁽⁵⁾	% of Net Assets	
Equity Investments (1.00%)											
ANLG Holdings, LLC	^	(6)	Healthcare & Pharmaceuticals	Common stock		6/22/2018	879,689	\$ 880	\$ 880	0.08%	
Avenu Holdings, LLC	^	(6)	Sovereign & Public Finance	Common stock		9/28/2018	172,413	172	165	0.02	
CIP Revolution Holdings, LLC	^	(6)	Media: Advertising, Printing & Publishing	Common stock		8/19/2016	31,825	318	264	0.03	
Dade Paper & Bag, LLC	^	(6)	Forest Products & Paper	Common stock		6/9/2017	1,500,000	1,500	2,903	0.27	
DecoPac, Inc.	^	(6)	Non-durable Consumer Goods	Common stock		9/29/2017	1,500,000	1,500	1,784	0.17	
Derm Growth Partners III, LLC (Dermatology Associates)	^	(6)	Healthcare & Pharmaceuticals	Common stock		5/31/2016	1,000,000	1,000	138	0.01	
GRO Sub Holdco, LLC (Grand Rapids)	^	(6)	Healthcare & Pharmaceuticals	Common stock		3/29/2018	500,000	500	220	0.02	
Legacy.com, Inc.	^	(6)	High Tech Industries	Common stock		3/20/2017	1,500,000	1,500	941	0.09	
Mailgun Technologies, Inc.	^	(6)	High Tech Industries	Common stock		3/26/2019	423,729	424	424	0.04	
North Haven Goldfinch Topco, LLC	^	(6)	Containers, Packaging & Glass	Common stock		6/18/2018	2,314,815	2,315	2,362	0.22	
Power Stop Intermediate Holdings, LLC	^	(6)	Automotive	Common stock		5/29/2015	7,150	—	34	—	
PPC Flexible Packaging, LLC	^	(6)	Containers, Packaging & Glass	Common stock		2/1/2019	965	965	965	0.09	
Rough Country, LLC	^	(6)	Durable Consumer Goods	Common stock		5/25/2017	754,775	755	1,040	0.10	
SiteLock Group Holdings, LLC	^	(6)	High Tech Industries	Common stock		4/5/2018	446,429	446	552	0.06	
T2 Systems Parent Corporation	^	(6)	Transportation: Consumer	Common stock		9/28/2016	555,556	556	571	0.06	
Tailwind HMT Holdings Corp.	^	(6)	Energy: Oil & Gas	Common stock		11/17/2017	20,000	2,000	2,673	0.25	
Tank Holding Corp.	^	(6)	Capital Equipment	Common stock		3/26/2019	850	850	850	0.08	
THG Acquisition, LLC (The Hilb Group, LLC)	^	(6)	Banking, Finance, Insurance & Real Estate	Common stock		6/24/2015	1,500,000	1,500	2,805	0.26	
Tweddle Holdings, Inc.	^	(6)	Media: Advertising, Printing & Publishing	Common stock		9/17/2018	17,208	—	—	—	
USLS Acquisition, Inc.	^	(6)	Business Services	Common stock		11/30/2018	640,569	641	641	0.06	
Zenith American Holding, Inc.	^	(6)	Business Services	Preferred stock		12/13/2017	782,384	782	1,181	0.11	
Zenith American Holding, Inc.	^	(6)	Business Services	Common stock		12/13/2017	782,384	—	—	—	
Zillow Topco LP	^	(6)	Software	Common stock		6/25/2018	312,500	313	313	0.03	
Equity Investments Total								\$ 18,917	\$ 21,706	2.05%	
Total investments—non-controlled/non-affiliated								\$ 1,965,496	\$ 1,899,537	179.18%	

TCG BDC, INC.
CONSOLIDATED SCHEDULE OF INVESTMENTS (Continued)

As of March 31, 2019

(dollar amounts in thousands)

(unaudited)

Investments—non-controlled/affiliated	Footnotes	Industry	Reference Rate & Spread ⁽²⁾	Interest Rate ⁽²⁾	Acquisition Date	Maturity Date	Par/Principal Amount	Amortized Cost ⁽⁴⁾	Fair Value ⁽⁵⁾	% of Net Assets
First Lien Debt (0.67%)										
TwentyEighty, Inc. - Revolver	^ (2) (3) (12) (13)	Business Services	L + 8.00%	10.60%	1/31/2017	3/21/2020	\$ —	\$ (3)	\$ —	—%
TwentyEighty, Inc. - (Term A Loans)	^ (2) (3) (12)	Business Services	L + 8.00%	10.60%	1/31/2017	3/21/2020	268	267	268	0.03
TwentyEighty, Inc. - (Term B Loans)	^ (12)	Business Services	N/A	8.00% (4.00% cash, 4.00% PIK)	1/31/2017	3/21/2020	7,064	6,950	6,923	0.65
TwentyEighty, Inc. - (Term C Loans)	^ (12)	Business Services	N/A	9.00% (0.25% cash, 8.75% PIK)	1/31/2017	3/21/2020	7,276	6,867	7,130	0.67
First Lien Debt Total								\$ 14,081	\$ 14,321	1.35%
Investments—non-controlled/affiliated										
Investments—non-controlled/affiliated	Footnotes	Industry	Acquisition Date	Shares/ Units	Cost	Fair Value ⁽⁵⁾	% of Net Assets			
Equity Investments (0.31%)										
TwentyEighty Investors LLC	^ (6) (12)	Business Services	1/31/2017	69.786	\$ —	\$ 6,760	0.64%			
Equity Investments Total					\$ —	\$ 6,760	0.64%			
Total investments—non-controlled/affiliated					\$ 14,081	\$ 21,081	1.99%			
Investments—controlled/affiliated										
Investments—controlled/affiliated	Footnotes	Industry	Reference Rate & Spread ⁽²⁾	Interest Rate ⁽²⁾	Acquisition Date	Maturity Date	Par Amount/ LLC Interest	Cost	Fair Value ⁽⁵⁾	% of Net Assets
Investment Fund (10.88%)										
Middle Market Credit Fund, LLC, Mezzanine Loan	^ (2) (7) (8) (10)	Investment Fund	L+9.00%	11.77%	6/30/2016	3/22/2020	\$ 123,800	\$ 123,800	\$ 123,800	11.68%
Middle Market Credit Fund, LLC, Subordinated Loan and Member's Interest	^ (7) (10)	Investment Fund	N/A	0.001%	2/29/2016	3/1/2021	118,001	118,001	110,791	10.44%
Investment Fund Total								\$ 241,801	\$ 234,591	22.12%
Total investments—controlled/affiliated								\$ 241,801	\$ 234,591	22.12%
Total investments								\$2,221,378	\$2,155,209	203.29%

TCG BDC, INC.
CONSOLIDATED SCHEDULE OF INVESTMENTS (Continued)

As of March 31, 2019

(dollar amounts in thousands)

(unaudited)

^ Denotes that all or a portion of the assets are owned by TCG BDC, Inc. (together with its consolidated subsidiaries, “we,” “us,” “our,” “TCG BDC” or the “Company”). The Company has entered into a senior secured revolving credit facility (as amended, the “Credit Facility”). The lenders of the Credit Facility have a first lien security interest in substantially all of the portfolio investments held by the Company (see Note 6, Borrowings). Accordingly, such assets are not available to creditors of the TCG BDC SPV LLC (the “SPV”) or Carlyle Direct Lending CLO 2015-1R LLC (formerly known as Carlyle GMS Finance MM CLO 2015-1 LLC) (the “2015-1 Issuer”).

+ Denotes that all or a portion of the assets are owned by the Company’s wholly owned subsidiary, the SPV. The SPV has entered into a senior secured revolving credit facility (as amended, the “SPV Credit Facility” and, together with the Credit Facility, the “Facilities”). The lenders of the SPV Credit Facility have a first lien security interest in substantially all of the assets of the SPV (see Note 6, Borrowings). Accordingly, such assets are not available to creditors of the Company or the 2015-1 Issuer.

* Denotes that all or a portion of the assets are owned by the Company’s wholly owned subsidiary, the 2015-1 Issuer, and secure the notes issued in connection with a term debt securitization completed by the Company on June 26, 2015 (see Note 7, Notes Payable). Accordingly, such assets are not available to the creditors of the Company or the SPV.

- (1) Unless otherwise indicated, issuers of debt and equity investments held by the Company are domiciled in the United States. Under the Investment Company Act of 1940, as amended (together with the rules and regulations promulgated thereunder, the “Investment Company Act”), the Company would be deemed to “control” a portfolio company if the Company owned more than 25% of its outstanding voting securities and/or held the power to exercise control over the management or policies of the portfolio company. As of March 31, 2019, the Company does not “control” any of these portfolio companies. Under the Investment Company Act, the Company would be deemed an “affiliated person” of a portfolio company if the Company owns 5% or more of the portfolio company’s outstanding voting securities. As of March 31, 2019, the Company is not an “affiliated person” of any of these portfolio companies. Certain portfolio company investments are subject to contractual restrictions on sales.
- (2) Variable rate loans to the portfolio companies bear interest at a rate that is determined by reference to either LIBOR (“L”) or an alternate base rate (commonly based on the Federal Funds Rate or the U.S. Prime Rate), which generally resets quarterly. For each such loan, the Company has indicated the reference rate used and provided the spread and the interest rate in effect as of March 31, 2019. As of March 31, 2019, the reference rates for our variable rate loans were the 30-day LIBOR at 2.49%, the 90-day LIBOR at 2.60% and the 180-day LIBOR at 2.66%.
- (3) Loan includes interest rate floor feature, which is generally 1.00%.
- (4) Amortized cost represents original cost, including origination fees and upfront fees received that are deemed to be an adjustment to yield, adjusted for the accretion/amortization of discounts/premiums, as applicable, on debt investments using the effective interest method.
- (5) Fair value is determined in good faith by or under the direction of the Board of Directors of the Company (see Note 2, Significant Accounting Policies, and Note 3, Fair Value Measurements), pursuant to the Company’s valuation policy. The fair value of all first lien and second lien debt investments, equity investments and the investment fund was determined using significant unobservable inputs.
- (6) Security acquired in transaction exempt from registration under the Securities Act of 1933, as amended (the “Securities Act”), and may be deemed to be “restricted securities” under the Securities Act, unless otherwise noted. As of March 31, 2019, the aggregate fair value of these securities is \$28,466, or 2.68% of the Company’s net assets.
- (7) The Company has determined the indicated investments are non-qualifying assets under Section 55(a) of the Investment Company Act. Under the Investment Company Act, the Company may not acquire any non-qualifying assets unless, at the time such acquisition is made, qualifying assets represent at least 70% of the Company’s total assets.
- (8) Represents a corporate mezzanine loan, which is subordinated to senior secured term loans of the portfolio company/investment fund.
- (9) Loan was on non-accrual status as of March 31, 2019.
- (10) Under the Investment Company Act, the Company is deemed to be an “affiliated person” of and “control” this investment fund because the Company owns more than 25% of the investment fund’s outstanding voting securities and/or has the power to exercise control over management or policies of such investment fund. See Note 5, Middle Market Credit Fund, LLC, for more details. Transactions related to investments in controlled affiliates for the three month period ended March 31, 2019, were as follows:

Investments—controlled/affiliated	Fair Value as of December 31, 2018	Additions/Purchases	Reductions/Sales/Paydowns	Net Realized Gain (Loss)	Net Change in Unrealized Appreciation (Depreciation)	Fair Value as of March 31, 2019	Dividend and Interest Income
Middle Market Credit Fund, LLC, Mezzanine Loan	\$ 112,000	\$ 30,500	\$ (18,700)	\$ —	\$ —	\$ 123,800	\$ 3,538
Middle Market Credit Fund, LLC, Subordinated Loan and Member’s Interest	110,295	—	—	—	496	110,791	4,000
Total investments—controlled/affiliated	\$ 222,295	\$ 30,500	\$ (18,700)	\$ —	\$ 496	\$ 234,591	\$ 7,538

- (11) In addition to the interest earned based on the stated interest rate of this loan, which is the amount reflected in this schedule, the Company is entitled to receive additional interest as a result of an agreement among lenders as follows: Dimensional Dental Management, LLC (4.53%), EIP Merger Sub, LLC (Evolve IP) (3.75%), Legacy.com Inc. (4.01%), Prime Risk Partners, Inc. (2.89%), Product Quest Manufacturing, LLC (3.54%), Surgical Information Systems, LLC (1.13%), Transform SR Holdings, LLC (nil) and The Hilb Group, LLC (3.39%). Pursuant to the agreement among lenders in respect of this loan, this investment represents a first lien/last out loan, which has a secondary priority behind the first lien/first out loan with respect to principal, interest and other payments.

TCG BDC, INC.
CONSOLIDATED SCHEDULE OF INVESTMENTS (Continued)

As of March 31, 2019

(dollar amounts in thousands)

(unaudited)

(12) Under the Investment Company Act, the Company is deemed an “affiliated person” of this portfolio company because the Company owns 5% or more of the portfolio company’s outstanding voting securities. Transactions related to investments in non-controlled affiliates for the three month period ended March 31, 2019, were as follows:

Investments—non-controlled/affiliated	Fair Value as of December 31, 2018	Purchases/ Paid-in-kind interest	Sales/ Paydowns	Net Accretion of Discount	Net Realized Gain (Loss)	Net Change in Unrealized Appreciation (Depreciation)	Fair value as of March 31, 2019	Interest Income
TwentyEighty, Inc. - Revolver	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
TwentyEighty, Inc. - (Term A Loans)	316	—	(48)	—	—	—	268	11
TwentyEighty, Inc. - (Term B Loans)	6,855	69	—	27	—	(28)	6,923	139
TwentyEighty, Inc. - (Term C Loans)	6,981	152	—	40	—	(43)	7,130	160
TwentyEighty Investors LLC (Equity)	4,391	—	—	—	—	2,369	6,760	—
Total investments—non-controlled/affiliated	\$ 18,543	\$ 221	\$ (48)	\$ 67	\$ —	\$ 2,298	\$ 21,081	\$ 310

(13) As of March 31, 2019, the Company had the following unfunded commitments to fund delayed draw and revolving senior secured loans:

Investments—non-controlled/non-affiliated	Type	Unused Fec	Par/ Principal Amount	Fair Value
First and Second Lien Debt—unfunded delayed draw and revolving term loans commitments				
Advanced Instruments, LLC	Revolver	0.50%	\$ 1,167	\$ (8)
Aero Operating LLC (Dejana Industries, Inc.)	Revolver	1.00	181	(1)
American Physician Partners, LLC	Delayed Draw	1.00	4,200	1
American Physician Partners, LLC	Revolver	0.50	1,875	1
AMS Group HoldCo, LLC	Delayed Draw	1.00	4,009	(57)
AMS Group HoldCo, LLC	Revolver	0.50	810	(41)
Analogic Corporation	Revolver	0.50	3,365	(50)
Apptio, Inc.	Revolver	0.50	2,367	(5)
Captive Resources Midco, LLC	Delayed Draw	1.25	3,571	(8)
Captive Resources Midco, LLC	Revolver	0.50	2,143	(4)
Chemical Computing Group ULC	Revolver	0.50	903	(7)
CIP Revolution Holdings, LLC	Revolver	0.50	532	(8)
CircusTriX Holdings, LLC	Delayed Draw	1.00	1,115	(16)
Comar Holding Company, LLC	Delayed Draw	1.00	5,136	(73)
Comar Holding Company, LLC	Revolver	0.50	2,011	(29)
Continuum Managed Services HoldCo, LLC	Revolver	0.50	2,500	(15)
Datto, Inc.	Revolver	0.50	726	15
DermaRite Industries LLC	Revolver	0.50	1,800	(11)
Direct Travel, Inc.	Delayed Draw	1.00	1,786	(6)
Frontline Technologies Holdings, LLC	Delayed Draw	1.00	5,991	(2)
FWR Holding Corporation	Delayed Draw	1.00	203	(1)

TCG BDC, INC.
CONSOLIDATED SCHEDULE OF INVESTMENTS (Continued)
As of March 31, 2019
(dollar amounts in thousands)
(unaudited)

Investments—non-controlled/non-affiliated	Type	Unused Fee	Par/ Principal Amount	Fair Value
FWR Holding Corporation	Revolver	0.50%	\$ 3,333	\$ (9)
GRO Sub Holdco, LLC (Grand Rapids)	Delayed Draw	1.00	7,000	(83)
GRO Sub Holdco, LLC (Grand Rapids)	Revolver	0.50	1,071	(13)
iCIMS, Inc.	Revolver	0.50	1,252	(13)
Innovative Business Services, LLC	Delayed Draw	1.00	3,886	(61)
Innovative Business Services, LLC	Revolver	0.50	2,232	(35)
Mailgun Technologies, Inc.	Revolver	0.50	1,342	(27)
National Carwash Solutions, Inc.	Delayed Draw	1.00	1,494	(14)
National Carwash Solutions, Inc.	Revolver	0.50	391	(4)
National Technical Systems, Inc.	Revolver	0.50	2,500	(5)
NMI AcquisitionCo, Inc.	Revolver	0.50	435	(14)
North American Dental Management, LLC	Delayed Draw	1.00	1,715	(30)
Northland Telecommunications Corporation	Revolver	0.50	1,702	(22)
Pharmalogic Holdings Corp.	Delayed Draw	1.00	236	—
PPC Flexible Packaging, LLC	Revolver	0.50	1,884	(40)
PricewaterhouseCoopers Public Sector LLP	Revolver	0.50	6,250	(104)
Prime Risk Partners, Inc.	Delayed Draw	0.50	190	(3)
Prime Risk Partners, Inc.	Delayed Draw	0.50	2,364	(39)
QW Holding Corporation (Quala)	Delayed Draw	1.00	5,419	(50)
Reladyne, Inc.	Delayed Draw	1.00	897	(1)
Sapphire Convention, Inc.	Revolver	0.50	4,528	(71)
Smile Doctors, LLC	Delayed Draw	1.00	4,560	(59)
Smile Doctors, LLC	Revolver	0.50	964	(13)
SPay, Inc.	Delayed Draw	1.00	9,545	(170)
SPay, Inc.	Revolver	0.50	1,227	(84)
Superior Health Linens, LLC	Revolver	0.50	700	(9)
T2 Systems, Inc.	Revolver	0.50	1,760	(4)
Tank Holding Corp. (1L)	Revolver	0.50	47	—
The Hilb Group, LLC	Delayed Draw	1.00	9,765	(138)
Trump Card, LLC	Revolver	0.50	606	(6)
TSB Purchaser, Inc. (Teaching Strategies, LLC)	Revolver	0.50	1,891	(27)
TwentyEighty, Inc. (f/k/a Miller Heiman, Inc.)	Revolver	0.50	607	—
USLS Acquisition, Inc.	Delayed Draw	1.00	3,168	(69)
USLS Acquisition, Inc.	Revolver	0.50	946	(21)
VRC Companies, LLC	Delayed Draw	1.00	374	(3)

TCG BDC, INC.
CONSOLIDATED SCHEDULE OF INVESTMENTS (Continued)
As of March 31, 2019
(dollar amounts in thousands)
(unaudited)

Investments—non-controlled/non-affiliated	Type	Unused Fee	Par/ Principal Amount	Fair Value
VRC Companies, LLC	Revolver	0.50%	\$ 918	\$ (7)
Westfall Technik, Inc.	Delayed Draw	1.00	5,022	(100)
Westfall Technik, Inc.	Revolver	0.50	3,017	(60)
Zemax Software Holdings, LLC	Revolver	0.50	1,284	(10)
Zenith Merger Sub, Inc.	Delayed Draw	1.00	4,252	(31)
Zenith Merger Sub, Inc.	Revolver	0.50	3,180	(23)
Total unfunded commitments			\$ 150,345	\$ (1,797)

As of March 31, 2019, investments at fair value consisted of the following:

Type	Amortized Cost	Fair Value	% of Fair Value
First Lien Debt (excluding First Lien/Last Out)	\$ 1,492,517	\$ 1,462,000	67.84%
First Lien/Last Out Unitranche	240,235	201,301	9.34
Second Lien Debt	227,908	228,851	10.62
Equity Investments	18,917	28,466	1.32
Investment Fund	241,801	234,591	10.88
Total	\$ 2,221,378	\$ 2,155,209	100.00%

The rate type of debt investments at fair value as of March 31, 2019 was as follows:

Rate Type	Amortized Cost	Fair Value	% of Fair Value of First and Second Lien Debt
Floating Rate	\$ 1,946,843	\$ 1,878,099	99.26%
Fixed Rate	13,817	14,053	0.74
Total	\$ 1,960,660	\$ 1,892,152	100.00%

TCG BDC, INC.
CONSOLIDATED SCHEDULE OF INVESTMENTS (Continued)
As of March 31, 2019
(dollar amounts in thousands)
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The industry composition of investments at fair value as of March 31, 2019 was as follows:

Industry	Amortized Cost	Fair Value	% of Fair Value
Aerospace & Defense	\$ 27,811	\$ 28,001	1.30%
Automotive	9,100	9,207	0.43
Banking, Finance, Insurance & Real Estate	131,933	133,319	6.18
Beverage, Food & Tobacco	73,416	74,077	3.44
Business Services	142,947	150,508	6.98
Capital Equipment	37,484	37,483	1.74
Chemicals, Plastics & Rubber	31,967	31,799	1.47
Construction & Building	2,494	2,499	0.12
Consumer Services	23,276	23,075	1.07
Containers, Packaging & Glass	81,277	49,060	2.28
Durable Consumer Goods	11,964	12,239	0.57
Energy: Electricity	42,814	41,953	1.95
Energy: Oil & Gas	11,816	12,446	0.58
Environmental Industries	38,443	38,646	1.79
Forest Products & Paper	49,863	51,674	2.40
Healthcare & Pharmaceuticals	287,931	273,588	12.69
High Tech Industries	257,652	257,703	11.96
Hotel, Gaming & Leisure	85,738	84,080	3.90
Investment Fund	241,801	234,591	10.88
Media: Broadcast & Subscription	21,254	21,284	0.99
Media: Advertising, Printing & Publishing	58,278	58,324	2.71
Non-durable Consumer Goods	58,033	50,668	2.35
Retail	18,863	18,860	0.87
Software	154,157	155,304	7.21
Sovereign & Public Finance	38,493	38,364	1.78
Telecommunications	125,798	115,951	5.38
Transportation: Cargo	71,372	70,306	3.26
Transportation: Consumer	36,160	36,689	1.70
Wholesale	49,243	43,511	2.02
Total	\$ 2,221,378	\$ 2,155,209	100.00%

TCG BDC, INC.
CONSOLIDATED SCHEDULE OF INVESTMENTS (Continued)
As of March 31, 2019
(dollar amounts in thousands)
(unaudited)

The geographical composition of investments at fair value as of March 31, 2019 was as follows:

Geography	Amortized Cost	Fair Value	% of Fair Value
Canada	\$ 15,604	\$ 15,619	0.73%
United Kingdom	9,816	9,773	0.45
United States	2,195,958	2,129,817	98.82
Total	<u>\$ 2,221,378</u>	<u>\$ 2,155,209</u>	<u>100.00%</u>

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

TCG BDC, INC.
CONSOLIDATED SCHEDULE OF INVESTMENTS
As of December 31, 2018
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Investments—non-controlled/non-affiliated ⁽¹⁾	Footnotes	Industry	Reference Rate & Spread ⁽²⁾	Interest Rate ⁽²⁾	Acquisition Date	Maturity Date	Par/Principal Amount	Amortized Cost ⁽⁴⁾	Fair Value ⁽⁵⁾	% of Net Assets	
First Lien Debt (77.62%)											
Advanced Instruments, LLC	^+*	(2) (3) (13)	Healthcare & Pharmaceuticals	L + 5.25%	7.63%	11/1/2016	10/31/2022	\$ 19,967	\$ 19,716	\$ 19,804	1.86 %
Aero Operating, LLC (Dejana Industries, Inc.)	^+*	(2) (3) (13)	Business Services	L + 7.25%	9.60%	1/5/2018	12/29/2022	3,556	3,520	3,512	0.33
Alpha Packaging Holdings, Inc.	++	(2) (3)	Containers, Packaging & Glass	L + 4.25%	7.05%	6/26/2015	5/12/2020	2,866	2,865	2,858	0.27
Alpine SG, LLC	^*	(2) (3)	High Tech Industries	L + 6.00%	8.52%	2/2/2018	11/16/2022	9,695	9,607	9,659	0.91
AMS Group HoldCo, LLC	^+*	(2) (3) (13)	Transportation: Cargo	L + 6.00%	8.80%	9/29/2017	9/29/2023	32,612	31,996	31,721	2.98
Analogic Corporation	^+*	(2) (3) (13)	Healthcare & Pharmaceuticals	L + 6.00%	8.52%	6/22/2018	6/22/2024	35,249	34,536	34,414	3.23
Avenu Holdings, LLC	++	(2) (3)	Sovereign & Public Finance	L + 5.25%	8.05%	9/28/2018	9/28/2024	39,057	38,396	38,354	3.60
Brooks Equipment Company, LLC	++	(2) (3)	Construction & Building	L + 5.00%	7.71%	6/26/2015	8/29/2020	2,502	2,492	2,496	0.23
Capstone Logistics Acquisition, Inc.	++	(2) (3)	Transportation: Cargo	L + 4.50%	7.02%	6/26/2015	10/7/2021	14,306	14,234	14,262	1.34
Captive Resources Midco, LLC	^+*	(2) (3) (13)	Banking, Finance, Insurance & Real Estate	L + 5.75%	8.27%	6/30/2015	12/18/2021	29,441	29,212	29,139	2.74
Central Security Group, Inc.	++	(2) (3)	Consumer Services	L + 5.63%	8.15%	6/26/2015	10/6/2021	30,349	30,142	29,742	2.80
Chemical Computing Group ULC (Canada)	^*	(2) (3) (7) (13)	Software	L + 5.50%	8.02%	8/30/2018	8/30/2023	15,794	15,636	15,617	1.47
CIP Revolution Holdings, LLC	^+*	(2) (3) (13)	Media: Advertising, Printing & Publishing	L + 6.00%	8.80%	8/19/2016	8/19/2021	20,592	20,463	20,358	1.91
CircusTriX Holdings, LLC	^+*	(2) (3) (13)	Hotel, Gaming & Leisure	L + 5.50%	8.02%	2/2/2018	12/16/2021	9,212	9,001	8,972	0.84
Comar Holding Company, LLC	^*	(2) (3) (13)	Containers, Packaging & Glass	L + 5.25%	7.77%	6/18/2018	6/18/2024	27,086	26,452	26,505	2.49
Continuum Managed Services Holdco, LLC	^+*	(2) (3) (13)	High Tech Industries	L + 6.25%	8.53%	6/20/2017	6/8/2023	28,243	27,621	27,711	2.60
Dade Paper & Bag, LLC	^+*	(2) (3)	Forest Products & Paper	L + 7.50%	10.02%	6/9/2017	6/10/2024	49,250	48,464	47,798	4.49
Datto, Inc.	^*	(2) (3) (13)	High Tech Industries	L + 8.00%	10.46%	12/7/2017	12/7/2022	35,622	35,178	35,280	3.31
Dent Wizard International Corporation	+	(2) (3)	Automotive	L + 4.00%	6.51%	4/28/2015	4/7/2020	886	885	881	0.08
Derm Growth Partners III, LLC (Dermatology Associates)	^+*	(2) (3) (13)	Healthcare & Pharmaceuticals	L + 6.25%	9.05%	5/31/2016	5/31/2022	51,599	51,203	50,946	4.78
DermaRite Industries, LLC	^*	(2) (3) (13)	Healthcare & Pharmaceuticals	L + 7.00%	9.52%	3/3/2017	3/3/2022	22,328	22,097	21,399	2.01
Dimensional Dental Management, LLC	^	(2) (3) (11)	Healthcare & Pharmaceuticals	L + 6.75%	9.28%	2/12/2016	2/12/2021	33,674	33,276	28,172	2.65
Direct Travel, Inc.	^+*	(2) (3) (13)	Hotel, Gaming & Leisure	L + 6.50%	9.30%	10/14/2016	12/1/2021	35,292	34,878	34,975	3.28
DTI Holdco, Inc.	^*	(2) (3)	High Tech Industries	L + 4.75%	7.28%	12/18/2018	9/30/2023	1,995	1,870	1,860	0.17

TCG BDC, INC.
CONSOLIDATED SCHEDULE OF INVESTMENTS (Continued)
As of December 31, 2018
(dollar amounts in thousands)

Investments—non-controlled/non-affiliated ⁽¹⁾	Footnotes	Industry	Reference Rate & Spread ⁽²⁾	Interest Rate ⁽²⁾	Acquisition Date	Maturity Date	Par/Principal Amount	Amortized Cost ⁽⁴⁾	Fair Value ⁽⁵⁾	% of Net Assets	
First Lien Debt (77.62%) (continued)											
EIP Merger Sub, LLC (Evolve IP)	^+*	(2) (3) (11)	Telecommunications	L + 5.75%	8.27%	6/7/2016	6/7/2022	\$ 36,093	\$ 35,433	\$ 35,169	3.30 %
Emergency Communications Network, LLC	^+*	(2) (3)	Telecommunications	L + 6.25%	8.75%	6/1/2017	6/1/2023	24,625	24,452	24,133	2.27
Ensono, LP	*	(2) (3)	Telecommunications	L + 5.25%	7.77%	4/30/2018	6/27/2025	8,623	8,618	8,450	0.79
Frontline Technologies Holdings, LLC	^	(2) (3) (13)	Software	L + 6.50%	9.02%	9/18/2017	9/18/2023	38,804	38,456	38,450	3.61
FWR Holding Corporation	^+*	(2) (3) (13)	Beverage, Food & Tobacco	L + 5.75%	8.26%	8/21/2017	8/21/2023	46,755	45,782	46,393	4.36
Green Energy Partners/Stonewall, LLC	+*	(2) (3)	Energy: Electricity	L + 5.50%	8.30%	6/26/2015	11/13/2021	19,750	19,494	19,536	1.83
GRO Sub Holdco, LLC (Grand Rapids)	^+*	(2) (3) (13)	Healthcare & Pharmaceuticals	L + 6.00%	8.80%	2/28/2018	2/22/2024	6,661	6,466	6,209	0.58
Hummel Station, LLC	+*	(2) (3)	Energy: Electricity	L + 6.00%	8.52%	2/3/2016	10/27/2022	14,790	14,164	14,422	1.35
Hydrofarm, LLC	^	(2) (3)	Wholesale	L+10.00% (30% cash/70% PIK)	12.50%	5/15/2017	5/12/2022	20,306	19,958	13,989	1.31
iCIMS, Inc.	^	(2) (3) (13)	Software	L + 6.50%	8.94%	9/12/2018	9/12/2024	20,025	19,616	19,297	1.81
Indra Holdings Corp. (Totes Isotoner)	^	(2) (3)	Non-durable Consumer Goods	L + 4.25%	6.77%	4/29/2014	5/1/2021	18,965	17,561	9,483	0.89
Innovative Business Services, LLC	^*	(2) (3) (13)	High Tech Industries	L + 5.50%	7.91%	4/5/2018	4/5/2023	16,307	15,789	15,948	1.50
Legacy.com, Inc.	^	(2) (3) (11)	High Tech Industries	L + 6.00%	8.79%	3/20/2017	3/20/2023	17,000	16,696	16,827	1.58
Maravai Intermediate Holdings, LLC	^*	(2)	Healthcare & Pharmaceuticals	L + 4.25%	6.81%	8/2/2018	8/2/2025	19,950	19,766	19,719	1.85
Metrogistics, LLC	+*	(2) (3)	Transportation: Cargo	L + 6.50%	9.00%	12/13/2016	9/30/2022	17,517	17,349	17,424	1.65
Moxie Liberty, LLC	+*	(2) (3)	Energy: Electricity	L + 6.50%	9.30%	10/16/2017	8/21/2020	9,873	9,208	8,964	0.84
National Carwash Solutions, Inc.	^+	(2) (3) (13)	Automotive	L + 6.00%	8.35%	8/7/2018	4/28/2023	5,843	5,662	5,688	0.53
National Technical Systems, Inc.	^+*	(2) (3) (13)	Aerospace & Defense	L + 6.25%	8.87%	6/26/2015	6/12/2021	28,237	27,990	28,160	2.64
NES Global Talent Finance US, LLC (United Kingdom)	+*	(2) (3) (8)	Energy: Oil & Gas	L + 5.50%	8.03%	5/9/2018	5/11/2023	9,992	9,833	9,695	0.91
Nexus Technologies, LLC	^	(2) (3)	High Tech Industries	L + 5.50%	8.30%	12/11/2018	12/5/2023	6,234	6,177	6,158	0.58
NMI AcquisitionCo, Inc.	^+*	(2) (3) (13)	High Tech Industries	L + 6.75%	9.27%	9/6/2017	9/6/2022	51,424	50,646	49,501	4.65
North American Dental Management, LLC	^	(2) (3) (13)	Healthcare & Pharmaceuticals	L + 5.25%	8.04%	10/26/2018	7/7/2023	2,060	1,962	1,973	0.19
Northland Telecommunications Corporation	^*	(2) (3) (13)	Media: Broadcast & Subscription	L + 5.75%	8.10%	10/1/2018	10/1/2025	21,638	21,297	21,311	2.00

TCG BDC, INC.
CONSOLIDATED SCHEDULE OF INVESTMENTS (Continued)
As of December 31, 2018
(dollar amounts in thousands)

Investments—non-controlled/non-affiliated ⁽¹⁾	Footnotes	Industry	Reference Rate & Spread ⁽²⁾	Interest Rate ⁽²⁾	Acquisition Date	Maturity Date	Par/Principal Amount	Amortized Cost ⁽⁴⁾	Fair Value ⁽⁵⁾	% of Net Assets	
First Lien Debt (77.62%) (continued)											
Payment Alliance International, Inc.	^ (2) (3) (11)	Business Services	L + 6.05%	8.13%	9/15/2017	9/15/2021	\$ 23,723	\$ 23,324	\$ 23,588	2.22 %	
Plano Molding Company, LLC	^ (2) (3)	Hotel, Gaming & Leisure	L + 7.50%	9.98%	5/1/2015	5/12/2021	14,902	14,726	13,729	1.29	
PPC Flexible Packaging, LLC	^+ (2) (3) (13)	Containers, Packaging & Glass	L + 5.25%	7.77%	11/23/2018	11/23/2024	11,962	11,761	11,839	1.11	
PPT Management Holdings, LLC	^ (2) (3)	Healthcare & Pharmaceuticals	L+7.50% (100% PIK)	9.85%	12/15/2016	12/16/2022	26,820	26,675	22,194	2.08	
PricewaterhouseCoopers Public Sector LLP	^ (2) (3) (13)	Aerospace & Defense	L + 2.75%	5.25%	5/1/2018	5/1/2023	—	(131)	(160)	(0.02)	
Prime Risk Partners, Inc.	^ (2) (3) (11) (13)	Banking, Finance, Insurance & Real Estate	L + 5.00%	7.80%	8/15/2017	8/13/2023	24,389	23,906	23,466	2.20	
Prime Risk Partners, Inc.	^ (2) (3)	Banking, Finance, Insurance & Real Estate	L + 5.00%	7.44%	8/15/2017	8/13/2023	1,925	1,887	1,871	0.18	
Product Quest Manufacturing, LLC	^ (2) (3) (13)	Containers, Packaging & Glass	L + 6.75%	10.00%	9/21/2017	3/31/2019	4,051	4,051	4,051	0.38	
Product Quest Manufacturing, LLC	^ (2) (3) (9) (11)	Containers, Packaging & Glass	L + 5.75%	8.09%	9/9/2015	9/9/2020	33,000	32,270	—	—	
Prowler Acquisition Corp. (Pipeline Supply and Service, LLC)	+* (2) (3)	Wholesale	L + 4.50%	7.30%	12/1/2017	1/28/2020	14,752	14,396	14,663	1.38	
PSI Services, LLC	^ (2) (3)	Business Services	L + 5.00%	7.52%	9/19/2018	1/20/2023	4,546	4,487	4,445	0.42	
QW Holding Corporation (Quala)	^+* (2) (3)	Environmental Industries	L + 6.75%	9.22%	8/31/2016	8/31/2022	36,179	35,604	35,835	3.37	
Redwood Services Group, LLC	* (2) (3)	High Tech Industries	L + 6.00%	8.71%	11/13/2018	6/6/2023	5,323	5,277	5,242	0.49	
Sapphire Convention, Inc. (Smart City)	^* (2) (3) (13)	Telecommunications	L + 5.25%	7.89%	11/20/2018	11/20/2025	28,866	28,207	28,264	2.65	
Smile Doctors, LLC	^+* (2) (3) (13)	Healthcare & Pharmaceuticals	L + 5.75%	8.55%	10/6/2017	10/6/2022	18,155	18,037	17,782	1.67	
SolAero Technologies Corp.	^ (2) (3) (9)	Telecommunications	L + 5.25%	7.75%	5/24/2016	12/10/2020	24,362	23,787	14,327	1.35	
SolAero Technologies Corp.	^ (2) (3)	Telecommunications	L + 7.25%, 4.00% PIK	10.25%	9/6/2018	3/31/2019	3,641	3,623	3,641	0.34	
Sovos Brands Intermediate, Inc.	^ (2)	Beverage, Food & Tobacco	L + 5.00%	7.64%	11/16/2018	11/20/2025	20,100	19,903	19,782	1.86	
SPay, Inc.	^+* (2) (3) (13)	Hotel, Gaming & Leisure	L + 5.75%	8.22%	6/15/2018	6/15/2024	19,909	19,347	19,009	1.79	
Superior Health Linens, LLC	^+* (2) (3) (13)	Business Services	L + 7.00%	9.52%	9/30/2016	9/30/2021	21,100	20,891	20,840	1.96	
Surgical Information Systems, LLC	^+* (2) (3) (11)	High Tech Industries	L + 4.85%	7.37%	4/24/2017	4/24/2023	27,708	27,497	27,171	2.55	
T2 Systems Canada, Inc.	* (2) (3)	Transportation: Consumer	L + 6.75%	9.34%	5/24/2017	9/28/2022	3,969	3,899	3,946	0.37	
T2 Systems, Inc.	^+* (2) (3) (13)	Transportation: Consumer	L + 6.75%	9.34%	9/28/2016	9/28/2022	32,331	31,756	32,133	3.02	
The Hilb Group, LLC	^ (2) (3) (11)	Banking, Finance, Insurance & Real Estate	L + 6.00%	8.80%	6/24/2015	6/24/2021	49,451	48,861	48,456	4.55	
The Topps Company, Inc.	+* (2) (3)	Non-durable Consumer Goods	L + 6.00%	8.80%	6/26/2015	10/2/2020	22,127	21,951	22,127	2.08	

TCG BDC, INC.
CONSOLIDATED SCHEDULE OF INVESTMENTS (Continued)
As of December 31, 2018
(dollar amounts in thousands)

Investments—non-controlled/non-affiliated <small>(1)</small>		Footnotes	Industry	Reference Rate & Spread <small>(2)</small>	Interest Rate <small>(2)</small>	Acquisition Date	Maturity Date	Par/Principal Amount	Amortized Cost <small>(4)</small>	Fair Value <small>(5)</small>	% of Net Assets
First Lien Debt (77.62%) (continued)											
Trump Card, LLC	^+*	(2) (3) (13)	Transportation: Cargo	L + 5.00%	7.80%	6/26/2018	4/21/2022	\$ 8,157	\$ 8,107	\$ 8,036	0.75 %
TSB Purchaser, Inc. (Teaching Strategies, LLC)	^+*	(2) (3) (13)	Media: Advertising, Printing & Publishing	L + 6.00%	8.80%	5/14/2018	5/14/2024	28,028	27,352	27,462	2.58
Tweddle Group, Inc.	^	(2) (3)	Media: Advertising, Printing & Publishing	L + 4.50%	6.97%	9/17/2018	9/17/2023	2,400	2,366	2,386	0.22
USLS Acquisition, Inc.	^	(2) (3) (13)	Business Services	L + 5.75%	8.46%	11/30/2018	11/30/2024	17,730	17,282	17,178	1.61
VRC Companies, LLC	^+*	(2) (3) (13)	Business Services	L + 6.50%	9.02%	3/31/2017	3/31/2023	54,181	53,345	53,410	5.03
Watchfire Enterprises, Inc.	*	(2) (3)	Media: Advertising, Printing & Publishing	L + 4.00%	6.80%	6/9/2017	10/2/2020	1,248	1,241	1,248	0.12
Westfall Technik, Inc.	^	(2) (3) (13)	Chemicals, Plastics & Rubber	L + 5.00%	7.79%	9/13/2018	9/13/2024	10,585	10,218	9,902	0.93
Zemax Software Holdings, LLC	^*	(2) (3) (13)	Software	L + 5.75%	8.55%	6/25/2018	6/25/2024	10,248	10,111	10,144	0.95
Zenith Merger Sub, Inc.	^+*	(2) (3) (13)	Business Services	L + 5.50%	8.30%	12/13/2017	12/13/2023	10,881	10,732	10,778	1.01
First Lien Debt Total									\$1,602,861	\$1,532,119	143.88 %
Second Lien Debt (9.07%)											
Access CIG, LLC	^	(2)	Business Services	L + 7.75%	10.46%	2/14/2018	2/27/2026	\$ 2,701	\$ 2,678	\$ 2,650	0.25 %
AmeriLife Group, LLC	^*	(2) (3)	Banking, Finance, Insurance & Real Estate	L + 8.75%	11.27%	7/9/2015	1/10/2023	22,000	21,712	21,910	2.06
AQA Acquisition Holding, Inc.	^	(2) (3)	High Tech Industries	L + 8.00%	10.40%	10/1/2018	5/24/2024	40,000	39,623	39,336	3.69
Argon Medical Devices Holdings, Inc.	^*	(2) (3)	Healthcare & Pharmaceuticals	L + 8.00%	10.52%	11/2/2017	1/23/2026	7,500	7,468	7,446	0.70
Brave Parent Holdings, Inc.	^*	(2) (3)	Software	L + 7.50%	10.02%	10/3/2018	4/19/2026	19,062	18,616	18,301	1.72
Drew Marine Group Inc.	^+*	(2) (3)	Chemicals, Plastics & Rubber	L + 7.00%	9.52%	11/19/2013	5/19/2021	12,500	12,487	12,396	1.16
Outcomes Group Holdings, Inc.	^*	(2)	Business Services	L + 7.50%	10.28%	10/23/2018	10/26/2026	4,500	4,500	4,447	0.42
Pharmalogic Holdings Corp.	^	(2) (3) (13)	Healthcare & Pharmaceuticals	L + 8.00%	10.52%	6/7/2018	12/11/2023	563	560	563	0.05
Project Accelerate Parent, LLC	^*	(2) (3)	Software	L + 8.50%	10.89%	1/2/2018	1/2/2026	22,500	21,986	22,109	2.08
Prowler Acquisition Corp. (Pipeline Supply and Service, LLC)	^	(2) (3)	Wholesale	L + 8.50%	11.30%	1/24/2014	7/28/2020	3,000	2,972	2,939	0.28
Reladyne, Inc.	^+*	(2) (3)	Wholesale	L + 9.50%	12.30%	4/19/2018	1/21/2023	10,000	9,830	9,915	0.93
Santa Cruz Holdco, Inc.	^	(2) (3)	Non-durable Consumer Goods	L + 8.25%	10.69%	12/15/2017	12/13/2024	17,138	16,984	16,903	1.59
Ultimate Baked Goods MIDCO, LLC (Rise Baking)	^	(2) (3)	Beverage, Food & Tobacco	L + 8.00%	10.52%	8/9/2018	8/9/2026	8,333	8,176	8,108	0.76
Watchfire Enterprises, Inc.	^	(2) (3)	Media: Advertising, Printing & Publishing	L + 8.00%	10.80%	10/2/2013	10/2/2021	7,000	6,950	6,996	0.66
Zywave, Inc.	^	(2) (3)	High Tech Industries	L + 9.00%	11.65%	11/18/2016	11/17/2023	4,950	4,892	4,939	0.46
Second Lien Debt Total									\$ 179,434	\$ 178,958	16.81 %

Investments—non-controlled/non-affiliated <small>(1)</small>		Footnotes	Industry		Acquisition Date	Shares/ Units	Cost	Fair Value <small>(5)</small>	Percentage of Net Assets
Equity Investments (1.03%)									
ANLG Holdings, LLC	^	(6)	Healthcare & Pharmaceuticals		6/22/2018	879,689	\$ 880	\$ 880	0.08%
Avenu Holdings, LLC	^	(6)	Sovereign & Public Finance		9/28/2018	172,413	172	172	0.02
CIP Revolution Holdings, LLC	^	(6)	Media: Advertising, Printing & Publishing		8/19/2016	31,825	318	262	0.03
Dade Paper & Bag, LLC	^	(6)	Forest Products & Paper		6/9/2017	1,500,000	1,500	1,639	0.15
DecoPac, Inc.	^	(6)	Non-durable Consumer Goods		9/29/2017	1,500,000	1,500	1,434	0.13
Derm Growth Partners III, LLC (Dermatology Associates)	^	(6)	Healthcare & Pharmaceuticals		5/31/2016	1,000,000	1,000	1,415	0.13
GRO Sub Holdco, LLC (Grand Rapids)	^	(6)	Healthcare & Pharmaceuticals		3/29/2018	500,000	500	219	0.02
Legacy.com, Inc.	^	(6)	High Tech Industries		3/20/2017	1,500,000	1,500	1,227	0.12
North Haven Goldfinch Topco, LLC	^	(6)	Containers, Packaging & Glass		6/18/2018	2,314,815	2,315	2,103	0.20
Power Stop Intermediate Holdings, LLC	^	(6)	Automotive		5/29/2015	7,150	—	34	—
Rough Country, LLC	^	(6)	Durable Consumer Goods		5/25/2017	754,775	755	988	0.09
SiteLock Group Holdings, LLC	^	(6)	High Tech Industries		4/5/2018	446,429	446	446	0.04
T2 Systems Parent Corporation	^	(6)	Transportation: Consumer		9/28/2016	555,556	555	483	0.05

Tailwind HMT Holdings Corp.	^	(6)	Energy: Oil & Gas	11/17/2017	20,000	2,000	2,373	0.22
THG Acquisition, LLC (The Hilb Group, LLC)	^	(6)	Banking, Finance, Insurance & Real Estate	6/24/2015	1,500,000	1,500	3,100	0.29
Tweddle Holdings, Inc.	^	(6)	Media: Advertising, Printing & Publishing	9/17/2018	17,208	—	—	—
USLS Acquisition, Inc.	^	(6)	Business Services	11/30/2018	640,569	640	641	0.06
Zenith American Holding, Inc.	^	(6)	Business Services	12/13/2017	1,561,644	1,562	2,513	0.24
Zillow Topco LP	^	(6)	Software	6/25/2018	312,500	313	313	0.03

Equity Investments Total

\$ 17,456 \$ 20,242 1.90%

Total investments—non-controlled/non-affiliated

\$ 1,799,751 \$ 1,731,319 162.59%

Investments—non-controlled/affiliated	Footnotes	Industry	Reference Rate & Spread ⁽²⁾	Interest Rate ⁽²⁾	Acquisition Date	Maturity Date	Par/Principal Amount	Amortized Cost ⁽⁴⁾	Fair Value ⁽⁵⁾	% of Net Assets
First Lien Debt (0.72%)										
TwentyEighty, Inc. - Revolver	^ (2) (3) (12) (13)	Business Services	L + 8.00%	10.90%	1/31/2017	3/21/2020	\$ —	\$ (3)	\$ —	—%
TwentyEighty, Inc. - (Term A Loans)	^ (2) (3) (12)	Business Services	L + 8.00%	11.06%	1/31/2017	3/21/2020	316	315	316	0.03
TwentyEighty, Inc. - (Term B Loans)	^ (12)	Business Services	N/A	8.00% (4.00% cash, 4.00% PIK)	1/31/2017	3/21/2020	6,995	6,853	6,855	0.64
TwentyEighty, Inc. - (Term C Loans)	^ (12)	Business Services	N/A	9.00% (0.25% cash, 8.75% PIK)	1/31/2017	3/21/2020	7,123	6,674	6,981	0.66
First Lien Debt Total							\$ 13,839	\$ 14,152	1.33%	

TCG BDC, INC.
CONSOLIDATED SCHEDULE OF INVESTMENTS (Continued)
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TCG BDC, INC.
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As of December 31, 2018
(dollar amounts in thousands)

Investments—non-controlled/affiliated	Footnotes	Industry	Acquisition Date	Shares/ Units	Cost	Fair Value ⁽⁵⁾	% of Net Assets
Equity Investments (0.22%)							
TwentyEighty Investors LLC	^ (6) (12)	Business Services	1/31/2017	69,786	\$ —	\$ 4,391	0.41%
Equity Investments Total					\$ —	\$ 4,391	0.41%
Total investments—non-controlled/affiliated					\$ 13,839	\$ 18,543	1.74%

Investments—controlled/affiliated	Footnotes	Industry	Reference Rate & Spread⁽²⁾	Interest Rate⁽²⁾	Acquisition Date	Maturity Date	Par Amount/ LLC Interest	Cost	Fair Value⁽⁵⁾	% of Net Assets
Investment Fund (11.34%)										
Middle Market Credit Fund, LLC, Mezzanine Loan	^ (2) (7) (8) (10)	Investment Fund	L+9.00%	11.47%	6/30/2016	3/22/2019	\$ 112,000	\$ 112,000	\$ 112,000	10.53%
Middle Market Credit Fund, LLC, Subordinated Loan and Member's Interest	^ (7) (10)	Investment Fund	N/A	0.001%	2/29/2016	3/1/2021	118,001	118,001	110,295	10.37
Investment Fund Total								\$ 230,001	\$ 222,295	20.90%
Total investments—controlled/affiliated								\$ 230,001	\$ 222,295	20.90%
Total investments								\$2,043,591	\$ 1,972,157	185.23%

^ Denotes that all or a portion of the assets are owned by the Company. The Company has entered into the Credit Facility. The lenders of the Credit Facility have a first lien security interest in substantially all of the portfolio investments held by the Company (see Note 6, Borrowings). Accordingly, such assets are not available to creditors of the SPV or the 2015-1 Issuer.

+ Denotes that all or a portion of the assets are owned by the SPV. The SPV has entered into the SPV Credit Facility. The lenders of the SPV Credit Facility have a first lien security interest in substantially all of the assets of the SPV (see Note 6, Borrowings). Accordingly, such assets are not available to creditors of the Company or the 2015-1 Issuer.

* Denotes that all or a portion of the assets are owned by the 2015-1 Issuer and secure the notes issued in connection with a term debt securitization completed by the Company on June 26, 2015 (see Note 7, Notes Payable). Accordingly, such assets are not available to the creditors of the Company or the SPV.

(1) Unless otherwise indicated, issuers of debt and equity investments held by the Company are domiciled in the United States. Under the Investment Company Act, the Company would be deemed to "control" a portfolio company if the Company owned more than 25% of its outstanding voting securities and/or held the power to exercise control over the management or policies of the portfolio company. As of

TCG BDC, INC.
CONSOLIDATED SCHEDULE OF INVESTMENTS (Continued)
As of December 31, 2018
(dollar amounts in thousands)

December 31, 2018, the Company does not “control” any of these portfolio companies. Under the Investment Company Act, the Company would be deemed an “affiliated person” of a portfolio company if the Company owns 5% or more of the portfolio company’s outstanding voting securities.

- (2) Variable rate loans to the portfolio companies bear interest at a rate that is determined by reference to either LIBOR (“L”) or an alternate base rate (commonly based on the Federal Funds Rate or the U.S. Prime Rate), which generally resets quarterly. For each such loan, the Company has indicated the reference rate used and provided the spread and the interest rate in effect as of December 31, 2018. As of December 31, 2018, the reference rates for our variable rate loans were the 30-day LIBOR at 2.50%, the 90-day LIBOR at 2.81% and the 180-day LIBOR at 2.88%.
- (3) Loan includes interest rate floor feature, which is generally 1.00%.
- (4) Amortized cost represents original cost, including origination fees and upfront fees received that are deemed to be an adjustment to yield, adjusted for the accretion/amortization of discounts/premiums, as applicable, on debt investments using the effective interest method.
- (5) Fair value is determined in good faith by or under the direction of the Board of Directors of the Company (see Note 2, Significant Accounting Policies, and Note 3, Fair Value Measurements), pursuant to the Company’s valuation policy. The fair value of all first lien and second lien debt investments, equity investments and the investment fund was determined using significant unobservable inputs.
- (6) Security acquired in transaction exempt from registration under the Securities Act of 1933, as amended (the “Securities Act”), and may be deemed to be “restricted securities” under the Securities Act, unless otherwise noted. As of December 31, 2018, the aggregate fair value of these securities is \$24,633, or 2.32% of the Company’s net assets.
- (7) The Company has determined the indicated investments are non-qualifying assets under Section 55(a) of the Investment Company Act. Under the Investment Company Act, the Company may not acquire any non-qualifying assets unless, at the time such acquisition is made, qualifying assets represent at least 70% of the Company’s total assets.
- (8) Represents a corporate mezzanine loan, which is subordinated to senior secured term loans of the portfolio company/investment fund.
- (9) Loan was on non-accrual status as of December 31, 2018.
- (10) Under the Investment Company Act, the Company is deemed to be an “affiliated person” of and “control” this investment fund because the Company owns more than 25% of the investment fund’s outstanding voting securities and/or has the power to exercise control over management or policies of such investment fund. See Note 5, Middle Market Credit Fund, LLC, for more details. Transactions related to investments in controlled affiliates for the year ended December 31, 2018 were as follows:

Investments—controlled/affiliated	Fair Value as of December 31, 2017	Additions/Purchases	Reductions/Sales/Paydowns	Net Realized Gain (Loss)	Net Change in Unrealized Appreciation (Depreciation)	Fair Value as of December 31, 2018	Dividend and Interest Income
Middle Market Credit Fund, LLC, Mezzanine Loan	\$ 85,750	\$ 120,150	\$ (93,900)	\$ —	\$ —	\$ 112,000	\$ 13,240
Middle Market Credit Fund, LLC, Subordinated Loan and Member’s Interest	86,766	31,500	—	—	(7,971)	110,295	15,250
Total investments—controlled/affiliated	\$ 172,516	\$ 151,650	\$ (93,900)	\$ —	\$ (7,971)	\$ 222,295	\$ 28,490

- (11) In addition to the interest earned based on the stated interest rate of this loan, which is the amount reflected in this schedule, the Company is entitled to receive additional interest as a result of an agreement among lenders as follows: Dimensional Dental Management, LLC (4.51%), EIP Merger Sub, LLC (Evolve IP) (3.75%), Legacy.com Inc. (4.00%), Payment Alliance International Inc. (3.06%), Prime Risk Partners, Inc. (2.88%), Product Quest Manufacturing, LLC (3.54%), Surgical Information Systems, LLC (0.89%) and The Hilb Group, LLC (3.33%). Pursuant to the agreement among lenders in respect of this loan, this investment represents a first lien/last out loan, which has a secondary priority behind the first lien/first out loan with respect to principal, interest and other payments.

TCG BDC, INC.
CONSOLIDATED SCHEDULE OF INVESTMENTS (Continued)
As of December 31, 2018
(dollar amounts in thousands)

(12) Under the Investment Company Act, the Company is deemed an “affiliated person” of this portfolio company because the Company owns 5% or more of the portfolio company’s outstanding voting securities. Transactions related to investments in non-controlled affiliates for the year ended December 31, 2018 were as follows:

Investments—non-controlled/affiliated	Fair Value as of December 31, 2017	Purchases/ Paid-in-kind interest	Sales/ Paydowns	Net Accretion of Discount	Net Realized Gain (Loss)	Net Change in Unrealized Appreciation (Depreciation)	Fair value as of December 31, 2018	Interest Income
TwentyEighty, Inc. - Revolver	\$ (20)	\$ —	\$ —	\$ 3	\$ —	\$ 17	\$ —	\$ 3
TwentyEighty, Inc. - (Term A Loans)	3,760	—	(3,574)	18	—	112	316	264
TwentyEighty, Inc. - (Term B Loans)	6,360	240	—	119	—	136	6,855	654
TwentyEighty, Inc. - (Term C Loans)	5,331	602	—	158	—	890	6,981	759
TwentyEighty Investors LLC (Equity)	—	—	—	—	—	4,391	4,391	—
Total investments—non-controlled/affiliated	\$ 15,431	\$ 842	\$ (3,574)	\$ 298	\$ —	\$ 5,546	\$ 18,543	\$ 1,680

(13) As of December 31, 2018, the Company had the following unfunded commitments to fund delayed draw and revolving senior secured loans:

Investments—non-controlled/affiliated	Type	Unused Fee	Par/ Principal Amount	Fair Value
First and Second Lien Debt—unfunded delayed draw and revolving term loans commitments				
Advanced Instruments, LLC	Revolver	0.50%	\$ 1,167	\$ (9)
Aero Operating LLC (Dejana Industries, Inc.)	Revolver	1.00	202	(2)
AMS Group HoldCo, LLC	Delayed Draw	1.00	4,009	(95)
AMS Group HoldCo, LLC	Revolver	0.50	810	(19)
Analogic Corporation	Revolver	0.50	3,365	(73)
Captive Resources Midco, LLC	Delayed Draw	1.25	3,572	(31)
Captive Resources Midco, LLC	Revolver	0.50	2,143	(18)
Chemical Computing Group ULC	Revolver	0.50	903	(10)
CIP Revolution Holdings, LLC	Revolver	0.50	532	(6)
CircusTriX Holdings, LLC	Delayed Draw	1.00	1,115	(26)
Comar Holding Company, LLC	Delayed Draw	1.00	5,136	(87)
Comar Holding Company, LLC	Revolver	0.50	2,129	(36)
Continuum Managed Services HoldCo, LLC	Revolver	0.50	2,500	(43)
Datto, Inc.	Revolver	0.50	726	(7)
DermaRite Industries LLC	Revolver	0.50	1,324	(52)
Derm Growth Partners III, LLC (Dermatology Associates)	Revolver	0.50	968	(12)
Direct Travel, Inc.	Delayed Draw	1.00	1,872	(16)
FWR Holding Corporation	Revolver	0.50	2,778	(20)
Frontline Technologies Holdings, LLC	Delayed Draw	1.00	7,705	(59)
GRO Sub Holdco, LLC (Grand Rapids)	Delayed Draw	1.00	7,000	(85)
GRO Sub Holdco, LLC (Grand Rapids)	Revolver	0.50	1,071	(13)
iCIMS, Inc.	Revolver	0.50	1,252	(43)

TCG BDC, INC.
CONSOLIDATED SCHEDULE OF INVESTMENTS (Continued)
As of December 31, 2018
(dollar amounts in thousands)

Investments—non-controlled/affiliated	Type	Unused Fee	Par/ Principal Amount	Fair Value
Innovative Business Services, LLC	Delayed Draw	1.00%	\$ 3,886	\$ (62)
Innovative Business Services, LLC	Revolver	0.50	2,232	(36)
National Carwash Solutions, Inc.	Delayed Draw	1.00	3,817	(57)
National Carwash Solutions, Inc.	Revolver	0.50	632	(9)
National Technical Systems, Inc.	Revolver	0.50	2,500	(6)
NMI AcquisitionCo, Inc.	Revolver	0.50	435	(16)
North American Dental Management, LLC	Delayed Draw	1.00	3,002	(52)
Northland Telecommunications Corporation	Revolver	0.50	1,702	(24)
Pharmalogic Holdings Corp.	Delayed Draw	1.00	237	—
PPC Flexible Packaging, LLC	Revolver	0.50	1,737	(16)
Prime Risk Partners, Inc.	Delayed Draw	0.50	457	(10)
Prime Risk Partners, Inc.	Delayed Draw	0.50	5,694	(175)
Product Quest Manufacturing, LLC	Revolver	0.50	1,906	—
PricewaterhouseCoopers Public Sector LLP	Revolver	0.50	6,250	(160)
SPay, Inc.	Delayed Draw	1.00	10,227	(197)
SPay, Inc.	Revolver	0.50	546	(19)
Sapphire Convention, Inc.	Revolver	0.50	4,528	(81)
Smile Doctors, LLC	Delayed Draw	1.00	6,394	(97)
Smile Doctors, LLC	Revolver	0.50	51	(1)
Superior Health Linens, LLC	Revolver	0.50	1,867	(21)
T2 Systems, Inc.	Revolver	0.50	1,760	(10)
TSB Purchaser, Inc. (Teaching Strategies, LLC)	Revolver	0.50	1,891	(36)
The Hilb Group, LLC	Delayed Draw	1.00	11,262	(185)
Trump Card, LLC	Revolver	0.50	635	(9)
TwentyEighty, Inc. (f/k/a Miller Heiman, Inc.)	Revolver	0.50	607	—
USLS Acquisition, Inc.	Delayed Draw	1.00	4,137	(98)
USLS Acquisition, Inc.	Revolver	0.50	1,418	(34)
VRC Companies, LLC	Delayed Draw	1.00	2,481	(33)
VRC Companies, LLC	Revolver	0.50	1,227	(16)
Westfall Technik, Inc.	Delayed Draw	1.00	15,259	(372)
Westfall Technik, Inc.	Revolver	0.50	2,155	(53)
Zemax Software Holdings, LLC	Revolver	0.50	1,284	(12)
Zenith Merger Sub, Inc.	Revolver	0.50	2,622	(20)
Total unfunded commitments			\$ 157,117	\$ (2,679)

TCG BDC, INC.
CONSOLIDATED SCHEDULE OF INVESTMENTS (Continued)
As of December 31, 2018
(dollar amounts in thousands)

As of December 31, 2018, investments at fair value consisted of the following:

Type	Amortized Cost	Fair Value	% of Fair Value
First Lien Debt (excluding First Lien/Last Out)	\$ 1,375,437	\$ 1,343,422	68.12%
First Lien/Last Out Unitranche	241,263	202,849	10.29
Second Lien Debt	179,434	178,958	9.07
Equity Investments	17,456	24,633	1.25
Investment Fund	230,001	222,295	11.27
Total	\$ 2,043,591	\$ 1,972,157	100.00%

The rate type of debt investments at fair value as of December 31, 2018 was as follows:

Rate Type	Amortized Cost	Fair Value	% of Fair Value of First and Second Lien Debt
Floating Rate	\$ 1,782,607	\$ 1,711,393	99.20%
Fixed Rate	13,527	13,836	0.80
Total	\$ 1,796,134	\$ 1,725,229	100.00%

TCG BDC, INC.
CONSOLIDATED SCHEDULE OF INVESTMENTS (Continued)
As of December 31, 2018
(dollar amounts in thousands)

The industry composition of investments at fair value as of December 31, 2018 was as follows:

Industry	Amortized Cost	Fair Value	% of Fair Value
Aerospace & Defense	\$ 27,859	\$ 28,000	1.42%
Automotive	6,547	6,603	0.33
Banking, Finance, Insurance & Real Estate	127,078	127,942	6.49
Beverage, Food & Tobacco	73,861	74,283	3.77
Business Services	156,800	162,545	8.24
Chemicals, Plastics & Rubber	22,705	22,298	1.13
Construction & Building	2,492	2,496	0.13
Consumer Services	30,142	29,742	1.51
Containers, Packaging & Glass	79,714	47,356	2.40
Durable Consumer Goods	755	988	0.05
Energy: Electricity	42,866	42,922	2.18
Energy: Oil & Gas	11,833	12,068	0.61
Environmental Industries	35,604	35,835	1.82
Forest Products & Paper	49,964	49,437	2.51
Healthcare & Pharmaceuticals	244,142	233,135	11.82
High Tech Industries	242,819	241,305	12.24
Hotel, Gaming & Leisure	77,952	76,685	3.89
Investment Fund	230,001	222,295	11.27
Media: Broadcast & Subscription	21,297	21,311	1.08
Media: Advertising, Printing & Publishing	58,690	58,712	2.98
Non-durable Consumer Goods	57,996	49,947	2.53
Software	124,734	124,231	6.30
Sovereign & Public Finance	38,568	38,526	1.95
Telecommunications	124,120	113,984	5.78
Transportation: Cargo	71,686	71,443	3.62
Transportation: Consumer	36,210	36,562	1.85
Wholesale	47,156	41,506	2.10
Total	\$ 2,043,591	\$ 1,972,157	100.00%

The geographical composition of investments at fair value as of December 31, 2018 was as follows:

Geography	Amortized Cost	Fair Value	% of Fair Value
Canada	\$ 15,636	\$ 15,617	0.79%
United Kingdom	9,833	9,695	0.49
United States	2,018,122	1,946,845	98.72
Total	\$ 2,043,591	\$ 1,972,157	100.00%

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

TCG BDC, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

As of March 31, 2019

(dollar amounts in thousands, except per share data)

1. ORGANIZATION

TCG BDC, Inc. (together with its consolidated subsidiaries, “we,” “us,” “our,” “TCG BDC” or the “Company”) is a Maryland corporation formed on February 8, 2012, and structured as an externally managed, non-diversified closed-end investment company. The Company is managed by its investment adviser, Carlyle Global Credit Investment Management L.L.C. (“CGCIM” or “Investment Adviser”), a wholly owned subsidiary of The Carlyle Group L.P. The Company has elected to be regulated as a business development company (“BDC”) under the Investment Company Act of 1940, as amended (together with the rules and regulations promulgated thereunder, the “Investment Company Act”). In addition, the Company has elected to be treated, and intends to continue to comply with the requirements to qualify annually, as a regulated investment company (“RIC”) under Subchapter M of the Internal Revenue Code of 1986, as amended (together with the rules and regulations promulgated thereunder, the “Code”).

The Company’s investment objective is to generate current income and capital appreciation primarily through debt investments in U.S. middle market companies, which the Company defines as companies with approximately \$10 million to \$100 million of earnings before interest, taxes, depreciation and amortization (“EBITDA”), which the Company believes is a useful proxy for cash flow. The Company seeks to achieve its investment objective primarily through direct originations of secured debt, including first lien senior secured loans (which may include stand-alone first lien loans, first lien/last out loans and “unitranche” loans) and second lien senior secured loans (collectively, “Middle Market Senior Loans”), with the balance of its assets invested in higher yielding investments (which may include unsecured debt, mezzanine debt and investments in equities). The Middle Market Senior Loans are generally made to private U.S. middle market companies that are, in many cases, controlled by private equity firms. Depending on market conditions, the Company expects that between 70% and 80% of the value of its assets will be invested in Middle Market Senior Loans. The Company expects that the composition of its portfolio will change over time given the Investment Adviser’s view on, among other things, the economic and credit environment (including with respect to interest rates) in which the Company is operating.

The Company invests primarily in loans to middle market companies whose debt, if rated, is rated below investment grade, and, if not rated, would likely be rated below investment grade if it were rated (that is, below BBB- or Baa3, which is often referred to as “junk”). Exposure to below investment grade instruments involves certain risks, including speculation with respect to the borrower’s capacity to pay interest and repay principal.

On May 2, 2013, the Company completed its initial closing of capital commitments (the “Initial Closing”) and subsequently commenced substantial investment operations. Effective March 15, 2017, the Company changed its name from “Carlyle GMS Finance, Inc.” to “TCG BDC, Inc.” On June 19, 2017, the Company closed its initial public offering (“IPO”), issuing 9,454,200 shares of its common stock (including shares issued pursuant to the exercise of the underwriters’ over-allotment option on July 5, 2017) at a public offering price of \$18.50 per share. Net of underwriting costs, the Company received cash proceeds of \$169,488. Shares of common stock of TCG BDC began trading on the NASDAQ Global Select Market under the symbol “CGBD” on June 14, 2017.

Until December 31, 2017, the Company was an “emerging growth company,” as that term is used in the Jumpstart Our Business Startups Act of 2012. As of June 30, 2017, the market value of the common stock held by non-affiliates exceeded \$700,000. Accordingly, the Company ceased to be an emerging growth company as of December 31, 2017.

The Company is externally managed by the Investment Adviser, an investment adviser registered under the Investment Advisers Act of 1940, as amended. Carlyle Global Credit Administration L.L.C. (the “Administrator”) provides the administrative services necessary for the Company to operate. Both the Investment Adviser and the Administrator are wholly owned subsidiaries of Carlyle Investment Management L.L.C. (“CIM”), a subsidiary of The Carlyle Group L.P. “Carlyle” refers to The Carlyle Group L.P. and its affiliates and its consolidated subsidiaries (other than portfolio companies of its affiliated funds), a global investment firm publicly traded on NASDAQ Global Select Market under the symbol “CG”. Refer to the sec.gov website for further information on Carlyle.

TCG BDC SPV LLC (the “SPV”) is a Delaware limited liability company that was formed on January 3, 2013. The SPV invests in first and second lien senior secured loans. The SPV is a wholly owned subsidiary of the Company and is consolidated in these consolidated financial statements commencing from the date of its formation, January 3, 2013. Effective March 15, 2017, the SPV changed its name from “Carlyle GMS Finance SPV LLC” to “TCG BDC SPV LLC”.

On June 9, 2017, pursuant to the Agreement and Plan of Merger, dated May 3, 2017 (the “Agreement”), by and between the Company and NF Investment Corp. (“NFIC”), NFIC merged with and into the Company (the “NFIC Acquisition”), with the Company as the surviving entity. The NFIC Acquisition was accounted for as an asset acquisition. NFIC SPV LLC (the “NFIC SPV” and, together with the SPV, the “SPVs”) is a Delaware limited liability company that was formed on June 18, 2013. Upon the consummation of the NFIC Acquisition, the NFIC SPV became a wholly owned subsidiary of the Company and is consolidated in these consolidated financial statements commencing from the closing date of the NFIC Acquisition, June 9, 2017.

On June 26, 2015, the Company completed a \$400,000 term debt securitization (the “2015-1 Debt Securitization”). The notes offered in the 2015-1 Debt Securitization (the “2015-1 Notes”) were issued by Carlyle Direct Lending CLO 2015-1R LLC (formerly known as Carlyle GMS Finance MM CLO 2015-1 LLC) (the “2015-1 Issuer”), a wholly owned and consolidated subsidiary of the Company. On August 30, 2018, the 2015-1 Issuer refinanced the 2015-1 Debt Securitization (the “2015-1 Debt Securitization Refinancing”) by redeeming in full the 2015-1 Notes and issuing new notes (the “2015-1R Notes”). The 2015-1R Notes are secured by a diversified portfolio of the 2015-1 Issuer consisting primarily of first and second lien senior secured loans. Refer to Note 7 for details. The 2015-1 Issuer is consolidated in these consolidated financial statements commencing from the date of its formation, May 8, 2015.

On February 29, 2016, the Company and Credit Partners USA LLC (“Credit Partners”) entered into an amended and restated limited liability company agreement, which was subsequently amended on June 24, 2016 (as amended, the “Limited Liability Company Agreement”) to co-manage Middle Market Credit Fund, LLC (“Credit Fund”). Credit Fund primarily invests in first lien loans of middle market companies. Credit Fund is managed by a six-member board of managers, on which the Company and Credit Partners each have equal representation. The Company and Credit Partners each have 50% economic ownership of Credit Fund and have commitments to fund, from time to time, capital of up to \$400,000 each. Refer to Note 5, Middle Market Credit Fund, LLC, for details.

As a BDC, the Company is required to comply with certain regulatory requirements. As part of these requirements, the Company must not acquire any assets other than “qualifying assets” specified in the Investment Company Act unless, at the time the acquisition is made, at least 70% of its total assets are qualifying assets (with certain limited exceptions).

To qualify as a RIC, the Company must, among other things, meet certain source-of-income and asset diversification requirements and timely distribute to its stockholders generally at least 90% of its investment company taxable income, as defined by the Code, for each year. Pursuant to this election, the Company generally does not have to pay corporate level taxes on any income that it distributes to stockholders, provided that the Company satisfies those requirements.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States (“US GAAP”). The Company is an investment company for the purposes of accounting and financial reporting in accordance with Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) Topic 946, *Financial Services—Investment Companies* (“ASC 946”). The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, the SPVs and the 2015-1 Issuer. All significant intercompany balances and transactions have been eliminated. US GAAP for an investment company requires investments to be recorded at fair value. The carrying value for all other assets and liabilities approximates their fair value.

The interim financial statements have been prepared in accordance with US GAAP for interim financial information and pursuant to the requirements for reporting on Form 10-Q and Articles 6 and 10 of Regulation S-X. Accordingly, certain disclosures accompanying the annual consolidated financial statements prepared in accordance with US GAAP are omitted. In the opinion of management, all adjustments considered necessary for the fair presentation of consolidated financial statements for the interim periods presented have been included. These adjustments are of a normal, recurring nature. This Form 10-Q should be read in conjunction with the Company’s annual report on Form 10-K for the year ended December 31, 2018. The results of operations for the three month period ended March 31, 2019 are not necessarily indicative of the operating results to be expected for the full year.

Use of Estimates

The preparation of consolidated financial statements in conformity with US GAAP requires management to make assumptions and estimates that affect the reported amounts of assets and liabilities and disclosure of contingent assets and

liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Management's estimates are based on historical experiences and other factors, including expectations of future events that management believes to be reasonable under the circumstances. It also requires management to exercise judgment in the process of applying the Company's accounting policies. Assumptions and estimates regarding the valuation of investments and their resulting impact on base management and incentive fees involve a higher degree of judgment and complexity and these assumptions and estimates may be significant to the consolidated financial statements. Actual results could differ from these estimates and such differences could be material.

Investments

Investment transactions are recorded on the trade date. Realized gains or losses are measured by the difference between the net proceeds from the repayment or sale and the amortized cost basis of the investment using the specific identification method without regard to unrealized appreciation or depreciation previously recognized, and includes investments charged off during the period, net of recoveries. Net change in unrealized appreciation or depreciation on investments as presented in the accompanying Consolidated Statements of Operations reflects the net change in the fair value of investments, including the reversal of previously recorded unrealized appreciation or depreciation when gains or losses are realized. See Note 3 for further information about fair value measurements.

Cash and Cash Equivalents

Cash and cash equivalents consist of demand deposits and highly liquid investments (e.g., money market funds, U.S. treasury notes) with original maturities of three months or less. Cash equivalents are carried at amortized cost, which approximates fair value. The Company's cash and cash equivalents are held with two large financial institutions and cash held in such financial institutions may, at times, exceed the Federal Deposit Insurance Corporation insured limit.

Revenue Recognition

Interest from Investments and Realized Gain/Loss on Investments

Interest income is recorded on an accrual basis and includes the accretion of discounts and amortization of premiums. Discounts from and premiums to par value on debt investments purchased are accreted/amortized into interest income over the life of the respective security using the effective interest method. The amortized cost of debt investments represents the original cost, including origination fees and upfront fees received that are deemed to be an adjustment to yield, adjusted for the accretion of discounts and amortization of premiums, if any. At time of exit, the realized gain or loss on an investment is the difference between the amortized cost at time of exit and the cash received at exit using the specific identification method.

The Company has loans in its portfolio that contain payment-in-kind ("PIK") provisions. PIK represents interest that is accrued and recorded as interest income at the contractual rates, increases the loan principal on the respective capitalization dates, and is generally due at maturity. Such income is included in interest income in the Consolidated Statements of Operations. As of March 31, 2019 and December 31, 2018, the fair value of the loans in the portfolio with PIK provisions was \$55,069 and \$53,660, respectively. For the three month periods ended March 31, 2019 and 2018, the Company earned \$1,150 and \$213, respectively, in PIK income included in interest income in the accompanying Consolidated Statements of Operations.

Dividend Income

Dividend income from the investment fund is recorded on the record date for the investment fund to the extent that such amounts are payable by the investment fund and are expected to be collected.

Other Income

Other income may include income such as consent, waiver, amendment, unused, syndication, arranger and prepayment fees associated with the Company's investment activities as well as any fees for managerial assistance services rendered by the Company to the portfolio companies. Such fees are recognized as income when earned or the services are rendered. The Company may receive fees for guaranteeing the outstanding debt of a portfolio company. Such fees are amortized into other income over the life of the guarantee. The unamortized amount, if any, is included in other assets in the accompanying Consolidated Statements of Assets and Liabilities. For the three month periods ended March 31, 2019 and 2018, the Company earned \$2,028 and \$895, respectively, in other income, primarily from amendment and arranger fees.

Non-Accrual Income

Loans are generally placed on non-accrual status when principal or interest payments are past due 30 days or more or when there is reasonable doubt that principal or interest will be collected in full. Accrued and unpaid interest is generally reversed when a loan is placed on non-accrual status. Interest payments received on non-accrual loans may be recognized as income or applied to principal depending upon management's judgment regarding collectability. Non-accrual loans are restored to accrual status when past due principal and interest are paid current and, in management's judgment, are likely to remain current. Management may not place a loan on non-accrual status if the loan has sufficient collateral value and is in the process of collection. As of March 31, 2019 and December 31, 2018, the fair value of the loans in the portfolio on non-accrual status was \$17,482 and \$14,327, respectively. The remaining first and second lien debt investments were performing and current on their interest payments as of March 31, 2019 and December 31, 2018.

SPV Credit Facility, Credit Facility, 2015-1R Notes Related Costs, Expenses and Deferred Financing Costs (See Note 6, Borrowings, and Note 7, Notes Payable)

Interest expense and unused commitment fees on the SPV Credit Facility and Credit Facility are recorded on an accrual basis. Unused commitment fees are included in credit facility fees in the accompanying Consolidated Statements of Operations.

The SPV Credit Facility and Credit Facility are recorded at carrying value, which approximates fair value.

Deferred financing costs include capitalized expenses related to the closing or amendments of the SPV Credit Facility and Credit Facility. Amortization of deferred financing costs for each credit facility is computed on the straight-line basis over the respective term of each credit facility. The unamortized balance of such costs is included in deferred financing costs in the accompanying Consolidated Statements of Assets and Liabilities. The amortization of such costs is included in credit facility fees in the accompanying Consolidated Statements of Operations.

Debt issuance costs include capitalized expenses including structuring and arrangement fees related to the offering of the 2015-1R Notes. Amortization of debt issuance costs for the notes is computed on the effective yield method over the term of the notes. The unamortized balance of such costs is presented as a direct deduction to the carrying amount of the notes in the accompanying Consolidated Statements of Assets and Liabilities. The amortization of such costs is included in interest expense in the accompanying Consolidated Statements of Operations.

The notes are recorded at carrying value, which approximates fair value.

Offering Costs

Offering costs consist primarily of fees and expenses incurred in connection with the offering of shares, including legal, underwriting, printing and other costs, as well as costs associated with the preparation and filing of applicable registration statements. Offering costs are charged against equity when incurred. During the three month periods ended March 31, 2019 and 2018, \$0 and \$30, respectively, of the offering costs were incurred, 50% of which were paid by the Investment Adviser.

Income Taxes

For federal income tax purposes, the Company has elected to be treated as a RIC under the Code, and intends to make the required distributions to its stockholders as specified therein. In order to qualify as a RIC, the Company must meet certain minimum distribution, source-of-income and asset diversification requirements. If such requirements are met, then the Company is generally required to pay income taxes only on the portion of its taxable income and gains it does not distribute.

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

In addition, based on the excise distribution requirements, the Company is subject to a 4% nondeductible federal excise tax on undistributed income unless the Company distributes in a timely manner an amount at least equal to the sum of (1) 98% of its ordinary income for each calendar year, (2) 98.2% of capital gain net income (both long-term and short-term) for the one-year period ending October 31 in that calendar year and (3) any income realized, but not distributed, in the preceding

year. For this purpose, however, any ordinary income or capital gain net income retained by the Company that is subject to corporate income tax is considered to have been distributed. The Company intends to make sufficient distributions each taxable year to satisfy the excise distribution requirements.

The Company evaluates tax positions taken or expected to be taken in the course of preparing its consolidated financial statements to determine whether the tax positions are “more-likely than not” to be sustained by the applicable tax authority. The SPVs and the 2015-1 Issuer are disregarded entities for tax purposes and are consolidated with the tax return of the Company. All penalties and interest associated with income taxes, if any, are included in income tax expense. For the three month periods ended March 31, 2019 and 2018, the Company incurred \$60 and \$10, respectively, in excise tax expense.

Dividends and Distributions to Common Stockholders

To the extent that the Company has taxable income available, the Company intends to make quarterly distributions to its common stockholders. Dividends and distributions to common stockholders are recorded on the record date. The amount to be distributed is determined by the Board of Directors each quarter and is generally based upon the taxable earnings estimated by management and available cash. Net realized capital gains, if any, are generally distributed at least annually, although the Company may decide to retain such capital gains for investment.

Prior to July 5, 2017, the Company had an “opt in” dividend reinvestment plan. Effective on July 5, 2017, the Company converted the “opt in” dividend reinvestment plan to an “opt out” dividend reinvestment plan that provides for reinvestment of dividends and other distributions on behalf of the stockholders, other than those stockholders who have “opted out” of the plan. As a result of adopting the plan, if the Board of Directors authorizes, and the Company declares, a cash dividend or distribution, the stockholders who have not elected to “opt out” of the dividend reinvestment plan will have their cash dividends or distributions automatically reinvested in additional shares of the Company’s common stock, rather than receiving cash. Each registered stockholder may elect to have such stockholder’s dividends and distributions distributed in cash rather than participate in the plan. For any registered stockholder that does not so elect, distributions on such stockholder’s shares will be reinvested by State Street Bank and Trust Company, the Company’s plan administrator, in additional shares. The number of shares to be issued to the stockholder will be determined based on the total dollar amount of the cash distribution payable, net of applicable withholding taxes. The Company intends to use primarily newly issued shares to implement the plan so long as the market value per share is equal to or greater than the net asset value per share on the relevant valuation date. If the market value per share is less than the net asset value per share on the relevant valuation date, the plan administrator would implement the plan through the purchase of common stock on behalf of participants in the open market, unless the Company instructs the plan administrator otherwise.

Functional Currency

The functional currency of the Company is the U.S. Dollar and all transactions were in U.S. Dollars.

Recent Accounting Standards Updates

The FASB issued Accounting Standards Update (“ASU”) ASU 2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework - Changes to the Disclosure Requirements for Fair Value Measurement* in August 2018, which modifies disclosure requirements pertaining to fair value measurement of Level 3 securities for public companies. Under the new standard, reporting entities can remove the disclosures no longer required and amend the disclosures immediately with retrospective application. The effective date for the additional disclosures for all public and nonpublic companies is for fiscal years, and interim periods within those years, beginning after December 15, 2019. An entity is permitted to early adopt any removed or modified disclosures immediately and delay adoption of the additional disclosures until their effective date. The Company has elected to early adopt ASU 2018-13 in 2018. No significant changes were made to the Company’s fair value disclosures in the notes to the consolidated financial statements in order to comply with ASU 2018-13.

In September 2018, related to the Disclosure Update and Simplification release (“the DUS Release”), the FASB issued Compliance and Disclosure Interpretation 105.09 guidance (“CDI 105.09”) on compliance with the new requirement to present changes in shareholders’ equity in interim financial statements within Form 10-Q filings. The DUS Release requires disclosure of changes in shareholders’ equity within a registrant’s Form 10-Q filing on a quarter-to-date and year-to-date basis for both the current year and prior year comparative periods. CDI 105.09 notes that the SEC would not object if a registrant first discloses the changes in shareholders’ equity in its Form 10-Q for the quarter that begins after November 5, 2018. The Company has adopted the new requirement starting with the quarter that began on January 1, 2019, which did not have a material impact on the Company’s financial statements.

3. FAIR VALUE MEASUREMENTS

The Company applies fair value accounting in accordance with the terms of FASB ASC Topic 820, *Fair Value Measurement* (“ASC 820”). ASC 820 defines fair value as the amount that would be exchanged to sell an asset or transfer a liability in an orderly transfer between market participants at the measurement date. The Company values securities/instruments traded in active markets on the measurement date by multiplying the 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, such as its securities/instruments traded in active markets and its liquid securities/instruments that are not traded in active markets, from pricing services, brokers, or counterparties (i.e., “consensus pricing”). When doing so, the Company determines whether the quote obtained is sufficient according to US GAAP to determine the fair value of the security. The Company may use the quote obtained or alternative pricing sources may be utilized including valuation techniques typically utilized for illiquid securities/instruments.

Securities/instruments 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 Investment Adviser or the Company’s Board of Directors, does not represent fair value shall each be valued as of the measurement date using all techniques appropriate under the circumstances and for which sufficient data is available. These valuation techniques may vary by investment and include comparable public market valuations, comparable precedent transaction valuations and/or discounted cash flow analyses. The process generally used to determine the applicable value is as follows: (i) the value of each portfolio company or investment is initially reviewed by the investment professionals responsible for such portfolio company or investment and, for non-traded investments, a standardized template designed to approximate fair market value based on observable market inputs, updated credit statistics and unobservable inputs is used to determine a preliminary value, which is also reviewed alongside consensus pricing, where available; (ii) preliminary valuation conclusions are documented and reviewed by a valuation committee comprised of members of senior management; (iii) the Board of Directors engages a third-party valuation firm to provide positive assurance on portions of the Middle Market Senior Loans and equity investments portfolio each quarter (such that each non-traded investment other than Credit Fund is reviewed by a third-party valuation firm at least once on a rolling twelve month basis) including a review of management’s preliminary valuation and conclusion on fair value; (iv) the Audit Committee of the Board of Directors (the “Audit Committee”) reviews the assessments of the Investment Adviser and the third-party valuation firm and provides the Board of Directors with any recommendations with respect to changes to the fair value of each investment in the portfolio; and (v) the Board of Directors discusses the valuation recommendations of the Audit Committee and determines the fair value of each investment in the portfolio in good faith based on the input of the Investment Adviser and, where applicable, the third-party valuation firm.

All factors that might materially impact the value of an investment are considered, including, but not limited to the 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 leverage and ability to make payments;
- the portfolio company’s public or private credit rating;
- the portfolio company’s actual and expected earnings and discounted cash flow;
- prevailing interest rates and spreads for similar 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 comparable transactions and publicly traded securities.

Investment performance data utilized are the most recently available financial statements and compliance certificate received from the portfolio companies as of the measurement date which in many cases may reflect a lag in information.

Due to the inherent uncertainty of determining the fair value of investments that do not have a readily available market value, the fair value of the Company’s investments may fluctuate from period to period. Because of the inherent uncertainty of valuation, these estimated values may differ significantly from the values that would have been reported had a ready market for the investments existed, and it is reasonably possible that the difference could be material.

In addition, changes in the market environment and other events that may occur over the life of the investments may cause the realized gains or losses on investments to be different from the net change in unrealized appreciation or depreciation currently reflected in the consolidated financial statements as of March 31, 2019 and December 31, 2018.

US GAAP establishes a hierarchical disclosure framework which ranks the level of observability of market price inputs used in measuring investments at fair value. The observability of inputs is impacted by a number of factors, including the type of investment and the characteristics specific to the investment and state of the marketplace, including the existence and transparency of transactions between market participants. Investments with readily available quoted prices or for which fair value can be measured from quoted prices in active markets generally have a higher degree of market price observability and a lesser degree of judgment applied in determining fair value.

Investments measured and reported at fair value are classified and disclosed based on the observability of inputs used in determination of fair values, as follows:

- Level 1—inputs to the valuation methodology are quoted prices available in active markets for identical investments as of the reporting date. Financial instruments in this category generally include unrestricted securities, including equities and derivatives, listed in active markets. The Company does not adjust the quoted price for these investments, even in situations where the Company holds a large position and a sale could reasonably impact the quoted price.
- Level 2—inputs to the valuation methodology are either directly or indirectly observable as of the reporting date and are those other than quoted prices in active markets. Financial instruments in this category generally include less liquid and restricted securities listed in active markets, securities traded in other than active markets, 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 overall fair value measurement. The inputs into the determination of fair value require significant management judgment or estimation. Financial instruments in this category generally include investments in privately-held entities, 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, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the overall fair value measurement. The Investment Adviser's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the investment.

Transfers between levels, if any, are recognized at the beginning of the quarter in which the transfers occur. For the three month periods ended March 31, 2019 and 2018, there were no transfers between levels.

The following tables summarize the Company's investments measured at fair value on a recurring basis by the above fair value hierarchy levels as of March 31, 2019 and December 31, 2018:

	March 31, 2019			
	Level 1	Level 2	Level 3	Total
Assets				
First Lien Debt	\$ —	\$ —	\$ 1,663,301	\$ 1,663,301
Second Lien Debt	—	—	228,851	228,851
Equity Investments	—	—	28,466	28,466
Investment Fund				
Mezzanine Loan	—	—	123,800	123,800
Subordinated Loan and Member's Interest	—	—	110,791	110,791
Total	\$ —	\$ —	\$ 2,155,209	\$ 2,155,209
	December 31, 2018			
	Level 1	Level 2	Level 3	Total
Assets				
First Lien Debt	\$ —	\$ —	\$ 1,546,271	\$ 1,546,271
Second Lien Debt	—	—	178,958	178,958
Equity Investments	—	—	24,633	24,633
Investment Fund				
Mezzanine Loan	—	—	112,000	112,000
Subordinated Loan and Member's Interest	—	—	110,295	110,295
Total	\$ —	\$ —	\$ 1,972,157	\$ 1,972,157

The changes in the Company's investments at fair value for which the Company has used Level 3 inputs to determine fair value and net change in unrealized appreciation (depreciation) included in earnings for Level 3 investments still held are as follows:

	Financial Assets					Total
	For the three month period ended March 31, 2019					
	First Lien Debt	Second Lien Debt	Equity Investments	Investment Fund - Mezzanine Loan	Investment Fund - Subordinated Loan and Member's Interest	
Balance, beginning of period	\$ 1,546,271	\$ 178,958	\$ 24,633	\$ 112,000	\$ 110,295	\$ 1,972,157
Purchases	165,076	48,405	2,240	30,500	—	246,221
Sales	(6,815)	—	(1,738)	—	—	(8,553)
Paydowns	(44,241)	—	—	(18,700)	—	(62,941)
Accretion of discount	2,092	69	—	—	—	2,161
Net realized gains (losses)	(60)	—	959	—	—	899
Net change in unrealized appreciation (depreciation)	978	1,419	2,372	—	496	5,265
Balance, end of period	\$ 1,663,301	\$ 228,851	\$ 28,466	\$ 123,800	\$ 110,791	\$ 2,155,209
Net change in unrealized appreciation (depreciation) included in earnings related to investments still held as of March 31, 2019 included in net change in unrealized appreciation (depreciation) on investments on the Consolidated Statements of Operations	\$ 1,242	\$ 1,419	\$ 2,648	\$ —	\$ 496	\$ 5,805

	Financial Assets					Total
	For the three month period ended March 31, 2018					
	First Lien Debt	Second Lien Debt	Equity Investments	Investment Fund - Mezzanine Loan		
Balance, beginning of period	\$ 1,531,276	\$ 246,233	\$ 17,506	\$ 85,750	\$	\$ 1,880,765
Purchases	66,257	24,994	500	21,850	—	113,601
Sales	(20,960)	(3,960)	—	—	—	(24,920)
Paydowns	(97,110)	(49,992)	—	—	—	(147,102)
Accretion of discount	1,527	863	—	—	—	2,390
Net realized gains (losses)	(131)	2	—	—	—	(129)
Net change in unrealized appreciation (depreciation)	(4,985)	(433)	806	—	—	(4,612)
Balance, end of period	\$ 1,475,874	\$ 217,707	\$ 18,812	\$ 107,600	\$	\$ 1,819,993
Net change in unrealized appreciation (depreciation) included in earnings related to investments still held as of March 31, 2018 included in net change in unrealized appreciation (depreciation) on investments on the Consolidated Statements of Operations	\$ (4,796)	\$ 673	\$ 806	\$ —	\$	\$ (3,317)

The Company generally uses the following framework when determining the fair value of investments that are categorized as Level 3:

Investments in debt securities are initially evaluated to determine whether the enterprise value of the portfolio company is greater than the applicable debt. The enterprise value of the portfolio company is estimated using a market approach and an income approach. The market approach utilizes market value (EBITDA) multiples of publicly traded comparable companies and available precedent sales transactions of comparable companies. The Company carefully considers numerous factors when selecting the appropriate companies whose multiples are used to value its portfolio companies. These

factors include, but are not limited to, the type of organization, similarity to the business being valued, relevant risk factors, as well as size, profitability and growth expectations. The income approach typically uses a discounted cash flow analysis of the portfolio company.

Investments in debt securities that do not have sufficient coverage through the enterprise value analysis are valued based on an expected probability of default and discount recovery analysis.

Investments in debt securities with sufficient coverage through the enterprise value analysis are generally valued using a discounted cash flow analysis of the underlying security. Projected cash flows in the discounted cash flow typically represent the relevant security's contractual interest, fees and principal payments plus the assumption of full principal recovery at the security's expected maturity date. The discount rate to be used is determined using an average of two market-based methodologies. Investments in debt securities may also be valued using consensus pricing.

Investments in equities are generally valued using a market approach and/or an income approach. The market approach utilizes EBITDA multiples of publicly traded comparable companies and available precedent sales transactions of comparable companies. The income approach typically uses a discounted cash flow analysis of the portfolio company.

Investments in Credit Fund's mezzanine loan are valued using collateral analysis with the expected recovery rate of principal and interest. Investments in Credit Fund's subordinated loan and member's interest are valued using discounted cash flow analysis with the expected discount rate, default rate and recovery rate of principal and interest.

The following tables summarize the quantitative information related to the significant unobservable inputs for Level 3 instruments which are carried at fair value as of March 31, 2019 and December 31, 2018:

	Fair Value as of March 31, 2019	Valuation Techniques	Significant Unobservable Inputs	Range		Weighted Average
				Low	High	
Investments in First Lien Debt	\$ 1,559,387	Discounted Cash Flow	Discount Rate	5.99%	27.75%	10.16%
	83,732			89.08	102.00	98.20
	20,182	Income Approach	Discount Rate	12.23%	12.23%	12.23%
				Market Approach	Comparable Multiple	7.50x
Total First Lien Debt	1,663,301					
Investments in Second Lien Debt	226,198	Discounted Cash Flow	Discount Rate	8.90%	12.36%	10.96%
	2,653	Consensus Pricing	Indicative Quotes	98.25	98.25	98.25
Total Second Lien Debt	228,851					
Investments in Equity	28,466	Income Approach	Discount Rate	8.08%	12.73%	10.73%
		Market Approach	Comparable Multiple	7.03x	16.50x	9.69x
Total Equity Investments	28,466					
Investments in Investment Fund						
Mezzanine Loan	123,800	Collateral Analysis	Recovery Rate	100.00%	100.00%	100.00%
Subordinated Loan and Member's Interest	110,791	Discounted Cash Flow	Discount Rate	10.00%	10.00%	10.00%
			Default Rate	2.00%	2.00%	2.00%
			Recovery Rate	75.00%	75.00%	75.00%
Total Investments in Investment Fund	234,591					
Total Level 3 Investments	\$ 2,155,209					

	Fair Value as of December 31, 2018	Valuation Techniques	Significant Unobservable Inputs	Range		Weighted Average	
				Low	High		
Investments in First Lien Debt	\$ 1,457,170	Discounted Cash Flow	Discount Rate	6.45%	26.48%	10.49%	
		74,774	Consensus Pricing	Indicative Quotes	50.00	100.00	92.04
		14,327	Income Approach	Discount Rate	15.12%	15.12%	15.12%
			Market Approach	Comparable Multiple	6.76x	6.76x	6.76x
Total First Lien Debt	1,546,271						
Investments in Second Lien Debt	176,307	Discounted Cash Flow	Discount Rate	9.34%	13.22%	11.31%	
		2,651	Consensus Pricing	Indicative Quotes	98.17	98.17	98.17
Total Second Lien Debt	178,958						
Investments in Equity	24,633	Income Approach	Discount Rate	8.51%	12.84%	10.49%	
			Market Approach	Comparable Multiple	7.22x	14.70x	9.74x
Total Equity Investments	24,633						
Investment in Investment Fund							
Mezzanine Loan	112,000	Collateral Analysis	Recovery Rate	100.00%	100.00%	100.00%	
Subordinated Loan and Member's Interest	110,295	Discounted Cash Flow	Discount Rate	10.00%	10.00%	10.00%	
		Discounted Cash Flow	Default Rate	2.00%	2.00%	2.00%	
		Discounted Cash Flow	Recovery Rate	75.00%	75.00%	75.00%	
Total Investments in Investment Fund	222,295						
Total Level 3 Investments	\$ 1,972,157						

The significant unobservable inputs used in the fair value measurement of the Company's investments in first and second lien debt securities are discount rates, indicative quotes and comparable EBITDA multiples. Significant increases in discount rates would result in a significantly lower fair value measurement. Significant decreases in indicative quotes or comparable EBITDA multiples in isolation may result in a significantly lower fair value measurement.

The significant unobservable inputs used in the fair value measurement of the Company's investments in equities are discount rates and comparable EBITDA multiples. Significant increases in discount rates would result in a significantly lower fair value measurement. Significant decreases in comparable EBITDA multiples would result in a significantly lower fair value measurement.

The significant unobservable input used in the fair value measurement of the Company's investment in the mezzanine loan of Credit Fund is the recovery rate of principal and interest. A significant decrease in the recovery rate would result in a significantly lower fair value measurement.

The significant unobservable inputs used in the fair value measurement of the Company's investments in the subordinated loan and member's interest of Credit Fund are the discount rate, default rate and recovery rate. Significant increases in the discount rate or default rate would result in a significantly lower fair value measurement. A significant decrease in the recovery rate would result in a significantly lower fair value measurement.

Financial instruments disclosed but not carried at fair value

The following table presents the carrying value and fair value of the Company's secured borrowings disclosed but not carried at fair value as of March 31, 2019 and December 31, 2018:

	March 31, 2019		December 31, 2018	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Secured borrowings	\$ 660,959	\$ 660,959	\$ 514,635	\$ 514,635
Total	\$ 660,959	\$ 660,959	\$ 514,635	\$ 514,635

The carrying values of the secured borrowings approximate their respective fair values and are categorized as Level 3 within the hierarchy. Secured borrowings are valued generally using discounted cash flow analysis. The significant unobservable inputs used in the fair value measurement of the Company's secured borrowings are discount rates. Significant increases in discount rates would result in a significantly lower fair value measurement.

The following table represents the carrying values (before debt issuance costs) and fair values of the Company's 2015-1R Notes disclosed but not carried at fair value as of March 31, 2019 and December 31, 2018:

	March 31, 2019		December 31, 2018	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Aaa/AAA Class A-1-1-R Notes	\$ 234,800	\$ 230,691	\$ 234,800	\$ 229,632
Aaa/AAA Class A-1-2-R Notes	50,000	49,400	50,000	49,442
Aaa/AAA Class A-1-3-R Notes	25,000	25,122	25,000	24,990
AA Class A-2-R Notes	66,000	66,000	66,000	66,000
A Class B Notes	46,400	45,020	46,400	44,242
BBB- Class C Notes	27,000	25,650	27,000	24,809
Total	\$ 449,200	\$ 441,883	\$ 449,200	\$ 439,115

The fair value determination of the Company's notes payable was based on the market quotation(s) received from broker/dealer(s). These fair value measurements were based on significant inputs not observable and thus represent Level 3 measurements as defined in the accounting guidance for fair value measurement.

The carrying value of other financial assets and liabilities approximates their fair value based on the short term nature of these items.

4. RELATED PARTY TRANSACTIONS

Investment Advisory Agreement

On April 3, 2013, the Company's Board of Directors, including a majority of the directors who are not "interested persons" as defined in Section 2(a) (19) of the Investment Company Act (the "Independent Directors"), approved an investment advisory agreement (the "Original Investment Advisory Agreement") between the Company and the Investment Adviser in accordance with, and on the basis of an evaluation satisfactory to such directors as required by, Section 15(c) of the Investment Company Act.

The Original Investment Advisory Agreement was amended on September 15, 2017 (as amended, the "First Amended and Restated Investment Advisory Agreement") after the approval of the Company's Board of Directors, including a majority of the Independent Directors, at an in-person meeting of the Board of Directors held on May 30, 2017 and the approval of the Company's stockholders at a special meeting of stockholders held on September 15, 2017. On August 6, 2018, the First Amended and Restated Investment Advisory Agreement was further amended (as amended, the "Investment Advisory Agreement") after the approval of the Company's Board of Directors, including a majority of the Independent Directors, at an in-person meeting of the Board of Directors held on August 6, 2018.

Effective September 15, 2017, the base management fee has been calculated and payable quarterly in arrears at an annual rate of 1.50% of the average value of the gross assets at the end of the two most recently completed fiscal quarters; provided, however, effective July 1, 2018, the base management fee has been calculated at an annual rate of 1.00% of the average value of the gross assets as of the end of the two most recently completed calendar quarters that exceeds the product of (A) 200% and (B) the average value of the Company's net asset value at the end of the two most recently completed calendar quarters. The base management fee will be appropriately adjusted for any share issuances or repurchases during such fiscal quarter and the base management fees for any partial month or quarter will be pro-rated. The Company's gross assets exclude any cash and cash equivalents and include assets acquired through the incurrence of debt from the use of leverage.

The incentive fee has two parts. The first part is calculated and payable quarterly in arrears based on the pre-incentive fee net investment income for the immediately preceding calendar quarter. The second part is determined and payable in arrears based on capital gains as of the end of each calendar year.

Effective September 15, 2017, 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, has been compared to a "hurdle rate" of 1.50% per quarter (6% annualized) or a "catch-up rate" of 1.82% per quarter (7.28% annualized), as applicable.

Pursuant to the Investment Advisory Agreement, the Company pays its Investment Adviser an incentive fee with respect to its pre-incentive fee net investment income in each calendar quarter as follows:

- no incentive fee based on pre-incentive fee net investment income in any calendar quarter in which its pre-incentive fee net investment income does not exceed the hurdle rate of 1.50%;
- 100% of 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 1.82% in any calendar quarter (7.28% annualized). The Company refers to this portion of the pre-incentive fee net investment income (which exceeds the hurdle rate but is less than 1.82%) as the “catch-up.” The “catch-up” is meant to provide the Investment Adviser with approximately 17.5% of the Company’s pre-incentive fee net investment income as if a hurdle rate did not apply if this net investment income exceeds 1.82% in any calendar quarter; and
- 17.5% of the amount of pre-incentive fee net investment income, if any, that exceeds 1.82% in any calendar quarter (7.28% annualized) will be payable to the Investment Adviser. This reflects that once the hurdle rate is reached and the catch-up is achieved, 17.5% of all pre-incentive fee investment income thereafter is allocated to the Investment 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 17.5% of realized capital gains, if any, on a cumulative basis from inception through the date of determination, computed net of all realized capital losses on a cumulative basis and unrealized capital depreciation, less the aggregate amount of any previously paid capital gain incentive fees, provided that, the incentive fee determined at the end of the first calendar year of operations may be calculated for a period of shorter than twelve calendar months to take into account any realized capital gains computed net of all realized capital losses on a cumulative basis and unrealized capital depreciation.

For the three month periods ended March 31, 2019 and 2018, base management fees were \$7,685 and \$7,222, respectively, incentive fees related to pre-incentive fee net investment income were \$5,846 and \$5,330, respectively, and there were no incentive fees related to realized capital gains. For the three month periods ended March 31, 2019 and 2018, there were no accrued capital gains incentive fees based upon the cumulative net realized and unrealized appreciation (depreciation) from inception through March 31, 2019 and 2018, respectively. The accrual for any capital gains incentive fee under US GAAP in a given period may result in an additional expense if such cumulative amount is greater than in the prior period or a reduction of previously recorded expense if such cumulative amount is less than in the prior period. If such cumulative amount is negative, then there is no accrual.

As of March 31, 2019 and December 31, 2018, \$13,531 and \$13,834, respectively, was included in base management and incentive fees payable in the accompanying Consolidated Statements of Assets and Liabilities.

On April 3, 2013, the Investment Adviser entered into a personnel agreement with The Carlyle Group Employee Co., L.L.C. (“Carlyle Employee Co.”), an affiliate of the Investment Adviser, pursuant to which Carlyle Employee Co. provides the Investment Adviser with access to investment professionals.

Administration Agreement

On February 22, 2019, the Company’s Board of Directors, including a majority of the Independent Directors, approved the continuance of the administration agreement, dated April 3, 2013, between the Company and the Administrator (the “Administration Agreement”). Pursuant to the Administration Agreement, the Administrator provides services and receives reimbursements equal to an amount that reimburses the Administrator for its costs and expenses and the Company’s allocable portion of overhead incurred by the Administrator in performing its obligations under the Administration Agreement, including the Company’s allocable portion of the compensation paid to or compensatory distributions received by the Company’s officers (including the Chief Compliance Officer and Treasurer) and respective staff who provide services to the Company, operations staff who provide services to the Company, and any internal audit staff, to the extent internal audit performs a role in the Company’s Sarbanes-Oxley Act of 2002, as amended (the “Sarbanes-Oxley Act”), internal control assessment. Reimbursement under the Administration Agreement occurs quarterly in arrears.

Unless terminated earlier, the Administration Agreement will renew automatically for successive annual periods, provided that such continuance is specifically approved at least annually by (i) the vote of the Board of Directors or by a majority vote of the outstanding voting securities of the Company and (ii) the vote of a majority of the Company’s Independent Directors. The Administration Agreement may not be assigned by a party without the consent of the other party and may be terminated by either party without penalty upon at least 60 days’ written notice to the other party.

For the three month periods ended March 31, 2019 and 2018, the Company incurred \$216 and \$186, respectively, in fees under the Administrative Agreement, which were included in administrative service fees in the accompanying Consolidated Statements of Operations. As of March 31, 2019 and December 31, 2018, \$139 and \$94, respectively, was unpaid and included in administrative service fees payable in the accompanying Consolidated Statements of Assets and Liabilities.

Sub-Administration Agreements

On February 22, 2019, the Company's Board of Directors, including a majority of the Independent Directors, approved the continuance of the sub-administration agreement, dated April 3, 2013, between the Administrator and Carlyle Employee Co. (the "Carlyle Sub-Administration Agreement"). Pursuant to the Carlyle Sub-Administration Agreement, Carlyle Employee Co. provides the Administrator with access to personnel.

On February 22, 2019, the Company's Board of Directors, including a majority of the Independent Directors, approved the continuance of the sub-administration agreement, dated April 3, 2013, between the Administrator and State Street Bank and Trust Company ("State Street" and, such agreement, the "State Street Sub-Administration Agreement" and, together with the Carlyle Sub-Administration Agreement, the "Sub-Administration Agreements"). Unless terminated earlier, the State Street Sub-Administration Agreement will renew automatically for successive annual periods, provided that such continuance is specifically approved at least annually by (i) the vote of the Board of Directors or by the vote of a majority of the outstanding voting securities of the Company and (ii) the vote of a majority of the Company's Independent Directors. The State Street Sub-Administration Agreement may be terminated upon at least 60 days' written notice and without penalty by the vote of a majority of the outstanding securities of the Company, or by the vote of the Board of Directors or by either party to the State Street Sub-Administration Agreement.

For the three month periods ended March 31, 2019 and 2018, fees incurred in connection with the State Street Sub-Administration Agreement, which amounted to \$189 and \$192, respectively, were included in other general and administrative in the accompanying Consolidated Statements of Operations. As of March 31, 2019 and December 31, 2018, \$572 and \$383, respectively, was unpaid and included in other accrued expenses and liabilities in the accompanying Consolidated Statements of Assets and Liabilities.

License Agreement

The Company has entered into a royalty free license agreement with CIM, which wholly owns our Adviser and is a wholly owned subsidiary of Carlyle, pursuant to which CIM has granted the Company a non-exclusive, revocable and non-transferable license to use the name and mark "Carlyle."

Board of Directors

The Company's Board of Directors currently consists of five members, three of whom are Independent Directors. The Board of Directors has established an Audit Committee, a Nominating and Governance Committee and a Compensation Committee, the members of each of which consist entirely of the Company's Independent Directors. The Board of Directors may establish additional committees in the future. For the three month periods ended March 31, 2019 and 2018, the Company incurred \$93 and \$98 respectively, in fees and expenses associated with its Independent Directors' services on the Company's Board of Directors and its committees. As of March 31, 2019 and December 31, 2018, no fees or expenses associated with its Independent Directors were payable.

Transactions with Credit Fund

For the three month periods ended March 31, 2019 and 2018, the Company sold 0 and 1 investment, respectively, to Credit Fund for proceeds of \$0 and \$14,925, respectively, and realized no gains. See Note 5, Middle Market Credit Fund, LLC, for further information about Credit Fund.

5. MIDDLE MARKET CREDIT FUND, LLC

Overview

On February 29, 2016, the Company and Credit Partners entered into the Limited Liability Company Agreement to co-manage Credit Fund, a Delaware limited liability company that is not consolidated in the Company's consolidated financial statements. Credit Fund primarily invests in first lien loans of middle market companies. Credit Fund is managed by a six-member board of managers, on which the Company and Credit Partners each have equal representation. Establishing a quorum

for Credit Fund's board of managers requires at least four members to be present at a meeting, including at least two of the Company's representatives and two of Credit Partners' representatives. The Company and Credit Partners each have 50% economic ownership of Credit Fund and have commitments to fund, from time to time, capital of up to \$400,000 each. Funding of such commitments generally requires the approval of the board of Credit Fund, including the board members appointed by the Company. By virtue of its membership interest, the Company and Credit Partners each indirectly bear an allocable share of all expenses and other obligations of Credit Fund.

Together with Credit Partners, the Company co-invests through Credit Fund. Investment opportunities for Credit Fund are sourced primarily by the Company and its affiliates. Portfolio and investment decisions with respect to Credit Fund must be unanimously approved by a quorum of Credit Fund's investment committee consisting of an equal number of representatives of the Company and Credit Partners. Therefore, although the Company owns more than 25% of the voting securities of Credit Fund, the Company does not believe that it has control over Credit Fund (other than for purposes of the Investment Company Act). Middle Market Credit Fund SPV, LLC (the "Credit Fund Sub"), MMCF CLO 2017-1 LLC (the "2017-1 Issuer") and MMCF Warehouse, LLC (the "Credit Fund Warehouse"), each a Delaware limited liability company, were formed on April 5, 2016 and October 6, 2017 and November 26, 2018, respectively. Credit Fund Sub, the 2017-1 Issuer and the Credit Fund Warehouse are wholly owned subsidiaries of Credit Fund and are consolidated in Credit Fund's consolidated financial statements commencing from the date of their respective formations. Credit Fund Sub, the 2017-1 Issuer and the Credit Fund Warehouse primarily invest in first lien loans of middle market companies. Credit Fund and its wholly owned subsidiaries follow the same Internal Risk Rating System as the Company.

Credit Fund, the Company and Credit Partners entered into an administration agreement with Carlyle Global Credit Administration L.L.C., the administrative agent of Credit Fund (in such capacity, the "Administrative Agent"), pursuant to which the Administrative Agent is delegated certain administrative and non-discretionary functions, is authorized to enter into sub-administration agreements at the expense of Credit Fund with the approval of the board of managers of Credit Fund, and is reimbursed by Credit Fund for its costs and expenses and Credit Fund's allocable portion of overhead incurred by the Administrative Agent in performing its obligations thereunder.

Selected Financial Data

Since inception of Credit Fund and through March 31, 2019 and December 31, 2018, the Company and Credit Partners each made capital contributions of \$1 and \$1 in members' equity, respectively, and \$118,000 and \$118,000 in subordinated loans, respectively, to Credit Fund. As of March 31, 2019 and December 31, 2018, Credit Fund had borrowings of \$123,800 and \$112,000, respectively, in mezzanine loans under a revolving credit facility with the Company (the "Credit Fund Facility"). As of March 31, 2019 and December 31, 2018, Credit Fund had total subordinated loans and members' equity outstanding of \$217,496 and \$208,568, respectively. As of March 31, 2019 and December 31, 2018, the Company's ownership interest in such subordinated loans and members' equity was \$110,791 and \$110,295, respectively, and in such mezzanine loans was \$123,800 and \$112,000, respectively.

As of March 31, 2019 and December 31, 2018, Credit Fund held cash and cash equivalents totaling \$33,737 and \$55,699, respectively.

As of March 31, 2019 and December 31, 2018, Credit Fund had total investments at fair value of \$1,258,295 and \$1,173,508, respectively, which was comprised of first lien senior secured loans, second lien senior secured loans and an equity investment to 64 and 60 portfolio companies, respectively. As of March 31, 2019 and December 31, 2018, 1 loan in Credit Fund's portfolio was on non-accrual status with fair value of \$21,151 and \$25,400, respectively. As of March 31, 2019 and December 31, 2018, 98.3% and 99.9%, respectively, of investments in the portfolio were floating rate debt investments, which primarily are subject to interest rate floors. As of March 31, 2019 and December 31, 2018, 1.7% and 0.1%, respectively, of debt investments in the portfolio were fixed rate debt investments. As of March 31, 2019 and December 31, 2018, 1 loan in Credit Fund's portfolio contained PIK provisions. The portfolio companies in Credit Fund are U.S. middle market companies in industries similar to those in which the Company may invest directly. Additionally, as of March 31, 2019 and December 31, 2018, Credit Fund had commitments to fund various undrawn revolving and delayed draw senior secured loans to its portfolio companies totaling \$105,101 and \$91,446, respectively.

Below is a summary of Credit Fund's portfolio, followed by a listing of the loans in Credit Fund's portfolio as of March 31, 2019 and December 31, 2018:

	As of March 31, 2019	As of December 31, 2018
Senior secured loans ⁽¹⁾	\$ 1,270,122	\$ 1,207,913
Weighted average yields of senior secured loans based on amortized cost ⁽²⁾	7.17%	7.16%
Weighted average yields of senior secured loans based on fair value ⁽²⁾	7.22%	7.32%
Number of portfolio companies in Credit Fund	64	60
Average amount per portfolio company ⁽¹⁾	\$ 19,846	\$ 20,132

(1) At par/principal amount.

(2) Weighted average yields include the effect of accretion of discounts and amortization of premiums and are based on interest rates as of March 31, 2019 and December 31, 2018. Weighted average yield on debt and income producing securities at fair value is computed as (a) the annual stated interest rate or yield earned plus the net annual amortization of OID and market discount earned on accruing debt included in such securities, divided by (b) total first lien and second lien debt at fair value included in such securities. Weighted average yield on debt and income producing securities at amortized cost is computed as (a) the annual stated interest rate or yield earned plus the net annual amortization of OID and market discount earned on accruing debt included in such securities, divided by (b) total first lien and second lien debt at amortized cost included in such securities. Actual yields earned over the life of each investment could differ materially from the yields presented above.

Consolidated Schedule of Investments as of March 31, 2019

Investments ⁽¹⁾	Footnotes	Industry	Reference Rate & Spread ⁽²⁾	Interest Rate ⁽²⁾	Maturity Date	Par/Principal Amount	Amortized Cost ⁽⁵⁾	Fair Value ⁽⁶⁾
First Lien Debt (97.80% of fair value)								
Achilles Acquisition, LLC	+ \ (2) (3)	Banking, Finance, Insurance & Real Estate	L + 4.00%	6.50%	10/11/2025	\$ 18,000	\$ 17,908	\$ 17,824
Acisure, LLC	+ (2) (3)	Banking, Finance, Insurance & Real Estate	L + 4.25%	6.88%	11/22/2023	20,833	20,792	20,674
Acisure, LLC	+ \ (2) (3)	Banking, Finance, Insurance & Real Estate	L + 3.75%	6.38%	11/22/2023	11,910	11,899	11,727
Advanced Instruments, LLC	^+* (2) (3) (8)	Healthcare & Pharmaceuticals	L + 5.25%	7.73%	10/31/2022	11,761	11,670	11,676
Ahead, LLC	^+ (2) (3) (8)	High Tech Industries	L + 4.25%	6.88%	6/29/2023	15,659	15,584	15,508
Alpha Packaging Holdings, Inc.	+* (2) (3)	Containers, Packaging & Glass	L + 4.25%	6.85%	5/12/2020	16,815	16,790	16,796
AM Conservation Holding Corporation	+* (2) (3)	Energy: Electricity	L + 4.50%	7.10%	10/31/2022	38,213	37,993	38,056
Aptean, Inc.	+ \ (2) (3)	Software	L + 4.25%	6.74%	4/23/2026	12,500	12,441	12,438
AQA Acquisition Holding, Inc.	^+* (2) (3) (8)	High Tech Industries	L + 4.25%	6.85%	5/24/2023	19,100	19,044	19,061
Avalign Technologies, Inc.	+ \ (2) (3)	Healthcare & Pharmaceuticals	L + 4.50%	7.00%	12/22/2025	12,968	12,845	12,827
Big Ass Fans, LLC	+* \ (2) (3)	Capital Equipment	L + 3.75%	6.35%	5/21/2024	14,016	13,938	13,990
Borchers, Inc.	^+* (2) (3) (8)	Chemicals, Plastics & Rubber	L + 4.50%	7.10%	11/1/2024	15,550	15,496	15,515
Brooks Equipment Company, LLC	+* (2) (3)	Construction & Building	L + 5.00%	7.63%	8/29/2020	5,948	5,941	5,942
Clearent Newco, LLC	^+ (2) (3) (8)	High Tech Industries	L + 4.00%	6.56%	3/20/2024	26,239	25,870	25,991
Datto, Inc.	+ \ (2) (3)	High Tech Industries	L + 4.25%	6.74%	4/2/2026	12,500	12,441	12,438
DecoPac, Inc.	^+* (2) (3) (8)	Non-durable Consumer Goods	L + 4.25%	6.85%	9/29/2024	12,664	12,543	12,596
Dent Wizard International Corporation	+ (2) (3)	Automotive	L + 4.00%	6.50%	4/7/2020	24,194	24,132	24,105
DTI Holdco, Inc.	+* \ (2) (3)	High Tech Industries	L + 4.75%	7.49%	9/30/2023	19,032	18,897	17,795
EIP Merger Sub, LLC (Evolve IP)	+* (2) (3) (4)	Telecommunications	L + 5.75%	8.25%	6/7/2022	22,282	21,872	21,601
EIP Merger Sub, LLC (Evolve IP)	* (2) (3) (7)	Telecommunications	L + 5.75%	8.25%	6/7/2022	1,500	1,470	1,448
Eliassen Group, LLC	+ (2) (3)	Business Services	L + 4.50%	7.00%	11/5/2024	6,242	6,219	6,236
Exactech, Inc.	+ \ (2) (3)	Healthcare & Pharmaceuticals	L + 3.75%	6.25%	2/14/2025	12,870	12,822	12,775
Executive Consulting Group, LLC, Inc.	^+ (2) (3) (8)	Business Services	L + 4.25%	6.85%	6/20/2024	15,279	15,135	15,115
Golden West Packaging Group LLC	+* (2) (3)	Containers, Packaging & Glass	L + 5.25%	7.75%	6/20/2023	30,099	29,904	29,774
HMT Holding Inc.	^+* (2) (3) (8)	Energy: Oil & Gas	L + 4.50%	7.00%	11/17/2023	33,404	32,846	33,123
J.S. Held, LLC	+* (2) (3) (8)	Banking, Finance, Insurance & Real Estate	L + 4.50%	7.10%	9/25/2024	20,262	20,117	20,068
Jensen Hughes, Inc.	^+* (2) (3) (8)	Utilities: Electric	L + 4.50%	7.10%	3/22/2024	29,354	29,149	28,932
Kestra Financial, Inc.	+* (2) (3)	Banking, Finance, Insurance & Real Estate	L + 4.25%	6.88%	6/24/2022	21,697	21,510	21,697
MAG DS Corp.	^+ (2) (3) (8)	Aerospace & Defense	L + 4.75%	7.25%	6/6/2025	25,844	25,587	25,717

Consolidated Schedule of Investments as of March 31, 2019

Investments ⁽¹⁾	Footnotes	Industry	Reference Rate & Spread ⁽²⁾	Interest Rate ⁽²⁾	Maturity Date	Par/Principal Amount	Amortized Cost ⁽⁵⁾	Fair Value ⁽⁶⁾
First Lien Debt (97.80% of fair value) (continued)								
Maravai Intermediate Holdings, LLC	+ \ (2) (3)	Healthcare & Pharmaceuticals	L + 4.25%	6.75%	8/2/2025	\$ 29,850	\$ 29,574	\$ 29,605
Marco Technologies, LLC	^+ (2) (3) (8)	Media: Advertising, Printing & Publishing	L + 4.25%	7.07%	10/30/2023	7,498	7,451	7,425
Mold-Rite Plastics, LLC	+ (2) (3)	Chemicals, Plastics & Rubber	L + 4.25%	6.85%	12/14/2021	14,813	14,759	14,758
MSHC, Inc.	^+* (2) (3) (8)	Construction & Building	L + 4.25%	6.85%	7/31/2023	31,163	31,057	30,957
Newport Group Holdings II, Inc.	+ \ (2)	Banking, Finance, Insurance & Real Estate	L + 3.75%	6.36%	9/13/2025	23,895	23,655	23,757
North American Dental Management, LLC	^+* (2) (3) (8)	Healthcare & Pharmaceuticals	L + 5.25%	7.81%	7/7/2023	37,091	36,451	36,395
North Haven CA Holdings, Inc.	^+* (2) (3) (8)	Business Services	L + 4.50%	7.10%	10/2/2023	35,052	34,717	34,653
Odyssey Logistics & Technology Corporation	+* \ (2) (3)	Transportation: Cargo	L + 4.00%	6.50%	10/12/2024	39,650	39,472	39,372
Output Services Group	^+ \ (2) (3) (8)	Media: Advertising, Printing & Publishing	L + 4.25%	6.75%	3/27/2024	17,356	17,297	16,827
PAI Holdco, Inc.	+* (2) (3)	Automotive	L + 4.25%	6.77%	1/5/2025	19,673	19,588	19,625
Park Place Technologies, Inc.	+ \ (2) (3)	High Tech Industries	L + 4.00%	6.50%	3/29/2025	15,882	15,819	15,724
Pasternack Enterprises, Inc.	+ (2) (3)	Capital Equipment	L + 4.00%	6.50%	7/2/2025	20,026	20,026	19,848
Pharmalogic Holdings Corp.	^+ (2) (3) (8)	Healthcare & Pharmaceuticals	L + 4.00%	6.50%	6/11/2023	6,999	6,979	6,939
Ping Identity Corporation	+ \ (2) (3)	High Tech Industries	L + 3.75%	6.25%	1/25/2025	4,963	4,952	4,933
Premier Senior Marketing, LLC	* (2) (3)	Banking, Finance, Insurance & Real Estate	L + 4.25%	6.75%	11/30/2025	4,953	4,931	4,908
Premise Health Holding Corp.	^+ \ (2) (3) (8)	Healthcare & Pharmaceuticals	L + 3.75%	6.35%	7/10/2025	13,828	13,769	13,721
Propel Insurance Agency, LLC	^+ (2) (3) (8)	Banking, Finance, Insurance & Real Estate	L + 4.25%	6.85%	6/1/2024	20,323	19,792	19,901
PSI Services, LLC	^+* (2) (3) (8)	Business Services	L + 5.00%	7.51%	1/20/2023	30,069	29,639	29,599
Q Holding Company	+* (2) (3)	Automotive	L + 5.00%	7.50%	12/18/2021	17,055	17,016	16,998
QW Holding Corporation (Quala)	^+* (2) (3) (8)	Environmental Industries	L + 5.75%	8.42%	8/31/2022	10,500	10,260	10,337
Radiology Partners, Inc.	+ \ (2) (3)	Healthcare & Pharmaceuticals	L + 4.75%	7.42%	7/9/2025	24,937	24,814	24,937
RevSpring, Inc.	+* \ (2) (3)	Media: Advertising, Printing & Publishing	L + 4.25%	6.75%	10/11/2025	24,938	24,851	24,653
Situs Group Holdings Corporation	+ (2) (3)	Banking, Finance, Insurance & Real Estate	L + 4.50%	7.00%	2/26/2023	8,915	8,907	8,863
Surgical Information Systems, LLC	+* (2) (3) (7)	High Tech Industries	L + 4.85%	7.34%	4/24/2023	26,168	25,973	25,754
Systems Maintenance Services Holding, Inc.	+* (2) (3)	High Tech Industries	L + 5.00%	7.50%	10/28/2023	23,949	23,839	19,054
T2 Systems Canada, Inc.	+ (2) (3)	Transportation: Consumer	L + 6.75%	9.35%	9/28/2022	2,639	2,594	2,633
T2 Systems, Inc.	^+* (2) (3) (8)	Transportation: Consumer	L + 6.75%	9.35%	9/28/2022	15,737	15,463	15,696
The Original Cakerie, Co. (Canada)	+* (2) (3)	Beverage, Food & Tobacco	L + 5.00%	7.58%	7/20/2022	8,996	8,950	8,945
The Original Cakerie, Ltd. (Canada)	^+ (2) (3) (8)	Beverage, Food & Tobacco	L + 4.50%	7.08%	7/20/2022	6,674	6,637	6,630

Consolidated Schedule of Investments as of March 31, 2019

Investments ⁽¹⁾	Footnotes	Industry	Reference Rate & Spread ⁽²⁾	Interest Rate ⁽²⁾	Maturity Date	Par/Principal Amount	Amortized Cost ⁽⁵⁾	Fair Value ⁽⁶⁾
First Lien Debt (97.80% of fair value) (continued)								
ThoughtWorks, Inc.	+*\ (2) (3)	Business Services	L + 4.00%	6.50%	10/12/2024	\$ 11,914	\$ 11,880	\$ 11,823
U.S. Acute Care Solutions, LLC	+* (2) (3)	Healthcare & Pharmaceuticals	L + 5.00%	7.60%	5/15/2021	31,624	31,472	31,582
U.S. TelePacific Holdings Corp.	+*\ (2) (3)	Telecommunications	L + 5.00%	7.60%	5/2/2023	26,660	26,468	25,794
Upstream Intermediate, LLC	^+ (2) (3) (8)	Healthcare & Pharmaceuticals	L + 4.00%	6.50%	1/3/2024	18,164	18,092	18,041
Valet Waste Holdings, Inc.	+ \ (2) (3)	Construction & Building	L + 4.00%	6.50%	9/28/2025	11,940	11,918	11,885
Valicor Environmental Services, LLC	^+* (2) (3) (8)	Environmental Industries	L + 4.50%	6.99%	6/1/2023	34,658	34,182	34,298
WIRB - Copernicus Group, Inc.	^+* (2) (3) (8)	Healthcare & Pharmaceuticals	L + 4.25%	6.75%	8/15/2022	17,150	17,061	17,012
WRE Holding Corp.	^+* (2) (3) (8)	Environmental Industries	L + 5.00%	7.49%	1/3/2023	7,479	7,407	7,263
Zywave, Inc.	^+* (2) (3) (8)	High Tech Industries	L + 5.00%	7.50%	11/17/2022	18,006	17,878	18,003
First Lien Debt Total							\$ 1,238,445	\$ 1,230,593
Second Lien Debt (1.76% of fair value)								
DBI Holding, LLC	^ (2) (3) (9)	Transportation: Cargo	8.00% (100% PIK)	8.00%	2/1/2026	\$ 21,150	\$ 20,697	\$ 21,151
Zywave, Inc.	* (2) (3)	High Tech Industries	L + 9.00%	11.49%	11/17/2023	1,050	1,039	1,050
Second Lien Debt Total							\$ 21,736	\$ 22,201

Investments ⁽¹⁾	Footnotes	Industry	Type	Shares/Units	Cost	Fair Value ⁽⁶⁾
Equity Investments (0.44% of fair value)						
DBI Holding, LLC	^	Transportation: Cargo	Preferred stock	13,996	\$ 5,365	\$ 5,501
DBI Holding, LLC	^	Transportation: Cargo	Common stock	2,961	\$ —	\$ —
Equity Investments Total					\$ 5,365	\$ 5,501
Total Investments					\$ 1,265,546	\$ 1,258,295

^ Denotes that all or a portion of the assets are owned by Credit Fund. Credit Fund has entered into the Credit Fund Facility. The lenders of the Credit Fund Facility have a first lien security interest in substantially all of the assets of Credit Fund. Accordingly, such assets are not available to creditors of Credit Fund Sub, the 2017-1 Issuer or the Credit Fund Warehouse.

+ Denotes that all or a portion of the assets are owned by Credit Fund Sub. Credit Fund Sub has entered into a revolving credit facility (the "Credit Fund Sub Facility"). The lenders of the Credit Fund Sub Facility have a first lien security interest in substantially all of the assets of Credit Fund Sub. Accordingly, such assets are not available to creditors of Credit Fund, the 2017-1 Issuer or the Credit Fund Warehouse.

* Denotes that all or a portion of the assets are owned by the 2017-1 Issuer and secure the notes issued in connection with a \$399,900 term debt securitization completed by Credit Fund on December 19, 2017 (the "2017-1 Debt Securitization"). Accordingly, such assets are not available to creditors of Credit Fund, Credit Fund Sub or the Credit Fund Warehouse.

\ Denotes that all or a portion of the assets are owned by the Credit Fund Warehouse. Credit Fund Warehouse has entered into a revolving credit facility (the "Credit Fund Warehouse Facility"). The lenders of the Credit Fund Warehouse Facility have a first lien security interest in substantially all of the assets of the Credit Fund Warehouse. Accordingly, such assets are not available to creditors of Credit Fund, Credit Fund Sub or the 2017-1 Issuer.

- Unless otherwise indicated, issuers of investments held by Credit Fund are domiciled in the United States. As of March 31, 2019, the geographical composition of investments as a percentage of fair value was 1.45% in Canada and 98.55% in the United States. Certain portfolio company investments are subject to contractual restrictions on sales.
- Variable rate loans to the portfolio companies bear interest at a rate that is determined by reference to either LIBOR or an alternate base rate (commonly based on the Federal Funds Rate or the U.S. Prime Rate), which generally resets quarterly. For each such loan, Credit Fund has indicated the reference rate used and provided the spread and the interest rate in effect as of March 31, 2019. As of March 31, 2019, the reference rates for Credit Fund's variable rate loans were the 30-day LIBOR at 2.49%, the 90-day LIBOR at 2.60% and the 180-day LIBOR at 2.66%.
- Loan includes interest rate floor feature, which is generally 1.00%.
- Credit Fund Sub receives less than the stated interest rate of this loan as a result of an agreement among lenders. The interest rate reduction is 1.20% on EIP Merger Sub, LLC (Evolve IP). Pursuant to the agreement among lenders in respect of this loan, this investment represents a first lien/first out loan, which has first priority ahead of the first lien/last out loan with respect to principal, interest and other payments.

- (5) Amortized cost represents original cost, including origination fees and upfront fees received that are deemed to be an adjustment to yield, adjusted for the accretion/amortization of discounts/premiums, as applicable, on debt investments using the effective interest method.
- (6) Fair value is determined in good faith by or under the direction of the board of managers of Credit Fund, pursuant to Credit Fund's valuation policy, with the fair value of all investments determined using significant unobservable inputs, which is substantially similar to the valuation policy of the Company provided in Note 3, Fair Value Measurements.
- (7) In addition to the interest earned based on the stated interest rate of this loan, which is the amount reflected in this schedule, Credit Fund Sub and the 2017-1 Issuer is entitled to receive additional interest as a result of an agreement among lenders as follows: EIP Merger Sub, LLC (Evolve IP) (3.75%) and Surgical Information Systems, LLC (1.13%). Pursuant to the agreement among lenders in respect of these loans, these investments represent a first lien/last out loan, which has a secondary priority behind the first lien/first out loan with respect to principal, interest and other payments.
- (8) As of March 31, 2019, Credit Fund and Credit Fund Sub had the following unfunded commitments to fund delayed draw and revolving senior secured loans:

First Lien Debt – unfunded delayed draw and revolving term loans commitments	Type	Unused Fee	Par/ Principal Amount	Fair Value
Advanced Instruments, LLC	Revolver	0.50%	\$ 1,333	\$ (9)
Ahead, LLC	Revolver	0.50	4,688	(35)
AQA Acquisition Holding, Inc.	Revolver	0.50	2,459	(4)
Borchers, Inc.	Revolver	0.50	1,935	(4)
Clearent Newco, LLC	Delayed Draw	1.00	2,428	(20)
Clearent Newco, LLC	Revolver	0.50	1,120	(9)
DecoPac, Inc.	Revolver	0.50	2,143	(10)
Executive Consulting Group, LLC, Inc.	Revolver	0.50	2,368	(22)
HMT Holding Inc.	Revolver	0.50	6,173	(44)
J.S. Held, LLC	Delayed Draw	1.00	2	—
Jensen Hughes, Inc.	Revolver	0.50	1,455	(16)
Jensen Hughes, Inc.	Delayed Draw	1.00	6,842	(77)
MAG DS Corp.	Revolver	0.50	5,000	(20)
Marco Technologies, LLC	Delayed Draw	1.00	7,500	(37)
MSHC, Inc.	Delayed Draw	1.00	9,268	(47)
North American Dental Management, LLC	Revolver	0.50	2,505	(44)
North Haven CA Holdings, Inc. (CoAdvantage)	Revolver	0.50	6,114	(59)
Output Services Group	Delayed Draw	4.25	2,518	(67)
Pharmalogic Holdings Corp.	Delayed Draw	1.00	2,947	(18)
Premise Health Holding Corp.	Delayed Draw	1.00	1,103	(8)
Propel Insurance Agency, LLC	Delayed Draw	0.50	7,143	(101)
Propel Insurance Agency, LLC	Revolver	0.50	2,381	(34)
PSI Services LLC	Revolver	0.50	528	(8)
QW Holding Corporation (Quala)	Delayed Draw	1.00	1,453	(14)
QW Holding Corporation (Quala)	Revolver	0.50	5,498	(51)
T2 Systems, Inc.	Revolver	0.50	1,173	(3)
The Original Cakerie, Ltd. (Canada)	Revolver	0.50	1,399	(8)
Upstream Intermediate, LLC	Revolver	0.50	1,606	(10)
Valicor Environmental Services, LLC	Revolver	0.50	3,515	(33)
WIRB - Copernicus Group, Inc.	Delayed Draw	1.00	6,480	(36)
WIRB - Copernicus Group, Inc.	Revolver	0.50	1,000	(6)
WRE Holding Corp.	Delayed Draw	0.89	2,069	(45)
WRE Holding Corp.	Revolver	0.50	355	(8)
Zywave, Inc.	Revolver	0.50	600	—
Total unfunded commitments			\$ 105,101	\$ (907)

(9) Loan was on non-accrual status as of March 31, 2019.

Consolidated Schedule of Investments as of December 31, 2018

Investments ⁽¹⁾		Footnotes	Industry	Reference Rate & Spread ⁽²⁾	Interest Rate ⁽²⁾	Maturity Date	Par/Principal Amount	Amortized Cost ⁽⁵⁾	Fair Value ⁽⁶⁾
First Lien Debt (99.91% of fair value)									
Achilles Acquisition, LLC	+ \	(2) (3)	Banking, Finance, Insurance & Real Estate	L + 4.00%	6.56%	10/11/2025	\$ 18,000	\$ 17,906	\$ 17,716
Acisure, LLC	+	(2) (3)	Banking, Finance, Insurance & Real Estate	L + 4.25%	6.77%	11/22/2023	20,886	20,843	19,981
Acisure, LLC	+ \	(2) (3)	Banking, Finance, Insurance & Real Estate	L + 3.75%	6.27%	11/22/2023	11,940	11,928	11,333
Advanced Instruments, LLC	^+*	(2) (3) (8)	Healthcare & Pharmaceuticals	L + 5.25%	7.63%	10/31/2022	11,791	11,695	11,690
Ahead, LLC	^+	(2) (3) (8)	High Tech Industries	L + 4.25%	6.87%	6/29/2023	20,059	19,959	19,856
Alpha Packaging Holdings, Inc.	+*	(2) (3)	Containers, Packaging & Glass	L + 4.25%	7.05%	5/12/2020	16,860	16,830	16,813
AM Conservation Holding Corporation	+*	(2) (3)	Energy: Electricity	L + 4.50%	7.30%	10/31/2022	38,310	38,079	38,027
AQA Acquisition Holding, Inc.	^+*	(2) (3) (8)	High Tech Industries	L + 4.25%	7.05%	5/24/2023	19,148	19,111	18,978
Avalign Technologies, Inc.	+ \	(2) (3)	Healthcare & Pharmaceuticals	L + 4.50%	7.00%	12/22/2025	13,000	12,874	12,848
Big Ass Fans, LLC	+* \	(2) (3)	Capital Equipment	L + 3.75%	6.55%	5/21/2024	14,052	13,973	13,840
Borchers, Inc.	^+*	(2) (3) (8)	Chemicals, Plastics & Rubber	L + 4.50%	7.30%	11/1/2024	15,589	15,533	15,545
Brooks Equipment Company, LLC	+*	(2) (3)	Construction & Building	L + 5.00%	7.71%	8/29/2020	5,948	5,940	5,935
Clearent Newco, LLC	^+	(2) (3) (8)	High Tech Industries	L + 4.00%	6.52%	3/20/2024	23,093	22,702	22,819
DBI Holding, LLC	+*	(2) (3) (9)	Transportation: Cargo	L + 5.25%	7.76%	8/1/2021	34,494	34,276	25,400
DBI Holding, LLC	^		Transportation: Cargo	15% (100% PIK)	7.76%	2/1/2020	1,119	1,119	1,119
DecoPac, Inc.	^+*	(2) (3) (8)	Non-durable Consumer Goods	L + 4.25%	7.05%	9/29/2024	12,696	12,571	12,619
Dent Wizard International Corporation	+	(2) (3)	Automotive	L + 4.00%	6.51%	4/7/2020	24,256	24,183	24,110
DTI Holdco, Inc.	+* \	(2) (3)	High Tech Industries	L + 4.75%	7.28%	9/30/2023	19,081	18,941	17,793
EIP Merger Sub, LLC (Evolve IP)	+*	(2) (3) (4)	Telecommunications	L + 5.75%	8.27%	6/7/2022	22,358	21,923	21,788
EIP Merger Sub, LLC (Evolve IP)	*	(2) (3) (7)	Telecommunications	L + 5.75%	8.27%	6/7/2022	1,500	1,469	1,462
Eliassen Group, LLC	+	(2) (3)	Business Services	L + 4.50%	7.00%	11/5/2024	6,250	6,226	6,202
Exactech, Inc.	+ \	(2) (3)	Healthcare & Pharmaceuticals	L + 3.75%	6.27%	2/14/2025	12,903	12,849	12,741
Executive Consulting Group, LLC, Inc.	^+	(2) (3) (8)	Business Services	L + 4.50%	7.30%	6/20/2024	15,318	15,168	15,132
Golden West Packaging Group LLC	+*	(2) (3)	Containers, Packaging & Glass	L + 5.25%	7.77%	6/20/2023	30,180	29,978	29,760
HMT Holding Inc.	^+*	(2) (3) (8)	Energy: Oil & Gas	L + 4.50%	7.02%	11/17/2023	33,490	32,902	33,172
J.S. Held, LLC	+*	(2) (3)	Banking, Finance, Insurance & Real Estate	L + 4.50%	7.30%	9/25/2024	20,309	20,137	19,998
Jensen Hughes, Inc.	^+*	(2) (3) (8)	Utilities: Electric	L + 4.50%	7.30%	3/22/2024	27,978	27,896	27,382
Kestra Financial, Inc.	+*	(2) (3)	Banking, Finance, Insurance & Real Estate	L + 4.25%	6.76%	6/24/2022	21,744	21,547	21,690
MAG DS Corp.	^+	(2) (3) (8)	Aerospace & Defense	L + 4.75%	7.27%	6/6/2025	22,885	22,679	22,665
Maravai Intermediate Holdings, LLC	+ \	(2)	Healthcare & Pharmaceuticals	L + 4.25%	6.81%	8/2/2025	29,925	29,640	29,578

Consolidated Schedule of Investments as of December 31, 2018

Investments ⁽¹⁾		Footnotes	Industry	Reference Rate & Spread ⁽²⁾	Interest Rate ⁽²⁾	Maturity Date	Par/ Principal Amount	Amortized Cost ⁽⁵⁾	Fair Value ⁽⁶⁾
First Lien Debt (99.91% of fair value)									
Mold-Rite Plastics, LLC	+	(2) (3)	Chemicals, Plastics & Rubber	L + 4.50%	7.30%	12/14/2021	\$ 14,850	\$ 14,793	\$ 14,762
MSHC, Inc.	^+*	(2) (3) (8)	Construction & Building	L + 4.25%	6.89%	7/31/2023	23,579	23,514	23,088
Newport Group Holdings II, Inc.	+\\	(2)	Banking, Finance, Insurance & Real Estate	L + 3.75%	6.54%	9/13/2025	17,790	17,666	17,564
North American Dental Management, LLC	^+*	(2) (3) (8)	Healthcare & Pharmaceuticals	L + 5.25%	8.04%	7/7/2023	37,781	37,329	37,093
North Haven CA Holdings, Inc.	^+*	(2) (3) (8)	Business Services	L + 4.50%	7.02%	10/2/2023	35,139	34,789	34,401
Odyssey Logistics & Technology Corporation	+*\\	(2) (3)	Transportation: Cargo	L + 4.00%	6.52%	10/12/2024	39,680	39,496	39,149
Output Services Group	^+\\	(2) (3) (8)	Media: Advertising, Printing & Publishing	L + 4.25%	6.77%	3/27/2024	17,400	17,338	16,663
PAI Holdco, Inc.	+*	(2) (3)	Automotive	L + 4.25%	7.05%	1/5/2025	19,727	19,637	19,459
Park Place Technologies, Inc.	+\\	(2) (3)	High Tech Industries	L + 4.00%	6.52%	3/29/2025	15,922	15,856	15,639
Pasternack Enterprises, Inc.	+	(2) (3)	Capital Equipment	L + 4.00%	6.52%	7/2/2025	20,076	20,076	19,745
Pharmalogic Holdings Corp.	^+	(2) (3) (8)	Healthcare & Pharmaceuticals	L + 4.00%	6.52%	6/11/2023	7,017	6,995	6,949
Ping Identity Corporation	+\\	(2) (3)	High Tech Industries	L + 3.75%	6.27%	1/25/2025	4,975	4,956	4,915
Premier Senior Marketing, LLC	*	(2) (3)	Banking, Finance, Insurance & Real Estate	L + 4.25%	6.75%	11/30/2025	4,953	4,953	4,875
Premise Health Holding Corp.	^+\\	(2) (3) (8)	Healthcare & Pharmaceuticals	L + 3.75%	6.55%	7/10/2025	13,862	13,805	13,717
Propel Insurance Agency, LLC	^+	(2) (3) (8)	Banking, Finance, Insurance & Real Estate	L + 4.25%	6.75%	6/1/2024	21,088	20,535	20,628
PSI Services, LLC	^+*	(2) (3) (8)	Business Services	L + 5.00%	7.52%	1/20/2023	29,919	29,469	29,239
Q Holding Company	+*	(2) (3)	Automotive	L + 5.00%	7.52%	12/18/2021	17,099	17,058	16,969
QW Holding Corporation (Quala)	^+*	(2) (3) (8)	Environmental Industries	L + 6.75%	9.22%	8/31/2022	9,704	9,338	9,489
RevSpring, Inc.	+*\\	(2) (3)	Media: Advertising, Printing & Publishing	L + 4.25%	7.05%	10/11/2025	20,000	19,953	19,680
Situs Group Holdings Corporation	+	(2) (3)	Banking, Finance, Insurance & Real Estate	L + 4.50%	7.02%	2/26/2023	8,915	8,892	8,887
Surgical Information Systems, LLC	+*	(2) (3) (7)	High Tech Industries	L + 4.85%	7.37%	4/24/2023	27,708	27,494	27,171
Systems Maintenance Services Holding, Inc.	+*	(2) (3)	High Tech Industries	L + 5.00%	7.52%	10/28/2023	24,010	23,907	17,842
T2 Systems Canada, Inc.	+	(2) (3)	Transportation: Consumer	L + 6.75%	9.34%	9/28/2022	2,646	2,598	2,630
T2 Systems, Inc.	^+*	(2) (3) (8)	Transportation: Consumer	L + 6.75%	9.34%	9/28/2022	15,775	15,484	15,677
The Original Cakerie, Co. (Canada)	+*	(2) (3)	Beverage, Food & Tobacco	L + 5.00%	7.50%	7/20/2022	9,019	8,968	8,932
The Original Cakerie, Ltd. (Canada)	+	(2) (3) (8)	Beverage, Food & Tobacco	L + 4.50%	7.02%	7/20/2022	6,957	6,917	6,883
ThoughtWorks, Inc.	+*\\	(2) (3)	Business Services	L + 4.00%	6.52%	10/12/2024	11,944	11,909	11,770
U.S. Acute Care Solutions, LLC	+*	(2) (3)	Healthcare & Pharmaceuticals	L + 5.00%	7.52%	5/15/2021	31,705	31,540	31,395
U.S. TelePacific Holdings Corp.	+*\\	(2) (3)	Telecommunications	L + 5.00%	7.80%	5/2/2023	26,660	26,459	24,768

Consolidated Schedule of Investments as of December 31, 2018

Investments ⁽¹⁾	Footnotes	Industry	Reference Rate & Spread ⁽²⁾	Interest Rate ⁽²⁾	Maturity Date	Par/Principal Amount	Amortized Cost ⁽⁵⁾	Fair Value ⁽⁶⁾
First Lien Debt (99.91% of fair value)								
Upstream Intermediate, LLC	^+ (2) (3) (8)	Healthcare & Pharmaceuticals	L + 4.25%	6.77%	1/3/2024	\$ 17,939	\$ 17,863	\$ 17,677
Valet Waste Holdings, Inc.	+ \ (2) (3)	Construction & Building	L + 4.00%	6.52%	9/28/2025	11,970	11,947	11,902
Valicor Environmental Services, LLC	^+* (2) (3) (8)	Environmental Industries	L + 4.75%	7.27%	6/1/2023	33,410	32,914	32,995
WIRB - Copernicus Group, Inc.	^+* (2) (3) (8)	Healthcare & Pharmaceuticals	L + 4.25%	6.77%	8/15/2022	17,194	17,098	16,931
WRE Holding Corp.	^+* (2) (3) (8)	Environmental Industries	L + 5.00%	7.52%	1/3/2023	7,238	7,162	6,993
Zywave, Inc.	^+* (2) (3) (8)	High Tech Industries	L + 5.00%	7.52%	11/17/2022	18,050	17,914	17,991
First Lien Debt Total							\$ 1,197,499	\$ 1,172,460
Second Lien Debt (0.09% of fair value)								
Zywave, Inc.	* (2) (3)	High Tech Industries	L + 9.00%	11.65%	11/17/2023	\$ 1,050	\$ 1,038	\$ 1,048
Second Lien Debt Total							\$ 1,038	\$ 1,048
Total Investments							\$ 1,198,537	\$ 1,173,508

^ Denotes that all or a portion of the assets are owned by Credit Fund. Credit Fund has entered into the Credit Fund Facility. The lenders of the Credit Fund Facility have a first lien security interest in substantially all of the assets of Credit Fund. Accordingly, such assets are not available to creditors of Credit Fund Sub, the 2017-1 Issuer or the Credit Fund Warehouse.

+ Denotes that all or a portion of the assets are owned by Credit Fund Sub. Credit Fund Sub has entered into a revolving credit facility (the "Credit Fund Sub Facility"). The lenders of the Credit Fund Sub Facility have a first lien security interest in substantially all of the assets of Credit Fund Sub. Accordingly, such assets are not available to creditors of Credit Fund, the 2017-1 Issuer or the Credit Fund Warehouse.

* Denotes that all or a portion of the assets are owned by the 2017-1 Issuer and secure the notes issued in connection with a \$399,900 term debt securitization completed by Credit Fund on December 19, 2017 (the "2017-1 Debt Securitization"). Accordingly, such assets are not available to creditors of Credit Fund, Credit Fund Sub or the Credit Fund Warehouse.

\ Denotes that all or a portion of the assets are owned by the Credit Fund Warehouse. Credit Fund Warehouse has entered into a revolving credit facility (the "Credit Fund Warehouse Facility"). The lenders of the Credit Fund Warehouse Facility have a first lien security interest in substantially all of the assets of the Credit Fund Warehouse. Accordingly, such assets are not available to creditors of Credit Fund, Credit Fund Sub or the 2017-1 Issuer.

- Unless otherwise indicated, issuers of investments held by Credit Fund are domiciled in the United States. As of December 31, 2018, the geographical composition of investments as a percentage of fair value was 1.35% in Canada and 98.65% in the United States. Certain portfolio company investments are subject to contractual restrictions on sales.
- Variable rate loans to the portfolio companies bear interest at a rate that is determined by reference to either LIBOR or an alternate base rate (commonly based on the Federal Funds Rate or the U.S. Prime Rate), which generally resets quarterly. For each such loan, Credit Fund has indicated the reference rate used and provided the spread and the interest rate in effect as of December 31, 2018. As of December 31, 2018, the reference rates for Credit Fund's variable rate loans were the 30-day LIBOR at 2.50%, the 90-day LIBOR at 2.81% and the 180-day LIBOR at 2.88%.
- Loan includes interest rate floor feature, which is generally 1.00%.
- Credit Fund Sub receives less than the stated interest rate of this loan as a result of an agreement among lenders. The interest rate reduction is 1.20% on EIP Merger Sub, LLC (Evolve IP). Pursuant to the agreement among lenders in respect of this loan, this investment represents a first lien/first out loan, which has first priority ahead of the first lien/last out loan with respect to principal, interest and other payments.
- Amortized cost represents original cost, including origination fees and upfront fees received that are deemed to be an adjustment to yield, adjusted for the accretion/amortization of discounts/premiums, as applicable, on debt investments using the effective interest method.
- Fair value is determined in good faith by or under the direction of the board of managers of Credit Fund, pursuant to Credit Fund's valuation policy, with the fair value of all investments determined using significant unobservable inputs, which is substantially similar to the valuation policy of the Company provided in Note 3, Fair Value Measurements.
- In addition to the interest earned based on the stated interest rate of this loan, which is the amount reflected in this schedule, Credit Fund is entitled to receive additional interest as a result of an agreement among lenders as follows: EIP Merger Sub, LLC (Evolve IP) (3.75%) and Surgical Information Systems, LLC (0.89%). Pursuant to the agreement among lenders in respect of these loans, these investments represent a first lien/last out loan, which has a secondary priority behind the first lien/first out loan with respect to principal, interest and other payments.

(8) As of December 31, 2018, Credit Fund and Credit Fund Sub had the following unfunded commitments to fund delayed draw and revolving senior secured loans:

First Lien Debt—unfunded delayed draw and revolving term loans commitments	Type	Unused Fee	Par/ Principal Amount	Fair Value
Advanced Instruments, LLC	Revolver	0.50%	\$ 1,333	\$ (10)
Ahead, LLC	Revolver	0.50	4,688	(38)
AQA Acquisition Holding, Inc.	Revolver	0.50	2,459	(19)
Borchers, Inc.	Revolver	0.50	1,935	(5)
Clearent Newco, LLC	Delayed Draw	1.00	4,988	(46)
Clearent Newco, LLC	Revolver	0.50	1,760	(16)
DecoPac, Inc.	Revolver	0.50	2,143	(11)
Executive Consulting Group, LLC, Inc.	Revolver	0.50	2,368	(25)
HMT Holding Inc.	Revolver	0.50	6,173	(49)
Jensen Hughes, Inc.	Revolver	0.50	2,000	(39)
Jensen Hughes, Inc.	Delayed Draw	1.00	337	(7)
MAG DS Corp.	Revolver	0.50	2,022	(18)
MSHC, Inc.	Delayed Draw	0.32	9,852	(145)
North American Dental Management, LLC	Revolver	0.50	2,000	(35)
North Haven CA Holdings, Inc. (CoAdvantage)	Revolver	0.50	6,114	(109)
Output Services Group	Delayed Draw	4.25	2,518	(93)
Pharmalogic Holdings Corp.	Delayed Draw	1.00	2,947	(20)
Premise Health Holding Corp.	Delayed Draw	1.00	1,103	(11)
Propel Insurance Agency, LLC	Delayed Draw	0.50	7,143	(110)
Propel Insurance Agency, LLC	Revolver	0.50	1,667	(26)
PSI Services LLC	Revolver	0.50	754	(17)
QW Holding Corporation (Quala)	Revolver	0.50	5,498	(52)
T2 Systems, Inc.	Revolver	0.50	1,173	(7)
The Original Cakerie, Ltd. (Canada)	Revolver	0.50	1,132	(10)
Upstream Intermediate, LLC	Revolver	0.50	1,606	(22)
Valicor Environmental Services, LLC	Revolver	0.50	4,971	(54)
WIRB - Copernicus Group, Inc.	Delayed Draw	1.00	6,480	(69)
WIRB - Copernicus Group, Inc.	Revolver	0.50	1,000	(11)
WRE Holding Corp.	Delayed Draw	0.89	2,069	(51)
WRE Holding Corp.	Revolver	0.50	613	(15)
Zywave, Inc.	Revolver	0.50	600	(2)
Total unfunded commitments			\$ 91,446	\$ (1,142)

(9) Loan was on non-accrual status as of December 31, 2018.

Below is certain summarized consolidated financial information for Credit Fund as of March 31, 2019 and December 31, 2018, respectively. Credit Fund commenced operations in May 2016.

	<u>March 31, 2019</u>	<u>December 31, 2018</u>
	(unaudited)	
Selected Consolidated Balance Sheet Information		
ASSETS		
Investments, at fair value (amortized cost of \$1,265,546 and \$1,198,537, respectively)	\$ 1,258,295	\$ 1,173,508
Cash and other assets	41,074	62,547
Total assets	<u>\$ 1,299,369</u>	<u>\$ 1,236,055</u>
LIABILITIES AND MEMBERS' EQUITY		
Secured borrowings	\$ 624,667	\$ 572,178
Notes payable, net of unamortized debt issuance costs of \$1,798 and \$1,849, respectively	280,524	309,114
Mezzanine loans	123,800	112,000
Other liabilities	52,882	34,195
Subordinated loans and members' equity	217,496	208,568
Liabilities and members' equity	<u>\$ 1,299,369</u>	<u>\$ 1,236,055</u>
For the three month periods ended		
	<u>March 31, 2019</u>	<u>March 31, 2018</u>
	(unaudited)	(unaudited)
Selected Consolidated Statement of Operations Information:		
Total investment income	\$ 22,606	\$ 17,911
Expenses		
Interest and credit facility expenses	14,730	10,656
Other expenses	441	389
Total expenses	<u>15,171</u>	<u>11,045</u>
Net investment income (loss)	<u>7,435</u>	<u>6,866</u>
Net realized gain (loss) on investments	(8,285)	—
Net change in unrealized appreciation (depreciation) on investments	17,778	3,035
Net increase (decrease) resulting from operations	<u>\$ 16,928</u>	<u>\$ 9,901</u>

Debt

Credit Fund Facility

On June 24, 2016, Credit Fund entered into the Credit Fund Facility with the Company pursuant to which Credit Fund may from time to time request mezzanine loans from the Company, which was subsequently amended on June 5, 2017, October 2, 2017, November 3, 2017, June 22, 2018 and June 29, 2018. The maximum principal amount of the Credit Fund Facility is \$175,000. The maturity date of the Credit Fund Facility is March 22, 2020. Amounts borrowed under the Credit Fund Facility bear interest at a rate of LIBOR plus 9.00%.

During the three month periods ended March 31, 2019 and 2018, there were mezzanine loan borrowings of \$30,500 and \$21,850, respectively, and repayments of \$18,700 and \$0, respectively, under the Credit Fund Facility. As of March 31, 2019 and December 31, 2018, there were \$123,800 and \$112,000 in mezzanine loans outstanding, respectively.

As of March 31, 2019 and December 31, 2018, Credit Fund was in compliance with all covenants and other requirements of the Credit Fund Facility.

Credit Fund Sub Facility

On June 24, 2016, Credit Fund Sub closed on the Credit Fund Sub Facility with lenders, which was subsequently amended on May 31, 2017, October 27, 2017 and August 24, 2018. The Credit Fund Sub Facility provides for secured borrowings during the applicable revolving period up to an amount equal to \$640,000. The facility is secured by a first lien security interest in

substantially all of the portfolio investments held by Credit Fund Sub. The maturity date of the Credit Fund Sub Facility is May 22, 2024. Amounts borrowed under the Credit Fund Sub Facility bear interest at a rate of LIBOR plus 2.25%.

During the three month periods ended March 31, 2019 and 2018, there were secured borrowings of \$60,020 and \$67,965, respectively, and repayments of \$20,404 and \$15,035, respectively, under the Credit Fund Sub Facility. As of March 31, 2019 and December 31, 2018, there was \$510,750 and \$471,134 in secured borrowings outstanding, respectively.

As of March 31, 2019 and December 31, 2018, Credit Fund Sub was in compliance with all covenants and other requirements of the Credit Fund Sub Facility.

2017-1 Notes

On December 19, 2017, Credit Fund completed the 2017-1 Debt Securitization. The notes offered in the 2017-1 Debt Securitization (the “2017-1 Notes”) were issued by the 2017-1 Issuer, a wholly owned and consolidated subsidiary of Credit Fund, and are secured by a diversified portfolio of the 2017-1 Issuer consisting primarily of first and second lien senior secured loans. The 2017-1 Debt Securitization was executed through a private placement of the 2017-1 Notes, consisting of \$231,700 of Aaa/AAA Class A-1 Notes, which bear interest at the three-month LIBOR plus 1.17%; \$48,300 of Aa2/AA Class A-2 Notes, which bear interest at the three-month LIBOR plus 1.50%; \$15,000 of A2/A Class B-1 Notes, which bear interest at the three-month LIBOR plus 2.25%; \$9,000 of A2/A Class B-2 Notes which bear interest at 4.30%; \$22,900 of Baa2/BBB Class C Notes which bear interest at the three-month LIBOR plus 3.20%; and \$25,100 of Ba2/BB Class D Notes which bear interest at the three-month LIBOR plus 6.38%. The 2017-1 Notes are scheduled to mature on January 15, 2028. Credit Fund received 100% of the preferred interests issued by the 2017-1 Issuer (the “2017-1 Issuer Preferred Interests”) on the closing date of the 2017-1 Debt Securitization in exchange for Credit Fund’s contribution to the 2017-1 Issuer of the initial closing date loan portfolio. The 2017-1 Issuer Preferred Interests do not bear interest and had a nominal value of \$47,900 at closing.

As of March 31, 2019 and December 31, 2018, the 2017-1 Issuer was in compliance with all covenants and other requirements of the indenture.

Credit Fund Warehouse Facility

On November 26, 2018, Credit Fund closed on the Credit Fund Warehouse Facility with lenders. The Credit Fund Warehouse Facility provides for secured borrowings during the applicable revolving period up to an amount equal to \$150,000. The Credit Fund Warehouse Facility is secured by a first lien security interest in substantially all of the portfolio investments held by the Credit Fund Warehouse. The maturity date of the Credit Fund Warehouse Facility is November 26, 2019. Amounts borrowed under the Credit Fund Warehouse Facility bear interest at a rate of LIBOR plus 1.05%.

During the three month period ended March 31, 2019, there were secured borrowings of \$12,873 under the Credit Fund Warehouse Facility. As of March 31, 2019, there was \$113,917 in secured borrowings outstanding.

As of March 31, 2019, Credit Fund Warehouse was in compliance with all covenants and other requirements of the Credit Fund Warehouse Facility.

6. BORROWINGS

In accordance with the Investment Company Act, the Company is currently only allowed to borrow amounts such that its asset coverage, as defined in the Investment Company Act, is at least 150% after such borrowing. As of March 31, 2019 and December 31, 2018, asset coverage was 195.50% and 210.31%, respectively. During the three month periods ended March 31, 2019 and 2018, there were secured borrowings of \$253,950 and \$253,050, respectively, under the SPV Credit Facility and Credit Facility and repayments of \$107,626 and \$288,078, respectively, under the SPV Credit Facility and Credit Facility. As of March 31, 2019 and December 31, 2018, there were \$660,959 and \$514,635, respectively, in secured borrowings outstanding.

SPV Credit Facility

The SPV closed on May 24, 2013 on the SPV Credit Facility, which was subsequently amended on June 30, 2014, June 19, 2015, June 9, 2016, May 26, 2017 and August 9, 2018. The SPV Credit Facility provides for secured borrowings during the applicable revolving period up to an amount equal to the lesser of \$400,000 (the borrowing base as calculated pursuant to the terms of the SPV Credit Facility) and the amount of net cash proceeds and unpledged capital commitments the Company has received, with an accordion feature that can, subject to certain conditions, increase the aggregate maximum credit commitment up to an amount not to exceed \$750,000, subject to restrictions imposed on borrowings under the Investment Company Act and certain restrictions and conditions set forth in the SPV Credit Facility, including adequate collateral to

support such borrowings. The SPV Credit Facility has a revolving period through May 21, 2021 and a maturity date of May 23, 2023. Borrowings under the SPV Credit Facility bear interest initially at the applicable commercial paper rate (if the lender is a conduit lender) or LIBOR (or, if applicable, a rate based on the prime rate or federal funds rate) plus 2.00% per year through May 21, 2021, with pre-determined future interest rate increases of 0.875%-1.75% following the end of the revolving period. The SPV is also required to pay an undrawn commitment fee of between 0.50% and 0.75% per year depending on the drawings under the SPV Credit Facility. Payments under the SPV Credit Facility are made quarterly. The lenders have a first lien security interest on substantially all of the assets of the SPV.

As part of the SPV Credit Facility, the SPV is subject to limitations as to how borrowed funds may be used and the types of loans that are eligible to be acquired by the SPV including, but not limited to, restrictions on sector and geographic concentrations, loan size, payment frequency, tenor and minimum investment ratings (or estimated ratings). In addition, borrowed funds are intended to be used primarily to purchase first lien loan assets, and the SPV is limited in its ability to purchase certain other assets (including, but not limited to, second lien loans, covenant-lite loans, revolving and delayed draw loans and discount loans) and other assets are not permitted to be purchased (including, but not limited to paid-in-kind loans). The SPV Credit Facility has certain requirements relating to asset coverage, interest coverage, collateral quality and portfolio performance, including limitations on delinquencies and charge offs, certain violations of which could result in the immediate acceleration of the amounts due under the SPV Credit Facility. The SPV Credit Facility is also subject to a borrowing base that applies different advance rates to assets held by the SPV based generally on the fair market value of such assets. Under certain circumstances as set forth in the SPV Credit Facility, the Company could be obliged to repurchase loans from the SPV.

As of March 31, 2019 and December 31, 2018, the SPV was in compliance with all covenants and other requirements of the SPV Credit Facility.

Credit Facility

The Company closed on March 21, 2014 on the Credit Facility, which was subsequently amended on January 8, 2015, May 25, 2016, March 22, 2017 and September 25, 2018. The maximum principal amount of the Credit Facility is \$513,000, subject to availability under the Credit Facility, which is based on certain advance rates multiplied by the value of the Company's portfolio investments (subject to certain concentration limitations) net of certain other indebtedness that the Company may incur in accordance with the terms of the Credit Facility. Proceeds of the Credit Facility may be used for general corporate purposes, including the funding of portfolio investments. Maximum capacity under the Credit Facility may be increased to \$620,000 through the exercise by the Company of an uncommitted accordion feature through which existing and new lenders may, at their option, agree to provide additional financing. The Credit Facility includes a \$20,000 limit for swingline loans and a \$5,000 limit for letters of credit. The Company may borrow amounts in U.S. dollars or certain other permitted currencies. Amounts drawn under the Credit Facility, including amounts drawn in respect of letters of credit, bear interest at either LIBOR plus an applicable spread of 2.25%, or an "alternative base rate" (which is the highest of a prime rate, the federal funds effective rate plus 0.50%, or one month LIBOR plus 1.00%) plus an applicable spread of 1.25%. The Company may elect either the LIBOR or the "alternative base rate" at the time of drawdown, and loans may be converted from one rate to another at any time, subject to certain conditions. The Company also pays a fee of 0.375% on undrawn amounts under the Credit Facility and, in respect of each undrawn letter of credit, a fee and interest rate equal to the then-applicable margin under the Credit Facility while the letter of credit is outstanding. The availability period under the Credit Facility will terminate on March 22, 2022 and the Credit Facility will mature on March 22, 2023. During the period from March 22, 2022 to March 22, 2023, the Company will be obligated to make mandatory prepayments under the Credit Facility out of the proceeds of certain asset sales, other recovery events and equity and debt issuances.

Subject to certain exceptions, the Credit Facility is secured by a first lien security interest in substantially all of the portfolio investments held by the Company. The Credit Facility includes customary covenants, including certain financial covenants related to asset coverage, shareholders' equity and liquidity, certain limitations on the incurrence of additional indebtedness and liens, and other maintenance covenants, as well as usual and customary events of default for senior secured revolving credit facilities of this nature.

As of March 31, 2019 and December 31, 2018, the Company was in compliance with all covenants and other requirements of the Credit Facility.

Summary of Facilities

The Facilities consisted of the following as of March 31, 2019 and December 31, 2018:

March 31, 2019

	Total Facility	Borrowings Outstanding	Unused Portion ⁽¹⁾	Amount Available ⁽²⁾
SPV Credit Facility	\$ 400,000	\$ 252,959	\$ 147,041	\$ 4,420
Credit Facility	513,000	408,000	105,000	105,000
Total	\$ 913,000	\$ 660,959	\$ 252,041	\$ 109,420

December 31, 2018

	Total Facility	Borrowings Outstanding	Unused Portion ⁽¹⁾	Amount Available ⁽²⁾
SPV Credit Facility	\$ 400,000	\$ 224,135	\$ 175,865	\$ 2,547
Credit Facility	413,000	290,500	122,500	122,500
Total	\$ 813,000	\$ 514,635	\$ 298,365	\$ 125,047

- (1) The unused portion is the amount upon which commitment fees are based.
(2) Available for borrowing based on the computation of collateral to support the borrowings and subject to compliance with applicable covenants and financial ratios.

As of March 31, 2019 and December 31, 2018, \$3,183 and \$2,978, respectively, of interest expense, \$284 and \$205, respectively, of unused commitment fees and \$23 and \$23, respectively, of other fees were included in interest and credit facility fees payable. For the three month periods ended March 31, 2019 and 2018, the weighted average interest rates were 4.68% and 3.78%, respectively, and the average principal debt outstanding was \$568,519 and \$553,656, respectively. As of March 31, 2019 and December 31, 2018, the weighted average interest rates were 4.65% and 4.67%, respectively, based on floating LIBOR rates.

For the three month periods ended March 31, 2019 and 2018, the components of interest expense and credit facility fees were as follows:

	For the three month periods ended	
	March 31, 2019	March 31, 2018
Interest expense	\$ 6,653	\$ 5,235
Facility unused commitment fee	303	288
Amortization of deferred financing costs	236	202
Other fees	29	35
Total interest expense and credit facility fees	\$ 7,221	\$ 5,760
Cash paid for interest expense	\$ 6,449	\$ 5,291

7. NOTES PAYABLE

On June 26, 2015, the Company completed the 2015-1 Debt Securitization. The 2015-1 Notes were issued by the 2015-1 Issuer, a wholly-owned and consolidated subsidiary of the Company. The 2015-1 Debt Securitization was executed through a private placement of the 2015-1 Notes, consisting of \$160,000 of Aaa/AAA Class A-1A Notes; \$40,000 of Aaa/AAA Class A-1B Notes; \$27,000 of Aaa/AAA Class A-1C Notes; and \$46,000 of Aa2 Class A-2 Notes. The 2015-1 Notes were issued at par and were scheduled to mature on July 15, 2027. The Company received 100% of the preferred interests issued by the 2015-1 Issuer (the "2015-1 Issuer Preferred Interests") on the closing date of the 2015-1 Debt Securitization in exchange for the Company's contribution to the 2015-1 Issuer of the initial closing date loan portfolio. The 2015-1 Issuer Preferred Interests do not bear interest and had a nominal value of \$125,900 at closing. In connection with the contribution, the Company made customary representations, warranties and covenants to the 2015-1 Issuer in the purchase agreement. The Class A-1A, Class A-1B and Class A-1C and Class A-2 Notes are included in these consolidated financial statements. The 2015-1 Issuer Preferred Interests were eliminated in consolidation.

On the closing date of the 2015-1 Debt Securitization, the 2015-1 Issuer effected a one-time distribution to the Company of a substantial portion of the proceeds of the private placement of the 2015-1 Notes, net of expenses, which distribution was used to repay a portion of certain amounts outstanding under the SPV Credit Facility and the Credit Facility.

As part of the 2015-1 Debt Securitization, certain first and second lien senior secured loans were distributed by the SPV to the Company pursuant to a distribution and contribution agreement.

On August 30, 2018, the Company and the 2015-1 Issuer closed the 2015-1 Debt Securitization Refinancing. On the closing date of the 2015-1 Debt Securitization Refinancing, the 2015-1 Issuer, among other things, (a) refinanced the issued Class A-1A Notes by redeeming in full the Class A-1A Notes and issuing new AAA Class A-1-1-R Notes in an aggregate principal amount of \$234,800 which bear interest at the three-month LIBOR plus 1.55%; (b) refinanced the issued Class A-1B Notes by redeeming in full the Class A-1B Notes and issuing new AAA Class A-1-2-R Notes in an aggregate principal amount of \$50,000 which bear interest at the three-month LIBOR plus 1.48% for the first 24 months and the three-month LIBOR plus 1.78% thereafter; (c) refinanced the issued Class A-1C Notes by redeeming in full the Class A-1C Notes and issuing new AAA Class A-1-3-R Notes in an aggregate principal amount of \$25,000 which bear interest at 4.56%; (d) refinanced the issued Class A-2 Notes by redeeming in full the Class A-2 Notes and issuing new Class A-2-R Notes in an aggregate principal amount of \$66,000 which bear interest at the three-month LIBOR plus 2.20%; (e) issued new single-A Class B Notes and BBB- Class C Notes in aggregate principal amounts of \$46,400 and \$27,000, respectively, which bear interest at the three-month LIBOR plus 3.15% and the three-month LIBOR plus 4.00%, respectively; (f) reduced the 2015-1 Issuer Preferred Interests by approximately \$21,375 from a nominal value of \$125,900 to approximately \$104,525 at close; and (g) extended the reinvestment period end date and maturity date applicable to the 2015-1 Issuer to October 15, 2023 and October 15, 2031, respectively. Following the 2015-1 Debt Securitization Refinancing, the Company retained the 2015-1 Issuer Preferred Interests. The 2015-1R Notes in the 2015-1 Debt Securitization Refinancing were issued by the 2015-1 Issuer and are secured by a diversified portfolio of the 2015-1 Issuer consisting primarily of first and second lien senior secured loans.

On the closing date of the 2015-1 Debt Securitization Refinancing, the 2015-1 Issuer effected a one-time distribution to the Company of a substantial portion of the proceeds of the private placement of the 2015-1R Notes, net of expenses, which distribution was used to repay a portion of certain amounts outstanding under the SPV Credit Facility and the Credit Facility. As part of the 2015-1 Debt Securitization Refinancing, certain first and second lien senior secured loans were distributed by the SPV to the Company pursuant to a distribution and contribution agreement. The Company contributed the loans that comprised the initial closing date loan portfolio (including the loans distributed to the Company from the SPV) to the 2015-1 Issuer pursuant to a contribution agreement. Future loan transfers from the Company to the 2015-1 Issuer will be made pursuant to a sale agreement and are subject to the approval of the Company's Board of Directors. Assets of the 2015-1 Issuer are not available to the creditors of the SPV or the Company. In connection with the issuance and sale of the 2015-1R Notes, the Company made customary representations, warranties and covenants in the purchase agreement.

During the reinvestment period, pursuant to the indenture governing the 2015-1R Notes, all principal collections received on the underlying collateral may be used by the 2015-1 Issuer to purchase new collateral under the direction of Investment Adviser in its capacity as collateral manager of the 2015-1 Issuer and in accordance with the Company's investment strategy.

The Investment Adviser serves as collateral manager to the 2015-1 Issuer under a collateral management agreement (the "Collateral Management Agreement"). Pursuant to the Collateral Management Agreement, the 2015-1 Issuer pays management fees (comprised of base management fees, subordinated management fees and incentive management fees) to the Investment Adviser for rendering collateral management services. As per the Collateral Management Agreement, for the period the Company retains all of the 2015-1 Issuer Preferred Interests, the Investment Adviser does not earn management fees for providing such collateral management services. The Company currently retains all of the 2015-1 Issuer Preferred Interests, thus the Investment Adviser did not earn any management fees from the 2015-1 Issuer for the three month periods ended March 31, 2019 and 2018. Any such waived fees may not be recaptured by the Investment Adviser.

Pursuant to an undertaking by the Company in connection with the 2015-1 Debt Securitization Refinancing, the Company has agreed to hold on an ongoing basis the 2015-1 Issuer Preferred Interests with an aggregate dollar purchase price at least equal to 5% of the aggregate outstanding amount of all collateral obligations by the 2015-1 Issuer for so long as any securities of the 2015-1 Issuer remain outstanding. As of March 31, 2019, the Company was in compliance with its undertaking.

The 2015-1 Issuer pays ongoing administrative expenses to the trustee, independent accountants, legal counsel, rating agencies and independent managers in connection with developing and maintaining reports, and providing required services in connection with the administration of the 2015-1 Issuer.

As of March 31, 2019, there were 62 first lien and second lien senior secured loans with a total fair value of approximately \$550,089 and cash of \$15,236 securing the 2015-1R Notes. The pool of loans in the securitization must meet

certain requirements, including asset mix and concentration, term, agency rating, collateral coverage, minimum coupon, minimum spread and sector diversity requirements in the indenture governing the 2015-1R Notes.

For the three month periods ended March 31, 2019 and 2018, the weighted average interest rate, the effective annualized weighted average interest rates, which include amortization of debt issuance costs on the 2015-1R Notes and 2015-1 Notes, were 4.75% and 3.78%, respectively, based on floating LIBOR rates. As of March 31, 2019 and December 31, 2018 the weighted average interest rates were 4.75% and 4.42% respectively, based on floating LIBOR rates.

For the three month periods ended March 31, 2019 and 2018, the components of interest expense on the 2015-1R and 2015-1 Notes were as follows:

	For the three month periods ended	
	March 31, 2019	March 31, 2018
Interest expense	\$ 5,276	\$ 2,530
Amortization of deferred financing costs	62	50
Total interest expense and credit facility fees	\$ 5,338	\$ 2,580
Cash paid for interest expense	\$ 5,066	\$ 2,391

8. COMMITMENTS AND CONTINGENCIES

A summary of significant contractual payment obligations was as follows as of March 31, 2019 and December 31, 2018:

Payment Due by Period	SPV Credit Facility and Credit Facility		2015-1R Notes	
	March 31, 2019	December 31, 2018	March 31, 2019	December 31, 2018
Less than 1 Year	\$ —	\$ —	\$ —	\$ —
1-3 Years	—	—	—	—
3-5 Years	660,959	514,635	—	—
More than 5 Years	—	—	449,200	449,200
Total	\$ 660,959	\$ 514,635	\$ 449,200	\$ 449,200

In the ordinary course of its business, the Company enters into contracts or agreements that contain indemnification or warranties. Future events could occur that lead to the execution of these provisions against the Company. The Company believes that the likelihood of such an event is remote; however, the maximum potential exposure is unknown. No accrual has been made in the consolidated financial statements as of March 31, 2019 and December 31, 2018 for any such exposure.

The Company had the following unfunded commitments to fund delayed draw and revolving senior secured loans as of the indicated dates:

	Par Value as of	
	March 31, 2019	December 31, 2018
Unfunded delayed draw commitments	\$ 85,898	\$ 97,261
Unfunded revolving term loan commitments	64,447	59,856
Total unfunded commitments	\$ 150,345	\$ 157,117

9. NET ASSETS

The Company has the authority to issue 200,000,000 shares of common stock, \$0.01 per share par value.

On November 5, 2018, the Company's Board of Directors approved a \$100,000 stock repurchase program (the "Company Stock Repurchase Program"). The Company Stock Repurchase Program is expected to be in effect until the earlier of November 5, 2019 and the date the approved dollar amount has been used to repurchase shares. Since the inception of the Company Stock Repurchase Program through March 31, 2019, the Company has repurchased 1,296,590 shares of the Company's common stock at an average cost of \$14.62 per share, or \$18,952 in the aggregate, resulting in accretion to net assets per share of \$0.06.

During the three month period ended March 31, 2019, the Company repurchased and extinguished 958,182 shares for \$14,085. The following table summarizes capital activity during the three month period ended March 31, 2019:

	Common Stock		Capital in Excess of Par Value	Offering Costs	Accumulated Net Investment Income (Loss)	Accumulated Net Realized Gain (Loss) on Investments	Accumulated Net Unrealized Appreciation (Depreciation) on Investments	Total Net Assets
	Shares	Amount						
Balance, beginning of period	62,230,251	\$ 622	\$ 1,174,334	\$ (1,633)	\$ 5,901	\$ (44,572)	\$ (71,434)	\$ 1,063,218
Repurchase of common stock	(958,182)	(9)	(14,076)	—	—	—	—	(14,085)
Net investment income (loss)	—	—	—	—	27,562	—	—	27,562
Net realized gain (loss) on investments	—	—	—	—	—	899	—	899
Net change in unrealized appreciation (depreciation) on investments	—	—	—	—	—	—	5,265	5,265
Dividends declared	—	—	—	—	(22,672)	—	—	(22,672)
Balance, end of period	<u>61,272,069</u>	<u>\$ 613</u>	<u>\$ 1,160,258</u>	<u>\$ (1,633)</u>	<u>\$ 10,791</u>	<u>\$ (43,673)</u>	<u>\$ (66,169)</u>	<u>\$ 1,060,187</u>

During the three month period ended March 31, 2018, the Company issued 361,056 shares for \$6,629 through the reinvestment of dividends. The following table summarizes capital activity during the three month period ended March 31, 2018:

	Common Stock		Capital in Excess of Par Value	Offering Costs	Accumulated Net Investment Income (Loss)	Accumulated Net Realized Gain (Loss) on Investments	Accumulated Net Unrealized Appreciation (Depreciation) on Investments	Total Net Assets
	Shares	Amount						
Balance, beginning of period	62,207,603	\$ 622	\$ 1,172,807	\$ (1,618)	\$ 2,522	\$ (43,548)	\$ (3,481)	\$ 1,127,304
Reinvestment of dividends	361,056	4	6,625	—	—	—	—	6,629
Offering costs	—	—	—	(15)	—	—	—	(15)
Net investment income (loss)	—	—	—	—	25,130	—	—	25,130
Net realized gain (loss) on investments	—	—	—	—	—	(129)	—	(129)
Net change in unrealized appreciation (depreciation) on investments	—	—	—	—	—	—	(3,912)	(3,912)
Dividends declared	—	—	—	—	(23,150)	—	—	(23,150)
Balance, end of period	<u>62,568,659</u>	<u>\$ 626</u>	<u>\$ 1,179,432</u>	<u>\$ (1,633)</u>	<u>\$ 4,502</u>	<u>\$ (43,677)</u>	<u>\$ (7,393)</u>	<u>\$ 1,131,857</u>

The following table summarizes total shares issued and proceeds received related to capital activity during the three month period ended March 31, 2018:

	Shares Issued	Proceeds Received
January 17, 2018*	361,056	\$ 6,629
Total	<u>361,056</u>	<u>\$ 6,629</u>

* Represents shares issued upon the reinvestment of dividends

The Company computes earnings per common share in accordance with ASC 260, *Earnings Per Share*. Basic earnings per common share were calculated by dividing net increase (decrease) in net assets resulting from operations attributable to the Company by the weighted-average number of common shares outstanding for the period.

Basic and diluted earnings per common share were as follows:

	For the three month periods ended	
	March 31, 2019	March 31, 2018
Net increase (decrease) in net assets resulting from operations	\$ 33,726	\$ 21,089
Weighted-average common shares outstanding	61,772,774	62,504,465
Basic and diluted earnings per common share	\$ 0.55	\$ 0.34

The following table summarizes the Company's dividends declared during the two most recent fiscal years and the current fiscal year to-date:

Date Declared	Record Date	Payment Date	Per Share Amount
March 20, 2017	March 20, 2017	April 24, 2017	\$ 0.41
June 20, 2017	June 30, 2017	July 18, 2017	\$ 0.37
August 7, 2017	September 29, 2017	October 18, 2017	\$ 0.37
November 7, 2017	December 29, 2017	January 17, 2018	\$ 0.37
December 13, 2017	December 29, 2017	January 17, 2018	\$ 0.12 ⁽¹⁾
February 26, 2018	March 29, 2018	April 17, 2018	\$ 0.37
May 2, 2018	June 29, 2018	July 17, 2018	\$ 0.37
August 6, 2018	September 28, 2018	October 17, 2018	\$ 0.37
November 5, 2018	December 28, 2018	January 17, 2019	\$ 0.37
December 12, 2018	December 28, 2018	January 17, 2019	\$ 0.20 ⁽¹⁾
February 22, 2019	March 29, 2019	April 17, 2019	\$ 0.37

⁽¹⁾ Represents a special dividend.

10. CONSOLIDATED FINANCIAL HIGHLIGHTS

The following is a schedule of consolidated financial highlights for the three month periods ended March 31, 2019 and 2018:

	For the three month periods ended	
	March 31, 2019	March 31, 2018
Per Share Data:		
Net asset value per share, beginning of period	\$ 17.09	\$ 18.12
Net investment income (loss) (1)	0.45	0.40
Net realized gain (loss) and net change in unrealized appreciation (depreciation) on investments	0.09	(0.06)
Net increase (decrease) in net assets resulting from operations	0.54	0.34
Dividends declared (2)	(0.37)	(0.37)
Accretion due to share repurchases	0.04	—
Net asset value per share, end of period	\$ 17.30	\$ 18.09
Market price per share, end of period	\$ 14.48	\$ 17.90
Number of shares outstanding, end of period	61,272,069	62,568,651
Total return based on net asset value (3)	3.39%	1.88 %
Total return based on market price (4)	19.76%	(8.83)%
Net assets, end of period	\$ 1,060,187	\$ 1,131,857
Ratio to average net assets (5):		
Expenses before incentive fees	2.03%	1.49 %
Expenses after incentive fees	2.58%	1.96 %
Net investment income (loss)	2.58%	2.20 %
Interest expense and credit facility fees	1.18%	0.73 %
Ratios/Supplemental Data:		
Asset coverage, end of period	195.50%	241.33 %
Portfolio turnover	3.45%	6.17 %
Weighted-average shares outstanding	61,772,774	62,504,465

- (1) Net investment income (loss) per share was calculated as net investment income (loss) for the period divided by the weighted average number of shares outstanding for the period.
- (2) Dividends declared per share was calculated as the sum of dividends declared during the period divided by the number of shares outstanding at each respective quarter-end date (refer to Note 9, Net Assets).
- (3) Total return based on net asset value (not annualized) is based on the change in net asset value per share during the period plus the declared dividends, assuming reinvestment of dividends in accordance with the dividend reinvestment plan, divided by the beginning net asset value for the period.
- (4) Total return based on market value (not annualized) is calculated as the change in market value per share during the period plus the declared dividends, assuming reinvestment of dividends in accordance with the dividend reinvestment plan, divided by the beginning market price for the period.
- (5) These ratios to average net assets have not been annualized.

11. LITIGATION

The Company may become party to certain lawsuits in the ordinary course of business. The Company does not believe that the outcome of current matters, if any, will materially impact the Company or its consolidated financial statements. As of March 31, 2019 and December 31, 2018, the Company was not subject to any material legal proceedings, nor, to the Company's knowledge, is any material legal proceeding threatened against the Company.

In addition, portfolio investments of the Company could be the subject of litigation or regulatory investigations in the ordinary course of business. The Company does not believe that the outcome of any current contingent liabilities of its portfolio investments, if any, will materially affect the Company or these consolidated financial statements.

12. TAX

The Company has not recorded a liability for any uncertain tax positions pursuant to the provisions of ASC 740, *Income Taxes*, as of March 31, 2019 and December 31, 2018.

In the normal course of business, the Company is subject to examination by federal and certain state, local and foreign tax regulators. As of March 31, 2019 and December 31, 2018, the Company had filed tax returns and therefore is subject to examination.

The Company's taxable income for each period is an estimate and will not be finally determined until the Company files its tax return for each year. Therefore, the final taxable income, and the taxable income earned in each period and carried forward for distribution in the following period, may be different than this estimate. The estimated tax character of dividends declared for three month periods ended March 31, 2019 and 2018 was as follows:

	For the three month periods ended	
	March 31, 2019	March 31, 2018
Ordinary income	\$ 22,672	\$ 23,150
Tax return of capital	\$ —	\$ —

13. SUBSEQUENT EVENTS

Subsequent events have been evaluated through the date the consolidated financial statements were issued. There have been no subsequent events that require recognition or disclosure through the date the consolidated financial statements were issued, except as disclosed below.

Subsequent to March 31, 2019, the Company borrowed \$85,500 under the Credit Facility and SPV Credit Facility to fund investment acquisitions. The Company also voluntarily repaid \$52,160 under the Credit Facility and SPV Credit Facility.

On May 6, 2019, the Company's Board of Directors declared a quarterly dividend of \$0.37 per share, which is payable on July 17, 2019 to stockholders of record as of June 28, 2019.

On May 6, 2019, the Company's Board of Directors, including a majority of the Independent Directors, approved at an in-person meeting the continuance of the Company's Investment Advisory Agreement with the Adviser for an additional one year term.

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations.
(dollar amounts in thousands, except per share data, unless otherwise indicated)

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

We have included or incorporated by reference in this Form 10-Q, and from time to time our management may make, “forward-looking statements”. These forward-looking statements are not historical facts, but instead relate to future events or the future performance or financial condition of TCG BDC, Inc. (together with its consolidated subsidiaries, “we,” “us,” “our,” “TCG BDC” or the “Company”). These statements are based on current expectations, estimates and projections about us, our current or prospective portfolio investments, our industry, our beliefs, and our assumptions. The forward-looking statements contained in this Form 10-Q and the documents incorporated by reference herein involve a number of risks and uncertainties, including statements concerning:

- our, or our portfolio companies’, future business, operations, operating results or prospects;
- the return or impact of current and future investments;
- the impact of any protracted decline in the liquidity of credit markets on our business;
- the impact of fluctuations in interest rates on our business;
- our future operating results;
- the impact of changes in laws, policies or regulations (including the interpretation thereof) affecting our operations or the operations of our portfolio companies;
- the valuation of our investments in portfolio companies, particularly those having no liquid trading market;
- our ability to recover unrealized losses;
- market conditions and our ability to access alternative debt markets and additional debt and equity capital;
- our contractual arrangements and relationships with third parties;
- the general economy and its impact on the industries in which we invest;
- uncertainty surrounding the financial stability of the United States, Europe and China;
- the social, geopolitical, financial, trade and legal implications of Brexit;
- the financial condition of and ability of our current and prospective portfolio companies to achieve their objectives;
- competition with other entities and our affiliates for investment opportunities;
- the speculative and illiquid nature of our investments;
- the use of borrowed money to finance a portion of our investments;
- our expected financings and investments;
- the adequacy of our cash resources and working capital;
- the timing, form and amount of any dividend distributions;
- the timing of cash flows, if any, from the operations of our portfolio companies;
- the ability to consummate acquisitions;
- the ability of our investment adviser to locate suitable investments for us and to monitor and administer our investments;
- currency fluctuations could adversely affect the results of our investments in foreign companies, particularly to the extent that we receive payments denominated in foreign currency rather than U.S. dollars;
- the ability of The Carlyle Group Employee Co., L.L.C. to attract and retain highly talented professionals that can provide services to our investment adviser and administrator;
- our ability to maintain our status as a business development company; and

- our intent to satisfy the requirements of a regulated investment company under Subchapter M of the Internal Revenue Code of 1986, as amended.

We use words such as “anticipates,” “believes,” “expects,” “intends,” “will,” “should,” “may,” “plans,” “continue,” “believes,” “seeks,” “estimates,” “would,” “could,” “targets,” “projects,” “outlook,” “potential,” “predicts” and variations of these words and similar expressions to identify forward-looking statements, although not all forward-looking statements include these words. Our actual results and condition could differ materially from those implied or expressed in the forward-looking statements for any reason, including the factors set forth in “Risk Factors” in Part II, Item 1A of and elsewhere in this Form 10-Q.

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

OVERVIEW

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with Part I, Item 1 of this Form 10-Q “Financial Statements.” This discussion contains forward-looking statements and involves numerous risks and uncertainties, including, but not limited to those described in Part I, Item 1A of our annual report on Form 10-K for the year ended December 31, 2018 and Part II, Item 1A of this Form 10-Q “Risk Factors.” Our actual results could differ materially from those anticipated by such forward-looking statements due to factors discussed under “Risk Factors” and “Cautionary Statements Regarding Forward-Looking Statements” appearing elsewhere in this Form 10-Q.

We are a Maryland corporation formed on February 8, 2012, and structured as an externally managed, non-diversified closed-end investment company. We have elected to be regulated as a BDC under the Investment Company Act. We have elected to be treated, and intend to continue to comply with the requirements to qualify annually, as a RIC under Subchapter M of the Code.

Our investment objective is to generate current income and capital appreciation primarily through debt investments in U.S. middle market companies, which we define as companies with approximately \$10 million to \$100 million of EBITDA. We seek to achieve our investment objective primarily through direct originations of Middle Market Senior Loans, with the balance of our assets invested in higher yielding investments (which may include unsecured debt, mezzanine debt and investments in equities). We generally make Middle Market Senior Loans to private U.S. middle market companies that are, in many cases, controlled by private equity firms. Depending on market conditions, we expect that between 70% and 80% of the value of our assets will be invested in Middle Market Senior Loans. We expect that the composition of our portfolio will change over time given our Investment Adviser’s view on, among other things, the economic and credit environment (including with respect to interest rates) in which we are operating.

On June 19, 2017, we closed our IPO, issuing 9,454,200 shares of our common stock (including shares issued pursuant to the exercise of the underwriters’ over-allotment option on July 5, 2017) at a public offering price of \$18.50 per share. Net of underwriting costs, we received cash proceeds of \$169,488. Shares of common stock of TCG BDC began trading on the NASDAQ Global Select Market under the symbol “CGBD” on June 14, 2017.

On June 9, 2017, we acquired NF Investment Corp. (“NFIC”), a BDC managed by our Investment Adviser (the “NFIC Acquisition”). As a result, we issued 434,233 shares of common stock to the NFIC stockholders and approximately \$145,602 in cash, and acquired approximately \$153,648 in net assets.

We are externally managed by our Investment Adviser, an investment adviser registered under the Advisers Act. Our Administrator provides the administrative services necessary for us to operate. Both our Investment Adviser and our Administrator are wholly owned subsidiaries of Carlyle Investment Management L.L.C., a subsidiary of Carlyle.

In conducting our investment activities, we believe that we benefit from the significant scale and resources of Carlyle, including our Investment Adviser and its affiliates. We have operated our business as a BDC since we began our investment activities in May 2013.

KEY COMPONENTS OF OUR RESULTS OF OPERATIONS

Investments

Our level of investment activity can and does vary substantially from period to period depending on many factors, including the amount of debt available to middle market companies, the general economic environment and the competitive environment for the type of investments we make.

Revenue

We generate revenue primarily in the form of interest income on debt investments we hold. In addition, we generate income from dividends on direct equity investments, capital gains on the sales of loans and debt and equity securities and various loan origination and other fees. Our debt investments generally have a stated term of five to eight years and generally bear interest at a floating rate usually determined on the basis of a benchmark such as LIBOR. Interest on these debt investments is generally paid quarterly. In some instances, we receive payments on our debt investments based on scheduled amortization of the outstanding balances. In addition, we receive repayments of some of our debt investments prior to their scheduled maturity date. The frequency or volume of these repayments fluctuates significantly from period to period. Our portfolio activity also reflects the proceeds of sales of securities. We may also generate revenue in the form of commitment, origination, amendment, structuring or due diligence fees, fees for providing managerial assistance and consulting fees.

Expenses

Our primary operating expenses include the payment of: (i) investment advisory fees, including base management fees and incentive fees, to our Investment Adviser pursuant to the Investment Advisory Agreement between us and our Investment Adviser; (ii) costs and other expenses and our allocable portion of overhead incurred by our Administrator in performing its administrative obligations under the Administration Agreement between us and our Administrator; and (iii) other operating expenses as detailed below:

- administration fees payable under our Administration Agreement and Sub-Administration Agreements, including related expenses;
- the costs of any offerings of our common stock and other securities, if any;
- calculating individual asset values and our net asset value (including the cost and expenses of any independent valuation firms);
- expenses, including travel expenses, incurred by our Investment Adviser, or members of our Investment Adviser team managing our investments, or payable to third parties, performing due diligence on prospective portfolio companies and, if necessary, expenses of enforcing our rights;
- the base management fee and any incentive fee payable under our Investment Advisory Agreement;
- certain costs and expenses relating to distributions paid on our shares;
- debt service and other costs of borrowings or other financing arrangements;
- the allocated costs incurred by our Investment Adviser in providing managerial assistance to those portfolio companies that request it;
- amounts payable to third parties relating to, or associated with, making or holding investments;
- the costs associated with subscriptions to data service, research-related subscriptions and expenses and quotation equipment and services used in making or holding investments;
- transfer agent and custodial fees;
- costs of hedging;
- commissions and other compensation payable to brokers or dealers;
- federal and state registration fees;
- any U.S. federal, state and local taxes, including any excise taxes;
- independent director fees and expenses;
- costs of preparing financial statements and maintaining books and records, costs of preparing tax returns, costs of Sarbanes-Oxley Act compliance and attestation and costs of filing reports or other documents with the SEC (or other regulatory bodies), and other reporting and compliance costs, including registration and listing fees, and the compensation of professionals responsible for the preparation or review of the foregoing;

- the costs of any reports, proxy statements or other notices to our stockholders (including printing and mailing costs), the costs of any stockholders' meetings and the compensation of investor relations personnel responsible for the preparation of the foregoing and related matters;
- the costs of specialty and custom software for monitoring risk, compliance and overall portfolio, including any development costs incurred prior to the filing of our election to be regulated as a BDC;
- our fidelity bond;
- directors and officers/errors and omissions liability insurance, and any other insurance premiums;
- indemnification payments;
- direct fees and expenses associated with independent audits, agency, consulting and legal costs; and
- all other expenses incurred by us or our Administrator in connection with administering our business, including our allocable share of certain officers and their staff compensation.

We expect our general and administrative expenses to be relatively stable or to decline as a percentage of total assets during periods of asset growth and to increase during periods of asset declines.

PORTFOLIO AND INVESTMENT ACTIVITY

As of March 31, 2019, the fair value of our investments was approximately \$2,155,209, comprised of 131 investments in 103 portfolio companies/investment fund across 29 industries with 59 sponsors. As of December 31, 2018, the fair value of our investments was approximately \$1,972,157, comprised of 119 investments in 96 portfolio companies/investment fund across 27 industries with 57 sponsors.

Based on fair value as of March 31, 2019, our portfolio consisted of approximately 87.8% in secured debt (77.2% in first lien debt (including 9.3% in first lien/last out loans) and 10.6% in second lien debt), 10.9% in Credit Fund and 1.3% in equity investments. Based on fair value as of March 31, 2019, approximately 1% of our debt portfolio was invested in debt bearing a fixed interest rate and approximately 99% of our debt portfolio was invested in debt bearing a floating interest rate, which primarily are subject to interest rate floors.

Based on fair value as of December 31, 2018, our portfolio consisted of approximately 87.5% in secured debt (78.4% in first lien debt (including 10.3% in first lien/last out loans) and 9.1% in second lien debt), 11.3% in Credit Fund and 1.2% in equity investments. Based on fair value as of December 31, 2018, approximately 1% of our debt portfolio was invested in debt bearing a fixed interest rate and approximately 99% of our debt portfolio was invested in debt bearing a floating interest rate, which primarily are subject to interest rate floors.

Our investment activity for the three month periods ended March 31, 2019 and 2018 is presented below (information presented herein is at amortized cost unless otherwise indicated):

	For the three month periods ended	
	March 31, 2019	March 31, 2018
Investments:		
Total investments, beginning of period	\$ 2,043,591	\$ 1,971,012
New investments purchased	246,221	119,601
Net accretion of discount on investments	2,161	2,390
Net realized gain (loss) on investments	899	(129)
Investments sold or repaid	(71,494)	(172,022)
Total Investments, end of period	\$ 2,221,378	\$ 1,920,852
Principal amount of investments funded:		
First Lien Debt (excluding First Lien/Last Out)	\$ 143,749	\$ 65,783
First Lien/Last Out Unitranche	23,879	1,231
Second Lien Debt	49,344	25,582
Equity Investments	2,241	500
Investment Fund	30,500	27,850
Total	\$ 249,713	\$ 120,946
Principal amount of investments sold or repaid:		
First Lien Debt (excluding First Lien/Last Out)	\$ (25,902)	\$ (117,619)
First Lien/Last Out Unitranche	(25,264)	(394)
Second Lien Debt	—	(53,990)
Equity Investments	—	—
Investment Fund	(18,700)	—
Total	\$ (69,866)	\$ (172,003)
Number of new funded investments	12	8
Average amount of new funded investments	\$ 20,518	\$ 14,950
Percentage of new funded debt investments at floating interest rates	100%	100%
Percentage of new funded debt investments at fixed interest rates	—%	—%

As of March 31, 2019 and December 31, 2018, investments consisted of the following:

	March 31, 2019		December 31, 2018	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
First Lien Debt (excluding First Lien/Last Out)	\$ 1,492,517	\$ 1,462,000	\$ 1,375,437	\$ 1,343,422
First Lien/Last Out Unitranche	240,235	201,301	241,263	202,849
Second Lien Debt	227,908	228,851	179,434	178,958
Equity Investments	18,917	28,466	17,456	24,633
Investment Fund	241,801	234,591	230,001	222,295
Total	\$ 2,221,378	\$ 2,155,209	\$ 2,043,591	\$ 1,972,157

The weighted average yields ⁽¹⁾ for our first and second lien debt, based on the amortized cost and fair value as of March 31, 2019 and December 31, 2018, were as follows:

	March 31, 2019		December 31, 2018	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
First Lien Debt (excluding First Lien/Last Out)	9.12%	9.31%	9.16%	9.38%
First Lien/Last Out Unitranche	10.42%	12.44%	10.62%	12.63%
First Lien Debt Total	9.30%	9.69%	9.38%	9.80%
Second Lien Debt	11.07%	11.02%	11.04%	11.07%
First and Second Lien Debt Total	9.51%	9.85%	9.54%	9.94%

- (1) Weighted average yields include the effect of accretion of discounts and amortization of premiums and are based on interest rates as of March 31, 2019 and December 31, 2018. Weighted average yield on debt and income producing securities at fair value is computed as (a) the annual stated interest rate or yield earned plus the net annual amortization of OID and market discount earned on accruing debt included in such securities, divided by (b) total first lien and second lien debt at fair value included in such securities. Weighted average yield on debt and income producing securities at amortized cost is computed as (a) the annual stated interest rate or yield earned plus the net annual amortization of OID and market discount earned on accruing debt included in such securities, divided by (b) total first lien and second lien debt at amortized cost included in such securities. Actual yields earned over the life of each investment could differ materially from the yields presented above.

Total weighted average yields (which includes the effect of accretion of discount and amortization of premiums) of our first and second lien debt investments as measured on an amortized cost basis decreased from 9.54% to 9.51% from December 31, 2018 to March 31, 2019. The decrease in weighted average yields was primarily due to a decrease in the effective LIBOR rate applicable to loans in the portfolio.

The following table summarizes the fair value of our performing and non-performing investments as of March 31, 2019 and December 31, 2018:

	March 31, 2019		December 31, 2018	
	Fair Value	Percentage	Fair Value	Percentage
Performing	\$ 2,137,727	99.19%	\$ 1,957,830	99.27%
Non-accrual ⁽¹⁾	17,482	0.81	14,327	0.73
Total	\$ 2,155,209	100.00%	\$ 1,972,157	100.00%

- (1) Loans are generally placed on non-accrual status when principal or interest payments are past due 30 days or more or when there is reasonable doubt that principal or interest will be collected in full. Accrued and unpaid interest is generally reversed when a loan is placed on non-accrual status. Interest payments received on non-accrual loans may be recognized as income or applied to principal depending upon management's judgment regarding collectability. Non-accrual loans are restored to accrual status when past due principal and interest has been paid current and, in management's judgment, likely to remain current. Management may not place a loan on non-accrual status if the loan has sufficient collateral value and is in the process of collection. See Note 2 to the consolidated financial statements included in Part I, Item 1 of this Form 10-Q for more information on the accounting policies.

See the Consolidated Schedules of Investments as of March 31, 2019 and December 31, 2018 in our consolidated financial statements in Part I, Item 1 of this Form 10-Q for more information on these investments, including a list of companies and type and amount of investments.

As part of the monitoring process, our Investment Adviser has developed risk policies pursuant to which it regularly assesses the risk profile of each of our debt investments and rates each of them based on the following categories, which we refer to as "Internal Risk Ratings":

Internal Risk Ratings Definitions

Rating	Definition
1	Performing—Low Risk: Borrower is operating more than 10% ahead of the base case.
2	Performing—Stable Risk: Borrower is operating within 10% of the base case (above or below). This is the initial rating assigned to all new borrowers.
3	Performing—Management Notice: Borrower is operating more than 10% below the base case. A financial covenant default may have occurred, but there is a low risk of payment default.
4	Watch List: Borrower is operating more than 20% below the base case and there is a high risk of covenant default, or it may have already occurred. Payments are current although subject to greater uncertainty, and there is moderate to high risk of payment default.
5	Watch List—Possible Loss: Borrower is operating more than 30% below the base case. At the current level of operations and financial condition, the borrower does not have the ability to service and ultimately repay or refinance all outstanding debt on current terms. Payment default is very likely or may have occurred. Loss of principal is possible.
6	Watch List—Probable Loss: Borrower is operating more than 40% below the base case, and at the current level of operations and financial condition, the borrower does not have the ability to service and ultimately repay or refinance all outstanding debt on current terms. Payment default is very likely or may have already occurred. Additionally, the prospects for improvement in the borrower's situation are sufficiently negative that impairment of some or all principal is probable.

Our Investment Adviser's risk rating model is based on evaluating portfolio company performance in comparison to the base case when considering certain credit metrics including, but not limited to, adjusted EBITDA and net senior leverage as well as specific events including, but not limited to, default and impairment.

Our Investment Adviser monitors and, when appropriate, changes the investment ratings assigned to each debt investment in our portfolio. In connection with our quarterly valuation process, our Investment Adviser reviews our investment ratings on a regular basis. The following table summarizes the Internal Risk Ratings as of March 31, 2019 and December 31, 2018:

	March 31, 2019		December 31, 2018	
	Fair Value	% of Fair Value	Fair Value	% of Fair Value
(dollar amounts in millions)				
Internal Risk Rating 1	\$ 70.8	3.74%	\$ 71.0	4.12%
Internal Risk Rating 2	1,381.7	73.02	1,302.9	75.52
Internal Risk Rating 3	212.5	11.23	208.4	12.08
Internal Risk Rating 4	189.2	10.00	105.1	6.09
Internal Risk Rating 5	23.3	1.23	23.5	1.36
Internal Risk Rating 6	14.7	0.78	14.3	0.83
Total	\$ 1,892.2	100.00%	\$ 1,725.2	100.00%

As of March 31, 2019 and December 31, 2018, the weighted average Internal Risk Rating of our debt investment portfolio was 2.3. As of March 31, 2019 and December 31, 2018, 14 and 12 of our debt investments, with an aggregate fair value of \$227.2 million and \$142.9 million, respectively, were assigned an Internal Risk Rating of 4-6 ("Watch List"). As of March 31, 2019 and December 31, 2018, three and two first lien debt investments in the portfolio with a fair value of \$17.5 million and \$14.3 million, respectively, were on non-accrual status, which represented approximately 0.81% and 0.73%, respectively, of total investments at fair value. The remaining first and second lien debt investments were performing and current on their interest payments as of March 31, 2019 and December 31, 2018.

During the three month period ended March 31, 2019, 4 investments with fair value of \$114.0 million were downgraded to the Watch List due to changes in financial condition and performance of the respective portfolio companies and 2 investments with fair value of \$28.4 million were upgraded and removed from the Watch List due to improved performance of the respective portfolio companies.

CONSOLIDATED RESULTS OF OPERATIONS

For the three month periods ended March 31, 2019 and 2018

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 losses and net change in unrealized appreciation and depreciation. As a result, quarterly comparisons may not be meaningful.

Investment Income

Investment income for the three month periods ended March 31, 2019 and 2018 was as follows:

	For the three month periods ended	
	March 31, 2019	March 31, 2018
Investment income:		
First Lien Debt	\$ 41,574	\$ 33,455
Second Lien Debt	5,746	7,103
Equity Investments	247	—
Investment Fund	7,538	6,881
Cash	82	44
Total investment income	\$ 55,187	\$ 47,483

The increase in investment income for the three month period ended March 31, 2019 from the comparable period in 2018 was primarily driven by our increasing invested balance, an increase in LIBOR, and increased interest and dividend income from Credit Fund. As of March 31, 2019, the size of our portfolio increased to \$2,221,378 from \$1,920,852 as of March 31, 2018, at amortized cost, and total principal amount of investments outstanding increased to \$2,253,682 from \$1,950,235 as of March 31, 2018. As of March 31, 2019, the weighted average yield of our first and second lien debt investments increased to 9.51% from 9.24% as of March 31, 2018 on amortized cost, primarily due to the increase in LIBOR.

Interest income on our first and second lien debt investments is dependent on the composition and credit quality of the portfolio. Generally, we expect the portfolio to generate predictable quarterly interest income based on the terms stated in each loan's credit agreement. As of March 31, 2019 and 2018, three and one first lien debt investments in the portfolio were on non-accrual with fair value of \$17,482 and \$14,955, respectively, which represents 0.81% and 0.78% of total investments at fair value, respectively. The remaining first and second lien debt investments were performing and current on their interest payments as of March 31, 2019 and 2018.

For the three month periods ended March 31, 2019 and 2018, the Company earned \$2,028 and \$895, respectively, in other income. The increase in other income for the three month period ended March 31, 2019 from the comparable period in 2018 was primarily driven by higher amendment fees and arranger fees.

Our total dividend and interest income from investments in Credit Fund totaled \$7,538 and \$6,881 for the three month periods ended March 31, 2019 and 2018, respectively. The increase was primarily driven by our increased invested balance in Credit Fund and an increase in LIBOR.

Net investment income (loss) for the three month periods ended March 31, 2019 and 2018 was as follows:

	For the three month periods ended	
	March 31, 2019	March 31, 2018
Total investment income	\$ 55,187	\$ 47,483
Net expenses (including excise tax expense)	(27,625)	(22,353)
Net investment income (loss)	\$ 27,562	\$ 25,130

Expenses

	For the three month periods ended	
	March 31, 2019	March 31, 2018
Base management fees	\$ 7,685	\$ 7,222
Incentive fees	5,846	5,330
Professional fees	745	762
Administrative service fees	216	186
Interest expense	11,991	7,815
Credit facility fees	568	525
Directors' fees and expenses	93	98
Other general and administrative	421	405
Excise tax expense	60	10
Net expenses	\$ 27,625	\$ 22,353

Interest expense and credit facility fees for the three month periods ended March 31, 2019 and 2018 were comprised of the following:

	For the three month periods ended	
	March 31, 2019	March 31, 2018
Interest expense	\$ 11,991	\$ 7,815
Facility unused commitment fee	303	288
Amortization of deferred financing costs	236	202
Other fees	29	35
Total interest expense and credit facility fees	\$ 12,559	\$ 8,340
Cash paid for interest expense	\$ 11,515	\$ 7,682

The increase in interest expense for the three month period ended March 31, 2019 compared to the comparable period in 2018 was driven by increased drawings under the Facilities related to increased deployment of capital for investments and an increase in LIBOR. For the three month period ended March 31, 2019, the average interest rate increased to 4.71% from 3.78% for the comparable period in 2018, and average principal debt outstanding increased to \$1,017,719 from \$826,656 for the comparable period in 2018.

The increase in base management fees and incentive fees related to pre-incentive fee net investment income for the three month period ended March 31, 2019 from the comparable period in 2018 were driven by our deployment of capital and increasing invested balance. For the three month periods ended March 31, 2019 and 2018, base management fees were \$7,685 and \$7,222, respectively, incentive fees related to pre-incentive fee net investment income were \$5,846 and \$5,330, respectively, and there were no incentive fees related to realized capital gains. The accrual for any capital gains incentive fee under accounting principles generally accepted in the United States ("US GAAP") in a given period may result in an additional expense if such cumulative amount is greater than in the prior period or a reduction of previously recorded expense if such cumulative amount is less than in the prior period. If such cumulative amount is negative, then there is no accrual. See Note 4 to the consolidated financial statements included in Part I, Item 1 of this Form 10-Q for more information on the incentive and base management fees. For the three month periods ended March 31, 2019 and 2018, there were no accrued capital gains incentive fees based upon the cumulative net realized and unrealized appreciation (depreciation) as of March 31, 2019 and 2018, respectively.

Professional fees include legal, rating agencies, audit, tax, valuation, technology and other professional fees incurred related to the management of the Company. Administrative service fees represent fees paid to the Administrator for our allocable portion of overhead and other expenses incurred by the Administrator in performing its obligations under the administration agreement, including our allocable portion of the cost of certain of our executive officers and their respective staff. Other general and administrative expenses include insurance, filing, research, subscriptions and other costs.

Net Realized Gain (Loss) and Net Change in Unrealized Appreciation (Depreciation) on Investments

During the three month periods ended March 31, 2019 and 2018, we had realized gains on 2 and 1 investments, respectively, totaling approximately \$959 and \$2, respectively, which were offset by realized losses on 1 and 3 investments,

respectively, totaling approximately \$60 and \$131, respectively. During the three month periods ended March 31, 2019 and 2018, we had a change in unrealized appreciation on 70 and 55 investments, respectively, totaling approximately \$16,195 and \$9,612, respectively, which was offset by a change in unrealized depreciation on 37 and 53 investments, respectively, totaling approximately \$10,930 and \$13,524, respectively.

Net realized gain (loss) and net change in unrealized appreciation (depreciation) by the type of investments for the three month periods ended March 31, 2019 and 2018 were as follows:

	For the three month periods ended	
	March 31, 2019	March 31, 2018
Net realized gain (loss) on investments	\$ 899	\$ (129)
Net change in unrealized appreciation (depreciation) on investments	5,265	(3,912)
Net realized gain (loss) and net change in unrealized appreciation (depreciation) on investments	\$ 6,164	\$ (4,041)

Net realized gain (loss) and net change in unrealized appreciation (depreciation) by the type of investments for the three month periods ended March 31, 2019 and 2018 were as follows:

Type	For the three month periods ended			
	March 31, 2019		March 31, 2018	
	Net realized gain (loss)	Net change in unrealized appreciation (depreciation)	Net realized gain (loss)	Net change in unrealized appreciation (depreciation)
First Lien Debt	\$ (60)	\$ 978	\$ (131)	\$ (4,985)
Second Lien Debt	—	1,419	2	(433)
Equity Investments	959	2,372	—	806
Investment Fund	—	496	—	700
Total	\$ 899	\$ 5,265	\$ (129)	\$ (3,912)

Net change in unrealized appreciation in our investments for the three month period ended March 31, 2019 compared to the comparable period in 2018 was primarily due to changes in various inputs utilized under our valuation methodology, including, but not limited to, market spreads, leverage multiples and borrower ratings, and the impact of exits.

MIDDLE MARKET CREDIT FUND, LLC

Overview

On February 29, 2016, the Company and Credit Partners entered into an amended and restated limited liability company agreement, which was subsequently amended on June 24, 2016 (as amended, the "Limited Liability Company Agreement") to co-manage Credit Fund, a Delaware limited liability company that is not consolidated in the Company's consolidated financial statements. Credit Fund primarily invests in first lien loans of middle market companies. Credit Fund is managed by a six-member board of managers, on which the Company and Credit Partners each have equal representation. Establishing a quorum for Credit Fund's board of managers requires at least four members to be present at a meeting, including at least two of the Company's representatives and two of Credit Partners' representatives. The Company and Credit Partners each have 50% economic ownership of Credit Fund and have commitments to fund, from time to time, capital of up to \$400,000 each. Funding of such commitments generally requires the approval of the board of Credit Fund, including the board members appointed by the Company. By virtue of its membership interest, the Company and Credit Partners each indirectly bear an allocable share of all expenses and other obligations of Credit Fund.

Together with Credit Partners, the Company co-invests through Credit Fund. Investment opportunities for Credit Fund are sourced primarily by the Company and its affiliates. Portfolio and investment decisions with respect to Credit Fund must be unanimously approved by a quorum of Credit Fund's investment committee consisting of an equal number of representatives of the Company and Credit Partners. Therefore, although the Company owns more than 25% of the voting securities of Credit Fund, the Company does not believe that it has control over Credit Fund (other than for purposes of the Investment Company Act). Middle Market Credit Fund SPV, LLC (the "Credit Fund Sub"), MMCF CLO 2017-1 LLC (the "2017-1 Issuer") and MMCF Warehouse, LLC (the "Credit Fund Warehouse"), each a Delaware limited liability company, were formed on April 5, 2016 and October 6, 2017 and November 26, 2018, respectively. Credit Fund Sub, the 2017-1 Issuer and the Credit Fund Warehouse are wholly owned subsidiaries of Credit Fund and are consolidated in Credit Fund's consolidated financial statements commencing

from the date of their respective formations. Credit Fund Sub, the 2017-1 Issuer and the Credit Fund Warehouse primarily invest in first lien loans of middle market companies. Credit Fund and its wholly owned subsidiaries follow the same Internal Risk Rating System as the Company.

Credit Fund, the Company and Credit Partners entered into an administration agreement with Carlyle Global Credit Administration L.L.C., the administrative agent of Credit Fund (in such capacity, the “Administrative Agent”), pursuant to which the Administrative Agent is delegated certain administrative and non-discretionary functions, is authorized to enter into sub-administration agreements at the expense of Credit Fund with the approval of the board of managers of Credit Fund, and is reimbursed by Credit Fund for its costs and expenses and Credit Fund’s allocable portion of overhead incurred by the Administrative Agent in performing its obligations thereunder.

Selected Financial Data

Since inception of Credit Fund and through March 31, 2019 and December 31, 2018, the Company and Credit Partners each made capital contributions of \$1 and \$1 in members’ equity, respectively, and \$118,000 and \$118,000 in subordinated loans, respectively, to Credit Fund. As of March 31, 2019 and December 31, 2018, Credit Fund had borrowings of \$123,800 and \$112,000, respectively, in mezzanine loans under a revolving credit facility with the Company (the “Credit Fund Facility”). As of March 31, 2019 and December 31, 2018, Credit Fund had total subordinated loans and members’ equity outstanding of \$217,496 and \$208,568, respectively. As of March 31, 2019 and December 31, 2018, the Company’s ownership interest in such subordinated loans and members’ equity was \$110,791 and \$110,295, respectively, and in such mezzanine loans was \$123,800 and \$112,000, respectively.

As of March 31, 2019 and December 31, 2018, Credit Fund held cash and cash equivalents totaling \$33,737 and \$55,699, respectively.

As of March 31, 2019 and December 31, 2018, Credit Fund had total investments at fair value of \$1,258,295 and \$1,173,508, respectively, which was comprised of first lien senior secured loans, second lien senior secured loans and an equity investment to 64 and 60 portfolio companies, respectively. As of March 31, 2019 and December 31, 2018, 1 loan in Credit Fund’s portfolio was on non-accrual status with fair value of \$21,151 and \$25,400, respectively. As of March 31, 2019 and December 31, 2018, 98.3% and 99.9%, respectively, of investments in the portfolio were floating rate debt investments, which primarily are subject to interest rate floors. As of March 31, 2019 and December 31, 2018, 1.7% and 0.1%, respectively, of investments in the portfolio were fixed rate debt investments. As of March 31, 2019 and December 31, 2018, 1 loan in Credit Fund’s portfolio contained PIK provisions. The portfolio companies in Credit Fund are U.S. middle market companies in industries similar to those in which the Company may invest directly. Additionally, as of March 31, 2019 and December 31, 2018, Credit Fund had commitments to fund various undrawn revolving and delayed draw senior secured loans to its portfolio companies totaling \$105,101 and \$91,446, respectively.

Below is a summary of Credit Fund’s portfolio, followed by a listing of the loans in Credit Fund’s portfolio as of March 31, 2019 and December 31, 2018:

	As of March 31, 2019	As of December 31, 2018
Senior secured loans ⁽¹⁾	\$ 1,270,122	\$ 1,207,913
Weighted average yields of senior secured loans based on amortized cost ⁽²⁾	7.17%	7.16%
Weighted average yields of senior secured loans based on fair value ⁽²⁾	7.22%	7.32%
Number of portfolio companies in Credit Fund	64	60
Average amount per portfolio company ⁽¹⁾	\$ 19,846	\$ 20,132

(1) At par/principal amount.

(2) Weighted average yields include the effect of accretion of discounts and amortization of premiums and are based on interest rates as of March 31, 2019 and December 31, 2018. Weighted average yield on debt and income producing securities at fair value is computed as (a) the annual stated interest rate or yield earned plus the net annual amortization of OID and market discount earned on accruing debt included in such securities, divided by (b) total first lien and second lien debt at fair value included in such securities. Weighted average yield on debt and income producing securities at amortized cost is computed as (a) the annual stated interest rate or yield earned plus the net annual amortization of OID and market discount earned on accruing debt included in such securities, divided by (b) total first lien and second lien debt at amortized cost included in such securities. Actual yields earned over the life of each investment could differ materially from the yields presented above.

Credit Fund's Consolidated Schedule of Investments as of March 31, 2019

Investments ⁽¹⁾	Footnotes	Industry	Reference Rate & Spread ⁽²⁾	Interest Rate ⁽²⁾	Maturity Date	Par/Principal Amount	Amortized Cost ⁽⁵⁾	Fair Value ⁽⁶⁾
First Lien Debt (97.80% of fair value)								
Achilles Acquisition, LLC	+ \ (2) (3)	Banking, Finance, Insurance & Real Estate	L + 4.00%	6.50%	10/11/2025	\$ 18,000	\$ 17,908	\$ 17,824
Acisure, LLC	+ (2) (3)	Banking, Finance, Insurance & Real Estate	L + 4.25%	6.88%	11/22/2023	20,833	20,792	20,674
Acisure, LLC	+ \ (2) (3)	Banking, Finance, Insurance & Real Estate	L + 3.75%	6.38%	11/22/2023	11,910	11,899	11,727
Advanced Instruments, LLC	^+* (2) (3) (8)	Healthcare & Pharmaceuticals	L + 5.25%	7.73%	10/31/2022	11,761	11,670	11,676
Ahead, LLC	^+ (2) (3) (8)	High Tech Industries	L + 4.25%	6.88%	6/29/2023	15,659	15,584	15,508
Alpha Packaging Holdings, Inc.	+* (2) (3)	Containers, Packaging & Glass	L + 4.25%	6.85%	5/12/2020	16,815	16,790	16,796
AM Conservation Holding Corporation	+* (2) (3)	Energy: Electricity	L + 4.50%	7.10%	10/31/2022	38,213	37,993	38,056
Aptean, Inc.	+ \ (2) (3)	Software	L + 4.25%	6.74%	4/23/2026	12,500	12,441	12,438
AQA Acquisition Holding, Inc.	^+* (2) (3) (8)	High Tech Industries	L + 4.25%	6.85%	5/24/2023	19,100	19,044	19,061
Avalign Technologies, Inc.	+ \ (2) (3)	Healthcare & Pharmaceuticals	L + 4.50%	7.00%	12/22/2025	12,968	12,845	12,827
Big Ass Fans, LLC	+* \ (2) (3)	Capital Equipment	L + 3.75%	6.35%	5/21/2024	14,016	13,938	13,990
Borchers, Inc.	^+* (2) (3) (8)	Chemicals, Plastics & Rubber	L + 4.50%	7.10%	11/1/2024	15,550	15,496	15,515
Brooks Equipment Company, LLC	+* (2) (3)	Construction & Building	L + 5.00%	7.63%	8/29/2020	5,948	5,941	5,942
Clearent Newco, LLC	^+ (2) (3) (8)	High Tech Industries	L + 4.00%	6.56%	3/20/2024	26,239	25,870	25,991
Datto, Inc.	+ \ (2) (3)	High Tech Industries	L + 4.25%	6.74%	4/2/2026	12,500	12,441	12,438
DecoPac, Inc.	^+* (2) (3) (8)	Non-durable Consumer Goods	L + 4.25%	6.85%	9/29/2024	12,664	12,543	12,596
Dent Wizard International Corporation	+ (2) (3)	Automotive	L + 4.00%	6.50%	4/7/2020	24,194	24,132	24,105
DTI Holdco, Inc.	+* \ (2) (3)	High Tech Industries	L + 4.75%	7.49%	9/30/2023	19,032	18,897	17,795
EIP Merger Sub, LLC (Evolve IP)	+* (2) (3) (4)	Telecommunications	L + 5.75%	8.25%	6/7/2022	22,282	21,872	21,601
EIP Merger Sub, LLC (Evolve IP)	* (2) (3) (7)	Telecommunications	L + 5.75%	8.25%	6/7/2022	1,500	1,470	1,448
Eliassen Group, LLC	+ (2) (3)	Business Services	L + 4.50%	7.00%	11/5/2024	6,242	6,219	6,236
Exactech, Inc.	+ \ (2) (3)	Healthcare & Pharmaceuticals	L + 3.75%	6.25%	2/14/2025	12,870	12,822	12,775
Executive Consulting Group, LLC, Inc.	^+ (2) (3) (8)	Business Services	L + 4.25%	6.85%	6/20/2024	15,279	15,135	15,115
Golden West Packaging Group LLC	+* (2) (3)	Containers, Packaging & Glass	L + 5.25%	7.75%	6/20/2023	30,099	29,904	29,774
HMT Holding Inc.	^+* (2) (3) (8)	Energy: Oil & Gas	L + 4.50%	7.00%	11/17/2023	33,404	32,846	33,123
J.S. Held, LLC	+* (2) (3) (8)	Banking, Finance, Insurance & Real Estate	L + 4.50%	7.10%	9/25/2024	20,262	20,117	20,068
Jensen Hughes, Inc.	^+* (2) (3) (8)	Utilities: Electric	L + 4.50%	7.10%	3/22/2024	29,354	29,149	28,932
Kestra Financial, Inc.	+* (2) (3)	Banking, Finance, Insurance & Real Estate	L + 4.25%	6.88%	6/24/2022	21,697	21,510	21,697
MAG DS Corp.	^+ (2) (3) (8)	Aerospace & Defense	L + 4.75%	7.25%	6/6/2025	25,844	25,587	25,717

Credit Fund's Consolidated Schedule of Investments as of March 31, 2019

Investments ⁽¹⁾	Footnotes	Industry	Reference Rate & Spread ⁽²⁾	Interest Rate ⁽²⁾	Maturity Date	Par/Principal Amount	Amortized Cost ⁽⁵⁾	Fair Value ⁽⁶⁾
First Lien Debt (97.80% of fair value) (continued)								
Maravai Intermediate Holdings, LLC	+ \ (2) (3)	Healthcare & Pharmaceuticals	L + 4.25%	6.75%	8/2/2025	\$ 29,850	\$ 29,574	\$ 29,605
Marco Technologies, LLC	^+ (2) (3) (8)	Media: Advertising, Printing & Publishing	L + 4.25%	7.07%	10/30/2023	7,498	7,451	7,425
Mold-Rite Plastics, LLC	+ (2) (3)	Chemicals, Plastics & Rubber	L + 4.25%	6.85%	12/14/2021	14,813	14,759	14,758
MSHC, Inc.	^+* (2) (3) (8)	Construction & Building	L + 4.25%	6.85%	7/31/2023	31,163	31,057	30,957
Newport Group Holdings II, Inc.	+ \ (2)	Banking, Finance, Insurance & Real Estate	L + 3.75%	6.36%	9/13/2025	23,895	23,655	23,757
North American Dental Management, LLC	^+* (2) (3) (8)	Healthcare & Pharmaceuticals	L + 5.25%	7.81%	7/7/2023	37,091	36,451	36,395
North Haven CA Holdings, Inc.	^+* (2) (3) (8)	Business Services	L + 4.50%	7.10%	10/2/2023	35,052	34,717	34,653
Odyssey Logistics & Technology Corporation	+* \ (2) (3)	Transportation: Cargo	L + 4.00%	6.50%	10/12/2024	39,650	39,472	39,372
Output Services Group	^+ \ (2) (3) (8)	Media: Advertising, Printing & Publishing	L + 4.25%	6.75%	3/27/2024	17,356	17,297	16,827
PAI Holdco, Inc.	+* (2) (3)	Automotive	L + 4.25%	6.77%	1/5/2025	19,673	19,588	19,625
Park Place Technologies, Inc.	+ \ (2) (3)	High Tech Industries	L + 4.00%	6.50%	3/29/2025	15,882	15,819	15,724
Pasternack Enterprises, Inc.	+ (2) (3)	Capital Equipment	L + 4.00%	6.50%	7/2/2025	20,026	20,026	19,848
Pharmalogic Holdings Corp.	^+ (2) (3) (8)	Healthcare & Pharmaceuticals	L + 4.00%	6.50%	6/11/2023	6,999	6,979	6,939
Ping Identity Corporation	+ \ (2) (3)	High Tech Industries	L + 3.75%	6.25%	1/25/2025	4,963	4,952	4,933
Premier Senior Marketing, LLC	* (2) (3)	Banking, Finance, Insurance & Real Estate	L + 4.25%	6.75%	11/30/2025	4,953	4,931	4,908
Premise Health Holding Corp.	^+ \ (2) (3) (8)	Healthcare & Pharmaceuticals	L + 3.75%	6.35%	7/10/2025	13,828	13,769	13,721
Propel Insurance Agency, LLC	^+ (2) (3) (8)	Banking, Finance, Insurance & Real Estate	L + 4.25%	6.85%	6/1/2024	20,323	19,792	19,901
PSI Services, LLC	^+* (2) (3) (8)	Business Services	L + 5.00%	7.51%	1/20/2023	30,069	29,639	29,599
Q Holding Company	+* (2) (3)	Automotive	L + 5.00%	7.50%	12/18/2021	17,055	17,016	16,998
QW Holding Corporation (Quala)	^+* (2) (3) (8)	Environmental Industries	L + 5.75%	8.42%	8/31/2022	10,500	10,260	10,337
Radiology Partners, Inc.	+ \ (2) (3)	Healthcare & Pharmaceuticals	L + 4.75%	7.42%	7/9/2025	24,937	24,814	24,937
RevSpring, Inc.	+* \ (2) (3)	Media: Advertising, Printing & Publishing	L + 4.25%	6.75%	10/11/2025	24,938	24,851	24,653
Situs Group Holdings Corporation	+ (2) (3)	Banking, Finance, Insurance & Real Estate	L + 4.50%	7.00%	2/26/2023	8,915	8,907	8,863
Surgical Information Systems, LLC	+* (2) (3) (7)	High Tech Industries	L + 4.85%	7.34%	4/24/2023	26,168	25,973	25,754
Systems Maintenance Services Holding, Inc.	+* (2) (3)	High Tech Industries	L + 5.00%	7.50%	10/28/2023	23,949	23,839	19,054
T2 Systems Canada, Inc.	+ (2) (3)	Transportation: Consumer	L + 6.75%	9.35%	9/28/2022	2,639	2,594	2,633
T2 Systems, Inc.	^+* (2) (3) (8)	Transportation: Consumer	L + 6.75%	9.35%	9/28/2022	15,737	15,463	15,696

Credit Fund's Consolidated Schedule of Investments as of March 31, 2019

Investments ⁽¹⁾	Footnotes	Industry	Reference Rate & Spread ⁽²⁾	Interest Rate ⁽²⁾	Maturity Date	Par/Principal Amount	Amortized Cost ⁽⁵⁾	Fair Value ⁽⁶⁾	
First Lien Debt (97.80% of fair value) (continued)									
The Original Cakerie, Co. (Canada)	+*	(2) (3)	Beverage, Food & Tobacco	L + 5.00%	7.58%	7/20/2022	\$ 8,996	\$ 8,950	\$ 8,945
The Original Cakerie, Ltd. (Canada)	^+	(2) (3) (8)	Beverage, Food & Tobacco	L + 4.50%	7.08%	7/20/2022	6,674	6,637	6,630
ThoughtWorks, Inc.	+*\	(2) (3)	Business Services	L + 4.00%	6.50%	10/12/2024	11,914	11,880	11,823
U.S. Acute Care Solutions, LLC	+*	(2) (3)	Healthcare & Pharmaceuticals	L + 5.00%	7.60%	5/15/2021	31,624	31,472	31,582
U.S. TelePacific Holdings Corp.	+*\	(2) (3)	Telecommunications	L + 5.00%	7.60%	5/2/2023	26,660	26,468	25,794
Upstream Intermediate, LLC	^+	(2) (3) (8)	Healthcare & Pharmaceuticals	L + 4.00%	6.50%	1/3/2024	18,164	18,092	18,041
Valet Waste Holdings, Inc.	+*\	(2) (3)	Construction & Building	L + 4.00%	6.50%	9/28/2025	11,940	11,918	11,885
Valicor Environmental Services, LLC	^+*	(2) (3) (8)	Environmental Industries	L + 4.50%	6.99%	6/1/2023	34,658	34,182	34,298
WIRB - Copernicus Group, Inc.	^+*	(2) (3) (8)	Healthcare & Pharmaceuticals	L + 4.25%	6.75%	8/15/2022	17,150	17,061	17,012
WRE Holding Corp.	^+*	(2) (3) (8)	Environmental Industries	L + 5.00%	7.49%	1/3/2023	7,479	7,407	7,263
Zywave, Inc.	^+*	(2) (3) (8)	High Tech Industries	L + 5.00%	7.50%	11/17/2022	18,006	17,878	18,003
First Lien Debt Total							\$ 1,238,445	\$ 1,230,593	
Second Lien Debt (1.76% of fair value)									
DBI Holding, LLC	^*	(2) (3) (9)	Transportation: Cargo	8.00% (100% PIK)	8.00%	2/1/2026	\$ 21,150	\$ 20,697	\$ 21,151
Zywave, Inc.	*	(2) (3)	High Tech Industries	L + 9.00%	11.49%	11/17/2023	1,050	1,039	1,050
Second Lien Debt Total							\$ 21,736	\$ 22,201	
Investments ⁽¹⁾	Footnotes	Industry	Type	Shares/Units	Cost	Fair Value ⁽⁶⁾			
Equity Investments (0.44% of fair value)									
DBI Holding, LLC	^	Transportation: Cargo	Preferred stock	13,996	\$ 5,365	\$ 5,501			
DBI Holding, LLC	^	Transportation: Cargo	Common stock	2,961	—	—			
Equity Investments Total					\$ 5,365	\$ 5,501			
Total Investments					\$ 1,265,546	\$ 1,258,295			

^ Denotes that all or a portion of the assets are owned by Credit Fund. Credit Fund has entered into the Credit Fund Facility. The lenders of the Credit Fund Facility have a first lien security interest in substantially all of the assets of Credit Fund. Accordingly, such assets are not available to creditors of Credit Fund Sub, the 2017-1 Issuer or the Credit Fund Warehouse.

+ Denotes that all or a portion of the assets are owned by Credit Fund Sub. Credit Fund Sub has entered into a revolving credit facility (the "Credit Fund Sub Facility"). The lenders of the Credit Fund Sub Facility have a first lien security interest in substantially all of the assets of Credit Fund Sub. Accordingly, such assets are not available to creditors of Credit Fund, the 2017-1 Issuer or the Credit Fund Warehouse.

* Denotes that all or a portion of the assets are owned by the 2017-1 Issuer and secure the notes issued in connection with a \$399,900 term debt securitization completed by Credit Fund on December 19, 2017 (the "2017-1 Debt Securitization"). Accordingly, such assets are not available to creditors of Credit Fund, Credit Fund Sub or the Credit Fund Warehouse.

\ Denotes that all or a portion of the assets are owned by the Credit Fund Warehouse. Credit Fund Warehouse has entered into a revolving credit facility (the "Credit Fund Warehouse Facility"). The lenders of the Credit Fund Warehouse Facility have a first lien security interest in substantially all of the assets of the Credit Fund Warehouse. Accordingly, such assets are not available to creditors of Credit Fund, Credit Fund Sub or the 2017-1 Issuer.

- Unless otherwise indicated, issuers of investments held by Credit Fund are domiciled in the United States. As of March 31, 2019, the geographical composition of investments as a percentage of fair value was 1.45% in Canada and 98.55% in the United States. Certain portfolio company investments are subject to contractual restrictions on sales.
- Variable rate loans to the portfolio companies bear interest at a rate that is determined by reference to either LIBOR or an alternate base rate (commonly based on the Federal Funds Rate or the U.S. Prime Rate), which generally resets quarterly. For each such loan, Credit Fund has indicated the reference rate used and provided the spread and the interest rate in effect as of March 31, 2019. As of March 31, 2019, the reference rates for Credit Fund's variable rate loans were the 30-day LIBOR at 2.49%, the 90-day LIBOR at 2.60% and the 180-day LIBOR at 2.66%.
- Loan includes interest rate floor feature, which is generally 1.00%.

- (4) Credit Fund Sub receives less than the stated interest rate of this loan as a result of an agreement among lenders. The interest rate reduction is 1.20% on EIP Merger Sub, LLC (Evolve IP). Pursuant to the agreement among lenders in respect of this loan, this investment represents a first lien/first out loan, which has first priority ahead of the first lien/last out loan with respect to principal, interest and other payments.
- (5) Amortized cost represents original cost, including origination fees and upfront fees received that are deemed to be an adjustment to yield, adjusted for the accretion/amortization of discounts/premiums, as applicable, on debt investments using the effective interest method.
- (6) Fair value is determined in good faith by or under the direction of the board of managers of Credit Fund, pursuant to Credit Fund's valuation policy, with the fair value of all investments determined using significant unobservable inputs, which is substantially similar to the valuation policy of the Company provided in Note 3, Fair Value Measurements, to the consolidated financial statements in Part I, Item 1 of this Form 10-Q.
- (7) In addition to the interest earned based on the stated interest rate of this loan, which is the amount reflected in this schedule, Credit Fund is entitled to receive additional interest as a result of an agreement among lenders as follows: EIP Merger Sub, LLC (Evolve IP) (3.75%) and Surgical Information Systems, LLC (1.13%). Pursuant to the agreement among lenders in respect of these loans, these investments represent a first lien/last out loan, which has a secondary priority behind the first lien/first out loan with respect to principal, interest and other payments.
- (8) As of March 31, 2019, Credit Fund and Credit Fund Sub had the following unfunded commitments to fund delayed draw and revolving senior secured loans:

First Lien Debt—unfunded delayed draw and revolving term loans commitments	Type	Unused Fee	Par/ Principal Amount	Fair Value
Advanced Instruments, LLC	Revolver	0.50%	\$ 1,333	\$ (9)
Ahead, LLC	Revolver	0.50	4,688	(35)
AQA Acquisition Holding, Inc.	Revolver	0.50	2,459	(4)
Borchers, Inc.	Revolver	0.50	1,935	(4)
Clearent Newco, LLC	Delayed Draw	1.00	2,428	(20)
Clearent Newco, LLC	Revolver	0.50	1,120	(9)
DecoPac, Inc.	Revolver	0.50	2,143	(10)
Executive Consulting Group, LLC, Inc.	Revolver	0.50	2,368	(22)
HMT Holding Inc.	Revolver	0.50	6,173	(44)
J.S. Held, LLC	Delayed Draw	1.00	2	—
Jensen Hughes, Inc.	Revolver	0.50	1,455	(16)
Jensen Hughes, Inc.	Delayed Draw	1.00	6,842	(77)
MAG DS Corp.	Revolver	0.50	5,000	(20)
Marco Technologies, LLC	Delayed Draw	1.00	7,500	(37)
MSHC, Inc.	Delayed Draw	1.00	9,268	(47)
North American Dental Management, LLC	Revolver	0.50	2,505	(44)
North Haven CA Holdings, Inc. (CoAdvantage)	Revolver	0.50	6,114	(59)
Output Services Group	Delayed Draw	4.25	2,518	(67)
Pharmalogic Holdings Corp.	Delayed Draw	1.00	2,947	(18)
Premise Health Holding Corp.	Delayed Draw	1.00	1,103	(8)
Propel Insurance Agency, LLC	Delayed Draw	0.50	7,143	(101)
Propel Insurance Agency, LLC	Revolver	0.50	2,381	(34)
PSI Services LLC	Revolver	0.50	528	(8)
QW Holding Corporation (Quala)	Delayed Draw	1.00	1,453	(14)
QW Holding Corporation (Quala)	Revolver	0.50	5,498	(51)
T2 Systems, Inc.	Revolver	0.50	1,173	(3)
The Original Cakerie, Ltd. (Canada)	Revolver	0.50	1,399	(8)
Upstream Intermediate, LLC	Revolver	0.50	1,606	(10)
Valicor Environmental Services, LLC	Revolver	0.50	3,515	(33)
WIRB - Copernicus Group, Inc.	Delayed Draw	1.00	6,480	(36)
WIRB - Copernicus Group, Inc.	Revolver	0.50	1,000	(6)
WRE Holding Corp.	Delayed Draw	0.89	2,069	(45)
WRE Holding Corp.	Revolver	0.50	355	(8)
Zywave, Inc.	Revolver	0.50	600	—
Total unfunded commitments			\$ 105,101	\$ (907)

- (9) Loan was on non-accrual status as of March 31, 2019.

Credit Fund's Consolidated Schedule of Investments as of December 31, 2018

Investments ⁽¹⁾	Footnotes	Industry	Reference Rate & Spread ⁽²⁾	Interest Rate ⁽²⁾	Maturity Date	Par/Principal Amount	Amortized Cost ⁽⁵⁾	Fair Value ⁽⁶⁾
First Lien Debt (99.91% of fair value)								
Achilles Acquisition, LLC	+ \ (2) (3)	Banking, Finance, Insurance & Real Estate	L + 4.00%	6.56%	10/11/2025	\$ 18,000	\$ 17,906	\$ 17,716
Acisure, LLC	+ (2) (3)	Banking, Finance, Insurance & Real Estate	L + 4.25%	6.77%	11/22/2023	20,886	20,843	19,981
Acisure, LLC	+ \ (2) (3)	Banking, Finance, Insurance & Real Estate	L + 3.75%	6.27%	11/22/2023	11,940	11,928	11,333
Advanced Instruments, LLC	^+* (2) (3) (8)	Healthcare & Pharmaceuticals	L + 5.25%	7.63%	10/31/2022	11,791	11,695	11,690
Ahead, LLC	^+ (2) (3) (8)	High Tech Industries	L + 4.25%	6.87%	6/29/2023	20,059	19,959	19,856
Alpha Packaging Holdings, Inc.	+* (2) (3)	Containers, Packaging & Glass	L + 4.25%	7.05%	5/12/2020	16,860	16,830	16,813
AM Conservation Holding Corporation	+* (2) (3)	Energy: Electricity	L + 4.50%	7.30%	10/31/2022	38,310	38,079	38,027
AQA Acquisition Holding, Inc.	^+* (2) (3) (8)	High Tech Industries	L + 4.25%	7.05%	5/24/2023	19,148	19,111	18,978
Avalign Technologies, Inc.	+ \ (2) (3)	Healthcare & Pharmaceuticals	L + 4.50%	7.00%	12/22/2025	13,000	12,874	12,848
Big Ass Fans, LLC	+* \ (2) (3)	Capital Equipment	L + 3.75%	6.55%	5/21/2024	14,052	13,973	13,840
Borchers, Inc.	^+* (2) (3) (8)	Chemicals, Plastics & Rubber	L + 4.50%	7.30%	11/1/2024	15,589	15,533	15,545
Brooks Equipment Company, LLC	+* (2) (3)	Construction & Building	L + 5.00%	7.71%	8/29/2020	5,948	5,940	5,935
Clearent Newco, LLC	^+ (2) (3) (8)	High Tech Industries	L + 4.00%	6.52%	3/20/2024	23,093	22,702	22,819
DBI Holding, LLC	+* (2) (3) (9)	Transportation: Cargo	L + 5.25%	7.76%	8/1/2021	34,494	34,276	25,400
DBI Holding, LLC	^	Transportation: Cargo	15% (100% PIK)	7.76%	2/1/2020	1,119	1,119	1,119
DecoPac, Inc.	^+* (2) (3) (8)	Non-durable Consumer Goods	L + 4.25%	7.05%	9/29/2024	12,696	12,571	12,619
Dent Wizard International Corporation	+ (2) (3)	Automotive	L + 4.00%	6.51%	4/7/2020	24,256	24,183	24,110
DTI Holdco, Inc.	+* \ (2) (3)	High Tech Industries	L + 4.75%	7.28%	9/30/2023	19,081	18,941	17,793
EIP Merger Sub, LLC (Evolve IP)	+* (2) (3) (4)	Telecommunications	L + 5.75%	8.27%	6/7/2022	22,358	21,923	21,788
EIP Merger Sub, LLC (Evolve IP)	* (2) (3) (7)	Telecommunications	L + 5.75%	8.27%	6/7/2022	1,500	1,469	1,462
Eliassen Group, LLC	+ (2) (3)	Business Services	L + 4.50%	7.00%	11/5/2024	6,250	6,226	6,202
Exactech, Inc.	+ \ (2) (3)	Healthcare & Pharmaceuticals	L + 3.75%	6.27%	2/14/2025	12,903	12,849	12,741
Executive Consulting Group, LLC, Inc.	^+ (2) (3) (8)	Business Services	L + 4.50%	7.30%	6/20/2024	15,318	15,168	15,132
Golden West Packaging Group LLC	+* (2) (3)	Containers, Packaging & Glass	L + 5.25%	7.77%	6/20/2023	30,180	29,978	29,760
HMT Holding Inc.	^+* (2) (3) (8)	Energy: Oil & Gas	L + 4.50%	7.02%	11/17/2023	33,490	32,902	33,172
J.S. Held, LLC	+* (2) (3)	Banking, Finance, Insurance & Real Estate	L + 4.50%	7.30%	9/25/2024	20,309	20,137	19,998
Jensen Hughes, Inc.	^+* (2) (3) (8)	Utilities: Electric	L + 4.50%	7.30%	3/22/2024	27,978	27,896	27,382
Kestra Financial, Inc.	+* (2) (3)	Banking, Finance, Insurance & Real Estate	L + 4.25%	6.76%	6/24/2022	21,744	21,547	21,690
MAG DS Corp.	^+ (2) (3) (8)	Aerospace & Defense	L + 4.75%	7.27%	6/6/2025	22,885	22,679	22,665
Maravai Intermediate Holdings, LLC	+ \ (2)	Healthcare & Pharmaceuticals	L + 4.25%	6.81%	8/2/2025	29,925	29,640	29,578

Credit Fund's Consolidated Schedule of Investments as of December 31, 2018

Investments ⁽¹⁾	Footnotes	Industry	Reference Rate & Spread ⁽²⁾	Interest Rate ⁽²⁾	Maturity Date	Par/Principal Amount	Amortized Cost ⁽⁵⁾	Fair Value ⁽⁶⁾
First Lien Debt (99.91% of fair value)								
Mold-Rite Plastics, LLC	+ (2) (3)	Chemicals, Plastics & Rubber	L + 4.50%	7.30%	12/14/2021	\$ 14,850	\$ 14,793	\$ 14,762
MSHC, Inc.	^+* (2) (3) (8)	Construction & Building	L + 4.25%	6.89%	7/31/2023	23,579	23,514	23,088
Newport Group Holdings II, Inc.	+ \ (2)	Banking, Finance, Insurance & Real Estate	L + 3.75%	6.54%	9/13/2025	17,790	17,666	17,564
North American Dental Management, LLC	^+* (2) (3) (8)	Healthcare & Pharmaceuticals	L + 5.25%	8.04%	7/7/2023	37,781	37,329	37,093
North Haven CA Holdings, Inc.	^+* (2) (3) (8)	Business Services	L + 4.50%	7.02%	10/2/2023	35,139	34,789	34,401
Odyssey Logistics & Technology Corporation	+* \ (2) (3)	Transportation: Cargo	L + 4.00%	6.52%	10/12/2024	39,680	39,496	39,149
Output Services Group	^+ \ (2) (3) (8)	Media: Advertising, Printing & Publishing	L + 4.25%	6.77%	3/27/2024	17,400	17,338	16,663
PAI Holdco, Inc.	+* (2) (3)	Automotive	L + 4.25%	7.05%	1/5/2025	19,727	19,637	19,459
Park Place Technologies, Inc.	+ \ (2) (3)	High Tech Industries	L + 4.00%	6.52%	3/29/2025	15,922	15,856	15,639
Pasternack Enterprises, Inc.	+ (2) (3)	Capital Equipment	L + 4.00%	6.52%	7/2/2025	20,076	20,076	19,745
Pharmalogic Holdings Corp.	^+ (2) (3) (8)	Healthcare & Pharmaceuticals	L + 4.00%	6.52%	6/11/2023	7,017	6,995	6,949
Ping Identity Corporation	+ \ (2) (3)	High Tech Industries	L + 3.75%	6.27%	1/25/2025	4,975	4,956	4,915
Premier Senior Marketing, LLC	* (2) (3)	Banking, Finance, Insurance & Real Estate	L + 4.25%	6.75%	11/30/2025	4,953	4,953	4,875
Premise Health Holding Corp.	^+ \ (2) (3) (8)	Healthcare & Pharmaceuticals	L + 3.75%	6.55%	7/10/2025	13,862	13,805	13,717
Propel Insurance Agency, LLC	^+ (2) (3) (8)	Banking, Finance, Insurance & Real Estate	L + 4.25%	6.75%	6/1/2024	21,088	20,535	20,628
PSI Services, LLC	^+* (2) (3) (8)	Business Services	L + 5.00%	7.52%	1/20/2023	29,919	29,469	29,239
Q Holding Company	+* (2) (3)	Automotive	L + 5.00%	7.52%	12/18/2021	17,099	17,058	16,969
QW Holding Corporation (Quala)	^+* (2) (3) (8)	Environmental Industries	L + 6.75%	9.22%	8/31/2022	9,704	9,338	9,489
RevSpring, Inc.	+* \ (2) (3)	Media: Advertising, Printing & Publishing	L + 4.25%	7.05%	10/11/2025	20,000	19,953	19,680
Situs Group Holdings Corporation	+ (2) (3)	Banking, Finance, Insurance & Real Estate	L + 4.50%	7.02%	2/26/2023	8,915	8,892	8,887
Surgical Information Systems, LLC	+* (2) (3) (7)	High Tech Industries	L + 4.85%	7.37%	4/24/2023	27,708	27,494	27,171
Systems Maintenance Services Holding, Inc.	+* (2) (3)	High Tech Industries	L + 5.00%	7.52%	10/28/2023	24,010	23,907	17,842
T2 Systems Canada, Inc.	+ (2) (3)	Transportation: Consumer	L + 6.75%	9.34%	9/28/2022	2,646	2,598	2,630
T2 Systems, Inc.	^+* (2) (3) (8)	Transportation: Consumer	L + 6.75%	9.34%	9/28/2022	15,775	15,484	15,677
The Original Cakerie, Co. (Canada)	+* (2) (3)	Beverage, Food & Tobacco	L + 5.00%	7.50%	7/20/2022	9,019	8,968	8,932
The Original Cakerie, Ltd. (Canada)	+ (2) (3) (8)	Beverage, Food & Tobacco	L + 4.50%	7.02%	7/20/2022	6,957	6,917	6,883
ThoughtWorks, Inc.	+* \ (2) (3)	Business Services	L + 4.00%	6.52%	10/12/2024	11,944	11,909	11,770
U.S. Acute Care Solutions, LLC	+* (2) (3)	Healthcare & Pharmaceuticals	L + 5.00%	7.52%	5/15/2021	31,705	31,540	31,395

Credit Fund's Consolidated Schedule of Investments as of December 31, 2018

Investments ⁽¹⁾	Footnotes	Industry	Reference Rate & Spread ⁽²⁾	Interest Rate ⁽²⁾	Maturity Date	Par/Principal Amount	Amortized Cost ⁽⁵⁾	Fair Value ⁽⁶⁾
First Lien Debt (99.91% of fair value)								
U.S. TelePacific Holdings Corp.	+*\ (2) (3)	Telecommunications	L + 5.00%	7.80%	5/2/2023	\$ 26,660	\$ 26,459	\$ 24,768
Upstream Intermediate, LLC	^+ (2) (3) (8)	Healthcare & Pharmaceuticals	L + 4.25%	6.77%	1/3/2024	17,939	17,863	17,677
Valet Waste Holdings, Inc.	+ \ (2) (3)	Construction & Building	L + 4.00%	6.52%	9/28/2025	11,970	11,947	11,902
Valicor Environmental Services, LLC	^+* (2) (3) (8)	Environmental Industries	L + 4.75%	7.27%	6/1/2023	33,410	32,914	32,995
WIRB - Copernicus Group, Inc.	^+* (2) (3) (8)	Healthcare & Pharmaceuticals	L + 4.25%	6.77%	8/15/2022	17,194	17,098	16,931
WRE Holding Corp.	^+* (2) (3) (8)	Environmental Industries	L + 5.00%	7.52%	1/3/2023	7,238	7,162	6,993
Zywave, Inc.	^+* (2) (3) (8)	High Tech Industries	L + 5.00%	7.52%	11/17/2022	18,050	17,914	17,991
First Lien Debt Total							\$ 1,197,499	\$ 1,172,460
Second Lien Debt (0.09% of fair value)								
Zywave, Inc.	* (2) (3)	High Tech Industries	L + 9.00%	11.65%	11/17/2023	\$ 1,050	\$ 1,038	\$ 1,048
Second Lien Debt Total							\$ 1,038	\$ 1,048
Total Investments							\$ 1,198,537	\$ 1,173,508

^ Denotes that all or a portion of the assets are owned by Credit Fund. Credit Fund has entered into the Credit Fund Facility. The lenders of the Credit Fund Facility have a first lien security interest in substantially all of the assets of Credit Fund. Accordingly, such assets are not available to creditors of Credit Fund Sub, the 2017-1 Issuer or the Credit Fund Warehouse.

+ Denotes that all or a portion of the assets are owned by Credit Fund Sub. Credit Fund Sub has entered into a revolving credit facility (the "Credit Fund Sub Facility"). The lenders of the Credit Fund Sub Facility have a first lien security interest in substantially all of the assets of Credit Fund Sub. Accordingly, such assets are not available to creditors of Credit Fund, the 2017-1 Issuer or the Credit Fund Warehouse.

* Denotes that all or a portion of the assets are owned by the 2017-1 Issuer and secure the notes issued in connection with a \$399,900 term debt securitization completed by Credit Fund on December 19, 2017 (the "2017-1 Debt Securitization"). Accordingly, such assets are not available to creditors of Credit Fund, Credit Fund Sub or the Credit Fund Warehouse.

\ Denotes that all or a portion of the assets are owned by the Credit Fund Warehouse. Credit Fund Warehouse has entered into a revolving credit facility (the "Credit Fund Warehouse Facility"). The lenders of the Credit Fund Warehouse Facility have a first lien security interest in substantially all of the assets of the Credit Fund Warehouse. Accordingly, such assets are not available to creditors of Credit Fund, Credit Fund Sub or the 2017-1 Issuer.

- Unless otherwise indicated, issuers of investments held by Credit Fund are domiciled in the United States. As of December 31, 2018, the geographical composition of investments as a percentage of fair value was 1.35% in Canada and 98.65% in the United States. Certain portfolio company investments are subject to contractual restrictions on sales.
- Variable rate loans to the portfolio companies bear interest at a rate that is determined by reference to either LIBOR or an alternate base rate (commonly based on the Federal Funds Rate or the U.S. Prime Rate), which generally resets quarterly. For each such loan, Credit Fund has indicated the reference rate used and provided the spread and the interest rate in effect as of December 31, 2018. As of December 31, 2018, the reference rates for Credit Fund's variable rate loans were the 30-day LIBOR at 2.50%, the 90-day LIBOR at 2.81% and 180-day LIBOR at 2.88%.
- Loan includes interest rate floor feature, which is generally 1.00%.
- Credit Fund Sub receives less than the stated interest rate of this loan as a result of an agreement among lenders. The interest rate reduction is 1.20% on EIP Merger Sub, LLC (Evolve IP). Pursuant to the agreement among lenders in respect of this loan, this investment represents a first lien/first out loan, which has first priority ahead of the first lien/last out loan with respect to principal, interest and other payments.
- Amortized cost represents original cost, including origination fees and upfront fees received that are deemed to be an adjustment to yield, adjusted for the accretion/amortization of discounts/premiums, as applicable, on debt investments using the effective interest method.
- Fair value is determined in good faith by or under the direction of the board of managers of Credit Fund, pursuant to Credit Fund's valuation policy, with the fair value of all investments determined using significant unobservable inputs, which is substantially similar to the valuation policy of the Company provided in Note 3, Fair Value Measurements, to the consolidated financial statements in Part I, Item 1 of this Form 10-Q.
- In addition to the interest earned based on the stated interest rate of this loan, which is the amount reflected in this schedule, Credit Fund is entitled to receive additional interest as a result of an agreement among lenders as follows: EIP Merger Sub, LLC (Evolve IP) (3.75%) and Surgical Information Systems, LLC (0.89%). Pursuant to the agreement among lenders in respect of these loans, these investments represent a first lien/last out loan, which has a secondary priority behind the first lien/first out loan with respect to principal, interest and other payments.

(8) As of December 31, 2018, Credit Fund and Credit Fund Sub had the following unfunded commitments to fund delayed draw and revolving senior secured loans:

First Lien Debt—unfunded delayed draw and revolving term loans commitments	Type	Unused Fee	Par/ Principal Amount	Fair Value
Advanced Instruments, LLC	Revolver	0.50%	\$ 1,333	\$ (10)
Ahead, LLC	Revolver	0.50	4,688	(38)
AQA Acquisition Holding, Inc.	Revolver	0.50	2,459	(19)
Borchers, Inc.	Revolver	0.50	1,935	(5)
Clearent Newco, LLC	Delayed Draw	1.00	4,988	(46)
Clearent Newco, LLC	Revolver	0.50	1,760	(16)
DecoPac, Inc.	Revolver	0.50	2,143	(11)
Executive Consulting Group, LLC, Inc.	Revolver	0.50	2,368	(25)
HMT Holding Inc.	Revolver	0.50	6,173	(49)
Jensen Hughes, Inc.	Revolver	0.50	2,000	(39)
Jensen Hughes, Inc.	Delayed Draw	1.00	337	(7)
MAG DS Corp.	Revolver	0.50	2,022	(18)
MSHC, Inc.	Delayed Draw	0.32	9,852	(145)
North American Dental Management, LLC	Revolver	0.50	2,000	(35)
North Haven CA Holdings, Inc. (CoAdvantage)	Revolver	0.50	6,114	(109)
Output Services Group	Delayed Draw	4.25	2,518	(93)
Pharmalogic Holdings Corp.	Delayed Draw	1.00	2,947	(20)
Premise Health Holding Corp.	Delayed Draw	1.00	1,103	(11)
Propel Insurance Agency, LLC	Delayed Draw	0.50	7,143	(110)
Propel Insurance Agency, LLC	Revolver	0.50	1,667	(26)
PSI Services LLC	Revolver	0.50	754	(17)
QW Holding Corporation (Quala)	Revolver	0.50	5,498	(52)
T2 Systems, Inc.	Revolver	0.50	1,173	(7)
The Original Cakerie, Ltd. (Canada)	Revolver	0.50	1,132	(10)
Upstream Intermediate, LLC	Revolver	0.50	1,606	(22)
Valicor Environmental Services, LLC	Revolver	0.50	4,971	(54)
WIRB - Copernicus Group, Inc.	Delayed Draw	1.00	6,480	(69)
WIRB - Copernicus Group, Inc.	Revolver	0.50	1,000	(11)
WRE Holding Corp.	Delayed Draw	0.89	2,069	(51)
WRE Holding Corp.	Revolver	0.50	613	(15)
Zywave, Inc.	Revolver	0.50	600	(2)
Total unfunded commitments			\$ 91,446	\$ (1,142)

(9) Loan was on non-accrual status as of December 31, 2018.

Below is certain summarized consolidated financial information for Credit Fund as of March 31, 2019 and December 31, 2018, respectively. Credit Fund commenced operations in May 2016.

	<u>March 31, 2019</u>	<u>December 31, 2018</u>
	(unaudited)	
Selected Consolidated Balance Sheet Information		
ASSETS		
Investments, at fair value (amortized cost of \$1,265,546 and \$1,198,537, respectively)	\$ 1,258,295	\$ 1,173,508
Cash and other assets	41,074	62,547
Total assets	<u>\$ 1,299,369</u>	<u>\$ 1,236,055</u>
LIABILITIES AND MEMBERS' EQUITY		
Secured borrowings	\$ 624,667	\$ 572,178
Notes payable, net of unamortized debt issuance costs of \$1,798 and \$1,849, respectively	280,524	309,114
Mezzanine loans	123,800	112,000
Other liabilities	52,882	34,195
Subordinated loans and members' equity	217,496	208,568
Liabilities and members' equity	<u>\$ 1,299,369</u>	<u>\$ 1,236,055</u>
	For the three month periods ended	
	<u>March 31, 2019</u>	<u>March 31, 2018</u>
	(unaudited)	
Selected Consolidated Statement of Operations Information:		
Total investment income	\$ 22,606	\$ 17,911
Expenses		
Interest and credit facility expenses	14,730	10,656
Other expenses	441	389
Total expenses	<u>15,171</u>	<u>11,045</u>
Net investment income (loss)	7,435	6,866
Net realized gain (loss) on investments	(8,285)	—
Net change in unrealized appreciation (depreciation) on investments	17,778	3,035
Net increase (decrease) resulting from operations	<u>\$ 16,928</u>	<u>\$ 9,901</u>

Debt

Credit Fund Facility

On June 24, 2016, Credit Fund entered into the Credit Fund Facility with the Company pursuant to which Credit Fund may from time to time request mezzanine loans from the Company, which was subsequently amended on June 5, 2017, October 2, 2017, November 3, 2017, June 22, 2018 and June 29, 2018. The maximum principal amount of the Credit Fund Facility is \$175,000. The maturity date of the Credit Fund Facility is March 22, 2020. Amounts borrowed under the Credit Fund Facility bear interest at a rate of LIBOR plus 9.00%.

During the three month periods ended March 31, 2019 and 2018, there were mezzanine loan borrowings of \$30,500 and \$21,850, respectively, and repayments of \$18,700 and \$0, respectively, under the Credit Fund Facility. As of March 31, 2019 and December 31, 2018, there were \$123,800 and \$112,000 in mezzanine loans outstanding, respectively.

As of March 31, 2019 and December 31, 2018, Credit Fund was in compliance with all covenants and other requirements of the Credit Fund Facility.

Credit Fund Sub Facility

On June 24, 2016, Credit Fund Sub closed on the Credit Fund Sub Facility with lenders, which was subsequently amended on May 31, 2017, October 27, 2017 and August 24, 2018. The Credit Fund Sub Facility provides for secured borrowings during the applicable revolving period up to an amount equal to \$640,000. The facility is secured by a first lien security interest in substantially all of the portfolio investments held by Credit Fund Sub. The maturity date of the Credit Fund Sub Facility is May 22, 2024. Amounts borrowed under the Credit Fund Sub Facility bear interest at a rate of LIBOR plus 2.25%.

During the three month periods ended March 31, 2019 and 2018, there were secured borrowings of \$60,020 and \$67,965, respectively, and repayments of \$20,404 and \$15,035, respectively, under the Credit Fund Sub Facility. As of March 31, 2019 and December 31, 2018, there was \$510,750 and \$471,134 in secured borrowings outstanding, respectively.

As of March 31, 2019 and December 31, 2018, Credit Fund Sub was in compliance with all covenants and other requirements of the Credit Fund Sub Facility.

2017-1 Notes

On December 19, 2017, Credit Fund completed the 2017-1 Debt Securitization. The notes offered in the 2017-1 Debt Securitization (the “2017-1 Notes”) were issued by the 2017-1 Issuer, a wholly owned and consolidated subsidiary of Credit Fund, and are secured by a diversified portfolio of the 2017-1 Issuer consisting primarily of first and second lien senior secured loans. The 2017-1 Debt Securitization was executed through a private placement of the 2017-1 Notes, consisting of \$231,700 of Aaa/AAA Class A-1 Notes, which bear interest at the three-month LIBOR plus 1.17%; \$48,300 of Aa2/AA Class A-2 Notes, which bear interest at the three-month LIBOR plus 1.50%; \$15,000 of A2/A Class B-1 Notes, which bear interest at the three-month LIBOR plus 2.25%; \$9,000 of A2/A Class B-2 Notes which bear interest at 4.30%; \$22,900 of Baa2/BBB Class C Notes which bear interest at the three-month LIBOR plus 3.20%; and \$25,100 of Ba2/BB Class D Notes which bear interest at the three-month LIBOR plus 6.38%. The 2017-1 Notes are scheduled to mature on January 15, 2028. Credit Fund received 100% of the preferred interests issued by the 2017-1 Issuer (the “2017-1 Issuer Preferred Interests”) on the closing date of the 2017-1 Debt Securitization in exchange for Credit Fund’s contribution to the 2017-1 Issuer of the initial closing date loan portfolio. The 2017-1 Issuer Preferred Interests do not bear interest and had a nominal value of \$47,900 at closing.

As of March 31, 2019 and December 31, 2018, the 2017-1 Issuer was in compliance with all covenants and other requirements of the indenture.

Credit Fund Warehouse Facility

On November 26, 2018, Credit Fund closed on the Credit Fund Warehouse Facility with lenders. The Credit Fund Warehouse Facility provides for secured borrowings during the applicable revolving period up to an amount equal to \$150,000. The Credit Fund Warehouse Facility is secured by a first lien security interest in substantially all of the portfolio investments held by the Credit Fund Warehouse. The maturity date of the Credit Fund Warehouse Facility is November 26, 2019. Amounts borrowed under the Credit Fund Warehouse Facility bear interest at a rate of LIBOR plus 1.05%.

During the three month period ended March 31, 2019, there were secured borrowings of \$12,873 under the Credit Fund Warehouse Facility. As of March 31, 2019, there was \$113,917 in secured borrowings outstanding.

As of March 31, 2019, Credit Fund Warehouse was in compliance with all covenants and other requirements of the Credit Fund Warehouse Facility.

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

We generate cash from the net proceeds of offerings of our common stock and through cash flows from operations, including investment sales and repayments as well as income earned on investments and cash equivalents. We may also fund a portion of our investments through borrowings under the Facilities, as well as through securitization of a portion of our existing investments.

The SPV closed on May 24, 2013 on the SPV Credit Facility, which was subsequently amended on June 30, 2014, June 19, 2015, June 9, 2016, May 26, 2017 and August 9, 2018. The SPV Credit Facility provides for secured borrowings during the applicable revolving period up to an amount equal to the lesser of \$400,000 (the borrowing base as calculated pursuant to the terms of the SPV Credit Facility) and the amount of net cash proceeds and unpledged capital commitments the Company has received, with an accordion feature that can, subject to certain conditions, increase the aggregate maximum credit commitment up to an amount not to exceed \$750,000, subject to restrictions imposed on borrowings under the Investment Company Act and certain restrictions and conditions set forth in the SPV Credit Facility, including adequate collateral to support such borrowings. The SPV Credit Facility imposes financial and operating covenants on us and the SPV that restrict our and its business activities. Continued compliance with these covenants will depend on many factors, some of which are beyond our control.

We closed on March 21, 2014 on the Credit Facility, which was subsequently amended on January 8, 2015, May 25, 2016, March 22, 2017 and September 25, 2018. The maximum principal amount of the Credit Facility is \$513,000, subject to availability under the Credit Facility, which is based on certain advance rates multiplied by the value of the Company’s

portfolio investments (subject to certain concentration limitations) net of certain other indebtedness that the Company may incur in accordance with the terms of the Credit Facility. Proceeds of the Credit Facility may be used for general corporate purposes, including the funding of portfolio investments. Maximum capacity under the Credit Facility may be increased, subject to certain conditions, to \$620,000 through the exercise by the Company of an uncommitted accordion feature through which existing and new lenders may, at their option, agree to provide additional financing. The Credit Facility includes a \$20,000 limit for swingline loans and a \$5,000 limit for letters of credit. Subject to certain exceptions, the Credit Facility is secured by a first lien security interest in substantially all of the portfolio investments held by the Company. The Credit Facility includes customary covenants, including certain financial covenants related to asset coverage, shareholders' equity and liquidity, certain limitations on the incurrence of additional indebtedness and liens, and other maintenance covenants, as well as usual and customary events of default for senior secured revolving credit facilities of this nature.

Although we believe that we and the SPV will remain in compliance, there are no assurances that we or the SPV will continue to comply with the covenants in the Credit Facility and SPV Credit Facility, as applicable. Failure to comply with these covenants could result in a default under the Credit Facility and/or the SPV Credit Facility that, if we or the SPV were unable to obtain a waiver from the applicable lenders, could result in the immediate acceleration of the amounts due under the Credit Facility and/or the SPV Credit Facility, and thereby have a material adverse impact on our business, financial condition and results of operations.

For more information on the SPV Credit Facility and the Credit Facility, see Note 6 to the consolidated financial statements in Part I, Item 1 of this Form 10-Q.

The primary use of existing funds and any funds raised in the future is expected to be for investments in portfolio companies, repayment of indebtedness, cash distributions to our stockholders and for other general corporate purposes.

On June 26, 2015, we completed the 2015-1 Debt Securitization. The 2015-1 Notes were issued by Carlyle Direct Lending CLO 2015-1R LLC (formerly known as Carlyle GMS Finance MM CLO 2015-1 LLC) (the "2015-1 Issuer"), a wholly owned and consolidated subsidiary of us. On August 30, 2018, the 2015-1 Issuer refinanced the 2015-1 Debt Securitization (the "2015-1 Debt Securitization Refinancing") by redeeming in full the 2015-1 Notes and issuing new notes (the "2015-1R Notes"). The 2015-1R Notes are secured by a diversified portfolio of the 2015-1 Issuer consisting primarily of first and second lien senior secured loans. On the closing date of the 2015-1 Debt Securitization Refinancing, the 2015-1 Issuer, among other things, (a) refinanced the issued Class A-1A Notes by redeeming in full the Class A-1A Notes and issuing new AAA Class A-1-1-R Notes in an aggregate principal amount of \$234,800 which bear interest at the three-month LIBOR plus 1.55%; (b) refinanced the issued Class A-1B Notes by redeeming in full the Class A-1B Notes and issuing new AAA Class A-1-2-R Notes in an aggregate principal amount of \$50,000 which bear interest at the three-month LIBOR plus 1.48% for the first 24 months and the three-month LIBOR plus 1.78% thereafter; (c) refinanced the issued Class A-1C Notes by redeeming in full the Class A-1C Notes and issuing new AAA Class A-1-3-R Notes in an aggregate principal amount of \$25,000 which bear interest at 4.56%; (d) refinanced the issued Class A-2 Notes by redeeming in full the Class A-2 Notes and issuing new Class A-2-R Notes in an aggregate principal amount of \$66,000 which bear interest at the three-month LIBOR plus 2.20%; (e) issued new single-A Class B Notes and BBB- Class C Notes in aggregate principal amounts of \$46,400 and \$27,000, respectively, which bear interest at the three-month LIBOR plus 3.15% and the three-month LIBOR plus 4.00%, respectively; (f) reduced the 2015-1 Issuer Preferred Interests by approximately \$21,375 from a nominal value of \$125,900 to approximately \$104,525 at close; and (g) extended the reinvestment period end date and maturity date applicable to the 2015-1 Issuer to October 15, 2023 and October 15, 2031, respectively. In connection with the contribution, we have made customary representations, warranties and covenants to the 2015-1 Issuer. The Class A-1-1-R, Class A-1-2-R, Class A-1-3-R, Class A-2-R, Class B and Class C Notes are included in the consolidated financial statements included in Part I, Item 1 of this Form 10-Q. The 2015-1 Issuer Preferred Interests were eliminated in consolidation. For more information on the 2015-1R Notes, see Note 7 to the consolidated financial statements in Part I, Item 1 of this Form 10-Q.

As of March 31, 2019 and December 31, 2018, we had \$40,071 and \$87,186, respectively, in cash and cash equivalents. The Facilities consisted of the following as of March 31, 2019 and December 31, 2018:

	March 31, 2019			
	Total Facility	Borrowings Outstanding	Unused Portion (1)	Amount Available (2)
SPV Credit Facility	\$ 400,000	\$ 252,959	\$ 147,041	\$ 4,420
Credit Facility	513,000	408,000	105,000	105,000
Total	\$ 913,000	\$ 660,959	\$ 252,041	\$ 109,420

	December 31, 2018			
	Total Facility	Borrowings Outstanding	Unused Portion (1)	Amount Available (2)
SPV Credit Facility	\$ 400,000	\$ 224,135	\$ 175,865	\$ 2,547
Credit Facility	413,000	290,500	122,500	122,500
Total	\$ 813,000	\$ 514,635	\$ 298,365	\$ 125,047

- (1) The unused portion is the amount upon which commitment fees are based.
- (2) Available for borrowing based on the computation of collateral to support the borrowings and subject to compliance with applicable covenants and financial ratios.

The following were the carrying values (before debt issuance costs) and fair values of the Company's 2015-1R Notes as of March 31, 2019 and December 31, 2018:

	March 31, 2019		December 31, 2018	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Aaa/AAA Class A-1-1-R Notes	\$ 234,800	\$ 230,691	\$ 234,800	\$ 229,632
Aaa/AAA Class A-1-2-R Notes	50,000	49,400	50,000	49,442
Aaa/AAA Class A-1-3-R Notes	25,000	25,122	25,000	24,990
AA Class A-2-R Notes	66,000	66,000	66,000	66,000
A Class B Notes	46,400	45,020	46,400	44,242
BBB- Class C Notes	27,000	25,650	27,000	24,809
Total	\$ 449,200	\$ 441,883	\$ 449,200	\$ 439,115

As of March 31, 2019 and December 31, 2018, we had a combined \$1,110,159 and \$963,835, respectively, of outstanding consolidated indebtedness under our Facilities and notes. Our annualized interest cost as of March 31, 2019 and December 31, 2018, was 4.69% and 4.55%, excluding fees (such as fees on undrawn amounts and amortization of upfront fees).

Equity Activity

Shares issued and outstanding as of March 31, 2019 and December 31, 2018 were 61,272,069 and 62,230,251, respectively.

The following table summarizes activity in the number of shares of our common stock outstanding during the three month periods ended March 31, 2019 and 2018:

	For the three month periods ended	
	March 31, 2019	March 31, 2018
Shares outstanding, beginning of period	62,230,251	62,207,603
Reinvestment of dividends	—	361,056
Repurchase of common stock	(958,182)	—
Shares outstanding, end of period	61,272,069	62,568,659

Contractual Obligations

A summary of our significant contractual payment obligations was as follows as of March 31, 2019 and December 31, 2018:

Payment Due by Period	SPV Credit Facility and Credit Facility		2015-1R Notes	
	March 31, 2019	December 31, 2018	March 31, 2019	December 31, 2018
Less than 1 Year	\$ —	\$ —	\$ —	\$ —
1-3 Years	—	—	—	—
3-5 Years	660,959	514,635	—	—
More than 5 Years	—	—	449,200	449,200
Total	\$ 660,959	\$ 514,635	\$ 449,200	\$ 449,200

As of March 31, 2019 and December 31, 2018, \$252,959 and \$224,135, respectively, of secured borrowings were outstanding under the SPV Credit Facility, \$408,000 and \$290,500, respectively, were outstanding under the Credit Facility. As of March 31, 2019 and December 31, 2018, \$449,200 and \$449,200 of 2015-1R Notes, respectively, were outstanding. For the three month periods ended March 31, 2019 and 2018, we incurred \$11,991 and \$7,815, respectively, of interest expense and \$303 and \$288, respectively, of unused commitment fees.

OFF BALANCE SHEET ARRANGEMENTS

In the ordinary course of our business, we enter into contracts or agreements that contain indemnifications or warranties. Future events could occur which may give rise to liabilities arising from these provisions against us. We believe that the likelihood of such an event is remote; however, the maximum potential exposure is unknown. No accrual has been made in these consolidated financial statements as of March 31, 2019 and December 31, 2018 in Part I, Item 1 of this Form 10-Q for any such exposure.

We have in the past and may in the future become obligated to fund commitments such as revolving credit facilities, bridge financing commitments, or delayed draw commitments.

We had the following unfunded commitments to fund delayed draw and revolving senior secured loans as of the indicated dates:

	Principal Amount as of	
	March 31, 2019	December 31, 2018
Unfunded delayed draw commitments	\$ 85,898	\$ 97,261
Unfunded revolving term loan commitments	64,447	59,856
Total unfunded commitments	\$ 150,345	\$ 157,117

Pursuant to an undertaking by us in connection with the 2015-1 Debt Securitization, we agreed to hold on an ongoing basis the 2015-1 Issuer Preferred Interests with an aggregate dollar purchase price at least equal to 5% of the aggregate outstanding amount of all collateral obligations by the 2015-1 Issuer for so long as any securities of the 2015-1 Issuer remains outstanding. As of March 31, 2019 and December 31, 2018, we were in compliance with this undertaking.

DIVIDENDS AND DISTRIBUTIONS TO COMMON STOCKHOLDERS

Prior to July 5, 2017, we had an “opt in” dividend reinvestment plan. Effective on July 5, 2017, we converted our “opt in” dividend reinvestment plan to an “opt out” dividend reinvestment plan that provides for reinvestment of our dividends and other distributions on behalf of our stockholders, other than those stockholders who have “opted out” of the plan. As a result of adopting the plan, if our Board of Directors authorizes, and we declare, a cash dividend or distribution, our stockholders who have not elected to “opt out” of our dividend reinvestment plan will have their cash dividends or distributions automatically reinvested in additional shares of our common stock, rather than receiving cash. Each registered stockholder may elect to have such stockholder’s dividends and distributions distributed in cash rather than participate in the plan. For any registered stockholder that does not so elect, distributions on such stockholder’s shares will be reinvested by State Street Bank and Trust Company, our plan administrator, in additional shares. The number of shares to be issued to the stockholder will be determined based on the total dollar amount of the cash distribution payable, net of applicable withholding taxes. We intend to use primarily newly issued shares to implement the plan so long as the market value per share is equal to or greater than the net asset value per share on the relevant valuation date. If the market value per share is less than the net asset value per share on the relevant valuation date, the plan administrator would implement the plan through the purchase of common stock on behalf of participants in the open market, unless we instruct the plan administrator otherwise.

The following table summarizes the Company's dividends declared during the two most recent fiscal years and the current fiscal year to date:

Date Declared	Record Date	Payment Date	Per Share Amount	
2017				
March 20, 2017	March 20, 2017	April 24, 2017	\$	0.41
June 20, 2017	June 30, 2017	July 18, 2017	\$	0.37
August 7, 2017	September 29, 2017	October 18, 2017	\$	0.37
November 7, 2017	December 29, 2017	January 17, 2018	\$	0.37
December 13, 2017	December 29, 2017	January 17, 2018	\$	0.12 ⁽¹⁾
Total			\$	1.64
2018				
February 26, 2018	March 29, 2018	April 17, 2018	\$	0.37
May 2, 2018	June 29, 2018	July 17, 2018	\$	0.37
August 6, 2018	September 28, 2018	October 17, 2018	\$	0.37
November 5, 2018	December 28, 2018	January 17, 2019	\$	0.37
December 12, 2018	December 28, 2018	January 17, 2019	\$	0.20 ⁽¹⁾
Total			\$	1.68
2019				
February 22, 2019	March 29, 2019	April 17, 2019	\$	0.37
May 6, 2019	June 28, 2019	July 17, 2019	\$	0.37
Total			\$	0.74

(1) Represents a special dividend.

ASSET COVERAGE

In accordance with the Investment Company Act, a BDC is only allowed to borrow amounts such that its "asset coverage," as defined in the Investment Company Act, satisfies the minimum asset coverage ratio specified in the Investment Company Act after such borrowing. "Asset coverage" generally refers to a company's total assets, less all liabilities and indebtedness not represented by "senior securities," as defined in the Investment Company Act, divided by total senior securities representing indebtedness and, if applicable, preferred stock. "Senior securities" for this purpose includes borrowings from banks or other lenders, debt securities and preferred stock.

Prior to March 23, 2018, BDCs were required to maintain a minimum asset coverage ratio of 200%. On March 23, 2018, an amendment to Section 61(a) of the Investment Company Act was signed into law to permit BDCs to reduce the minimum asset coverage ratio from 200% to 150%, so long as certain approval and disclosure requirements are satisfied. Under the 200% minimum asset coverage ratio, BDCs are permitted to borrow up to one dollar for investment purposes for every one dollar of investor equity, and under the 150% minimum asset coverage ratio, BDCs are permitted to borrow up to two dollars for investment purposes for every one dollar of investor equity. In other words, Section 61(a) of the Investment Company Act, as amended, permits BDCs to potentially increase their debt-to-equity ratio from a maximum of 1 to 1 to a maximum of 2 to 1.

On April 9, 2018 and June 6, 2018, the Board of Directors, including a "required majority" (as such term is defined in Section 57(o) of the Investment Company Act), and the stockholders of the Company, respectively, approved the application to the Company of the 150% minimum asset coverage ratio set forth in Section 61(a)(2) of the Investment Company Act. As a result, the minimum asset coverage ratio applicable to the Company was reduced from 200% to 150%, effective as of June 7, 2018, the first day after the Company's 2018 Annual Meeting.

As of March 31, 2019 and December 31, 2018, the Company had total senior securities of \$1,110,159 and \$963,835, respectively, consisting of secured borrowings under the Facilities and the Notes Payable, and had asset coverage ratios of 195.50% and 210.31%, respectively. For a discussion of the principal risk factors associated with these senior securities, see Part II, Item 1A of this Form 10-Q.

CRITICAL ACCOUNTING POLICIES

The preparation of our consolidated financial statements requires us 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. Our critical accounting policies, including those relating to the valuation of our investment portfolio, are described below. The critical accounting policies should be read in connection with our consolidated financial statements in Part I, Item 1 of this Form 10-Q and in Part II, Item 8 of the Company's annual report on Form 10-K for the year ended December 31, 2018.

Fair Value Measurements

The Company applies fair value accounting in accordance with the terms of Financial Accounting Standards Board ASC Topic 820, *Fair Value Measurement* ("ASC 820"). ASC 820 defines fair value as the amount that would be exchanged to sell an asset or transfer a liability in an orderly transfer between market participants at the measurement date. The Company values securities/instruments traded in active markets on the measurement date by multiplying the 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, such as its securities/instruments traded in active markets and its liquid securities/instruments that are not traded in active markets, from pricing services, brokers, or counterparties (i.e., "consensus pricing"). When doing so, the Company determines whether the quote obtained is sufficient according to US GAAP to determine the fair value of the security. The Company may use the quote obtained or alternative pricing sources may be utilized including valuation techniques typically utilized for illiquid securities/instruments.

Securities/instruments 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 Investment Adviser or the Board of Directors, does not represent fair value shall each be valued as of the measurement date using all techniques appropriate under the circumstances and for which sufficient data is available. These valuation techniques may vary by investment and include comparable public market valuations, comparable precedent transaction valuations and/or discounted cash flow analyses. The process generally used to determine the applicable value is as follows: (i) the value of each portfolio company or investment is initially reviewed by the investment professionals responsible for such portfolio company or investment and, for non-traded investments, a standardized template designed to approximate fair market value based on observable market inputs, updated credit statistics and unobservable inputs is used to determine a preliminary value, which is also reviewed alongside consensus pricing, where available; (ii) preliminary valuation conclusions are documented and reviewed by a valuation committee comprised of members of senior management; (iii) the Board of Directors engages a third-party valuation firm to provide positive assurance on portions of the Middle Market Senior Loans and equity investments portfolio each quarter (such that each non-traded investment other than Credit Fund is reviewed by a third-party valuation firm at least once on a rolling twelve month basis) including a review of management's preliminary valuation and conclusion on fair value; (iv) the Audit Committee of the Board of Directors (the "Audit Committee") reviews the assessments of the Investment Adviser and the third-party valuation firm and provides the Board of Directors with any recommendations with respect to changes to the fair value of each investment in the portfolio; and (v) the Board of Directors discusses the valuation recommendations of the Audit Committee and determines the fair value of each investment in the portfolio in good faith based on the input of the Investment Adviser and, where applicable, the third-party valuation firm.

All factors that might materially impact the value of an investment are considered, including, but not limited to the 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 leverage and ability to make payments;
- the portfolio company's public or private credit rating;
- the portfolio company's actual and expected earnings and discounted cash flow;
- prevailing interest rates and spreads for similar 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 comparable transactions and publicly traded securities.

Investment performance data utilized are the most recently available financial statements and compliance certificate received from the portfolio companies as of the measurement date which in many cases may reflect a lag in information.

Due to the inherent uncertainty of determining the fair value of investments that do not have a readily available market value, the fair value of the Company's investments may fluctuate from period to period. Because of the inherent uncertainty of valuation, these estimated values may differ significantly from the values that would have been reported had a ready market for the investments existed, and it is reasonably possible that the difference could be material.

In addition, changes in the market environment and other events that may occur over the life of the investments may cause the realized gains or losses on investments to be different from the net change in unrealized appreciation or depreciation currently reflected in the consolidated financial statements as of March 31, 2019 and December 31, 2018.

US GAAP establishes a hierarchical disclosure framework which ranks the level of observability of market price inputs used in measuring investments at fair value. The observability of inputs is impacted by a number of factors, including the type of investment and the characteristics specific to the investment and state of the marketplace, including the existence and transparency of transactions between market participants. Investments with readily available quoted prices or for which fair value can be measured from quoted prices in active markets generally have a higher degree of market price observability and a lesser degree of judgment applied in determining fair value.

Investments measured and reported at fair value are classified and disclosed based on the observability of inputs used in determination of fair values, as follows:

- Level 1—inputs to the valuation methodology are quoted prices available in active markets for identical investments as of the reporting date. Financial instruments in this category generally include unrestricted securities, including equities and derivatives, listed in active markets. The Company does not adjust the quoted price for these investments, even in situations where the Company holds a large position and a sale could reasonably impact the quoted price.
- Level 2—inputs to the valuation methodology are either directly or indirectly observable as of the reporting date and are those other than quoted prices in active markets. Financial instruments in this category generally include less liquid and restricted securities listed in active markets, securities traded in other than active markets, 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 overall fair value measurement. The inputs into the determination of fair value require significant management judgment or estimation. Financial instruments included in this category generally include investments in privately-held entities, 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, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the overall fair value measurement. The Investment Adviser's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the investment.

Transfers between levels, if any, are recognized at the beginning of the quarter in which the transfers occur.

The Company generally uses the following framework when determining the fair value of investments that are categorized as Level 3:

Investments in debt securities are initially evaluated to determine whether the enterprise value of the portfolio company is greater than the applicable debt. The enterprise value of the portfolio company is estimated using a market approach and an income approach. The market approach utilizes market value (EBITDA) multiples of publicly traded comparable companies and available precedent sales transactions of comparable companies. The Company carefully considers numerous factors when selecting the appropriate companies whose multiples are used to value its portfolio companies. These factors include, but are not limited to, the type of organization, similarity to the business being valued, relevant risk factors, as well as size, profitability and growth expectations. The income approach typically uses a discounted cash flow analysis of the portfolio company.

Investments in debt securities that do not have sufficient coverage through the enterprise value analysis are valued based on an expected probability of default and discount recovery analysis.

Investments in debt securities with sufficient coverage through the enterprise value analysis are generally valued using a discounted cash flow analysis of the underlying security. Projected cash flows in the discounted cash flow typically represent the relevant security's contractual interest, fees and principal payments plus the assumption of full principal recovery at the security's expected maturity date. The discount rate to be used is determined using an average of two market-based methodologies. Investments in debt securities may also be valued using consensus pricing.

Investments in equities are generally valued using a market approach and/or an income approach. The market approach utilizes EBITDA multiples of publicly traded comparable companies and available precedent sales transactions of comparable companies. The income approach typically uses a discounted cash flow analysis of the portfolio company.

Investments in Credit Fund's mezzanine loan are valued using collateral analysis with expected recovery rate of principal and interest. Investments in Credit Fund's subordinated loan and member's interest are valued using discounted cash flow analysis with expected discount rates, default rates and recovery rates of principal and interest.

The significant unobservable inputs used in the fair value measurement of the Company's investments in first and second lien debt securities are discount rates, indicative quotes and comparable EBITDA multiples. Significant increases in discount rates would result in a significantly lower fair value measurement. Significant decreases in indicative quotes or comparable EBITDA multiples in isolation may result in a significantly lower fair value measurement.

The significant unobservable inputs used in the fair value measurement of the Company's investments in equities are discount rates and comparable EBITDA multiples. Significant increases in discount rates would result in a significantly lower fair value measurement. Significant decreases in comparable EBITDA multiples would result in a significantly lower fair value measurement.

The significant unobservable inputs used in the fair value measurement of the Company's investments in the mezzanine loan of Credit Fund are recovery rates of principal and interest. Significant decreases in recovery rates would result in a significantly lower fair value measurement.

The significant unobservable inputs used in the fair value measurement of the Company's investments in the subordinated loan and member's interest of Credit Fund are discount rates, default rates and recovery rates. Significant increases in discount rates or default rates would result in a significantly lower fair value measurement. Significant decreases in recovery rates would result in a significantly lower fair value measurement.

The carrying values of the secured borrowings and notes payable approximate their respective fair values and are categorized as Level 3 within the hierarchy. Secured borrowings are valued generally using discounted cash flow analysis. The significant unobservable inputs used in the fair value measurement of the Company's secured borrowings are discount rates. Significant increases in discount rates would result in a significantly lower fair value measurement. The fair value determination of the Company's notes payable was based on the market quotation(s) received from broker/dealer(s). These fair value measurements were based on significant inputs not observable and thus represent Level 3 measurements as defined in the accounting guidance for fair value measurement.

The carrying value of other financial assets and liabilities approximates their fair value based on the short term nature of these items.

See Note 3 to the consolidated financial statements in Part I, Item 1 of this Form 10-Q for further information on fair value measurements.

Use of Estimates

The preparation of consolidated financial statements in Part I, Item 1 of this Form 10-Q in conformity with US GAAP requires management to make assumptions and estimates that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Management's estimates are based on historical experiences and other factors, including expectations of future events that management believes to be reasonable under the circumstances. It also requires management to exercise judgment in the process of applying the Company's accounting policies. Assumptions and estimates regarding the valuation of investments and their resulting impact on base management and incentive fees involve a higher degree of judgment and complexity and these assumptions and estimates may be significant to the consolidated financial statements in Part I, Item 1 of this Form 10-Q. Actual results could differ from these estimates and such differences could be material.

Investments

Investment transactions are recorded on the trade date. Realized gains or losses are measured by the difference between the net proceeds from the repayment or sale and the amortized cost basis of the investment using the specific identification method without regard to unrealized appreciation or depreciation previously recognized, and includes investments charged off during the period, net of recoveries. Net change in unrealized appreciation or depreciation on investments as presented in the Consolidated Statements of Operations in Part I, Item 1 of this Form 10-Q reflects the net change in the fair value of investments, including the reversal of previously recorded unrealized appreciation or depreciation when gains or losses are realized.

Revenue Recognition

Interest from Investments and Realized Gain/Loss on Investments

Interest income is recorded on an accrual basis and includes the accretion of discounts and amortization of premiums. Discounts from and premiums to par value on debt investments purchased are accreted/amortized into interest income over the life of the respective security using the effective interest method. The amortized cost of debt investments represents the original cost, including origination fees and upfront fees received that are deemed to be an adjustment to yield, adjusted for the accretion of discounts and amortization of premiums, if any. At time of exit, the realized gain or loss on an investment is the difference between the amortized cost at time of exit and the cash received at exit using the specific identification method.

The Company has loans in its portfolio that contain payment-in-kind (“PIK”) provisions. PIK represents interest that is accrued and recorded as interest income at the contractual rates, increases the loan principal on the respective capitalization dates, and is generally due at maturity. Such income is included in interest income in the Consolidated Statements of Operations included in Part I, Item 1 of this Form 10-Q.

Dividend Income

Dividend income from the investment fund is recorded on the record date for the investment fund to the extent that such amounts are payable by the investment fund and are expected to be collected.

Other Income

Other income may include income such as consent, waiver, amendment, unused, syndication, arranger and prepayment fees associated with the Company’s investment activities as well as any fees for managerial assistance services rendered by the Company to the portfolio companies. Such fees are recognized as income when earned or the services are rendered. The Company may receive fees for guaranteeing the outstanding debt of a portfolio company. Such fees are amortized into other income over the life of the guarantee. The unamortized amount, if any, is included in other assets in the Consolidated Statements of Assets and Liabilities included in Part I, Item 1 of this Form 10-Q.

Non-Accrual Income

Loans are generally placed on non-accrual status when principal or interest payments are past due 30 days or more or when there is reasonable doubt that principal or interest will be collected in full. Accrued and unpaid interest is generally reversed when a loan is placed on non-accrual status. Interest payments received on non-accrual loans may be recognized as income or applied to principal depending upon management’s judgment regarding collectability. Non-accrual loans are restored to accrual status when past due principal and interest are paid current and, in management’s judgment, are likely to remain current. Management may not place a loan on non-accrual status if the loan has sufficient collateral value and is in the process of collection.

Income Taxes

For federal income tax purposes, the Company has elected to be treated as a RIC under the Code, and intends to make the required distributions to its stockholders as specified therein. In order to qualify as a RIC, the Company must meet certain minimum distribution, source-of-income and asset diversification requirements. If such requirements are met, then the Company is generally required to pay income taxes only on the portion of its taxable income and gains it does not distribute.

The minimum distribution requirements applicable to RICs require the Company to distribute to its stockholders at least 90% of its investment company taxable income (“ICTI”), as defined by the Code, each year. Depending on the level of ICTI earned in a tax year, the Company may choose to carry forward ICTI in excess of current year distributions into the next

tax year. Any such carryover ICTI must be distributed before the end of that next tax year through a dividend declared prior to filing the final tax return related to the year which generated such ICTI.

In addition, based on the excise distribution requirements, the Company is subject to a 4% nondeductible federal excise tax on undistributed income unless the Company distributes in a timely manner an amount at least equal to the sum of (1) 98% of its ordinary income for each calendar year, (2) 98.2% of capital gain net income (both long-term and short-term) for the one-year period ending October 31 in that calendar year and (3) any income realized, but not distributed, in the preceding year. For this purpose, however, any ordinary income or capital gain net income retained by the Company that is subject to corporate income tax is considered to have been distributed. The Company intends to make sufficient distributions each taxable year to satisfy the excise distribution requirements.

The Company evaluates tax positions taken or expected to be taken in the course of preparing its consolidated financial statements to determine whether the tax positions are “more-likely than not” to be sustained by the applicable tax authority. All penalties and interest associated with income taxes, if any, are included in income tax expense.

The SPVs and the 2015-1 Issuer are disregarded entities for tax purposes and are consolidated with the tax return of the Company.

Dividends and Distributions to Common Stockholders

To the extent that the Company has taxable income available, the Company intends to make quarterly distributions to its common stockholders. Dividends and distributions to common stockholders are recorded on the record date. The amount to be distributed is determined by the Board of Directors each quarter and is generally based upon the taxable earnings estimated by management and available cash. Net realized capital gains, if any, are generally distributed at least annually, although the Company may decide to retain such capital gains for investment.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

We are subject to financial market risks, including changes in the valuations of our investment portfolio and interest rates.

Valuation Risk

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

Interest Rate Risk

As of March 31, 2019, on a fair value basis, approximately 1% of our debt investments bear interest at a fixed rate and approximately 99% of our debt investments bear interest at a floating rate, which primarily are subject to interest rate floors. Interest rates on the investments held within our portfolio of investments are typically based on floating LIBOR, with many of these investments also having a LIBOR floor. Additionally, our Facilities are also subject to floating interest rates and are currently paid based on floating LIBOR rates.

Interest rate sensitivity refers to the change in earnings that may result from changes in the level of interest rates. There can be no assurance that a significant change in market interest rates will not have a material adverse effect on our income in the future.

The following table estimates the potential changes in net cash flow generated from interest income, should interest rates increase or decrease by 100, 200 or 300 basis points. Interest income is calculated as revenue from interest generated from our settled portfolio of debt investments held as of March 31, 2019 and December 31, 2018, excluding our investment in Credit Fund. These hypothetical calculations are based on a model of the settled debt investments in our portfolio, excluding our investment in Credit Fund, held as of March 31, 2019 and December 31, 2018, and are only adjusted for assumed changes in the underlying base interest rates and the impact of that change on interest income. Interest expense is calculated based on outstanding secured borrowings and notes payable as of March 31, 2019 and December 31, 2018 and based on the terms of our Facilities and notes payable. Interest expense on our Facilities and notes payable is calculated using the stated interest rate as of March 31, 2019 and December 31, 2018, adjusted for the hypothetical changes in rates, as shown below. We intend to continue to finance a portion of our investments with borrowings and the interest rates paid on our borrowings may impact significantly our net interest income.

We regularly measure exposure to interest rate risk. We assess interest rate risk and manage interest rate exposure on an ongoing basis by comparing our interest rate sensitive assets to our interest rate sensitive liabilities. Based on that review, we determine whether or not any hedging transactions are necessary to mitigate exposure to changes in interest rates.

Based on our Consolidated Statements of Assets and Liabilities as of March 31, 2019 and December 31, 2018, the following table shows the annual impact on net investment income of base rate changes in interest rates for our settled debt investments (considering interest rate floors for variable rate instruments), excluding our investment in Credit Fund, and outstanding secured borrowings and notes payable assuming no changes in our investment and borrowing structure:

Basis Point Change	As of March 31, 2019			As of December 31, 2018		
	Interest Income	Interest Expense	Net Investment Income	Interest Income	Interest Expense	Net Investment Income
Up 300 basis points	\$ 56,730	\$ (32,555)	\$ 24,175	\$ 52,554	\$ (28,165)	\$ 24,389
Up 200 basis points	\$ 38,826	\$ (21,703)	\$ 17,123	\$ 35,036	\$ (18,777)	\$ 16,259
Up 100 basis points	\$ 19,513	\$ (10,852)	\$ 8,661	\$ 17,518	\$ (9,388)	\$ 8,130
Down 100 basis points	\$ (19,169)	\$ 10,852	\$ (8,317)	\$ (17,477)	\$ 9,388	\$ (8,089)
Down 200 basis points	\$ (30,613)	\$ 21,703	\$ (8,910)	\$ (28,103)	\$ 18,777	\$ (9,326)
Down 300 basis points	\$ (31,595)	\$ 28,331	\$ (3,264)	\$ (28,741)	\$ 22,953	\$ (5,788)

Item 4. Controls and Procedures.***Evaluation of Disclosure Controls and Procedures***

As of the end of the period covered by this report, we carried out an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer (Principal Executive Officer) and our Chief Financial Officer (Principal Financial Officer), of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rule 13a-15 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). Based on that evaluation, our Chief Executive Officer and our Chief Financial Officer have concluded that our current disclosure controls and procedures are effective in timely alerting them of material information relating to the Company that is required to be disclosed by us in the reports we file or submit under the Exchange Act.

Changes in Internal Controls over Financial Reporting

There have been no changes in our internal control over financial reporting during the three month period ended March 31, 2019 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.

The Company may become party to certain lawsuits in the ordinary course of business. The Company is not currently subject to any material legal proceedings, nor, to our knowledge, is any material legal proceeding threatened against the Company. See also Note 11 to the consolidated financial statements in Part I, Item 1 of this Form 10-Q.

Item 1A. Risk Factors.

There have been no material changes to the risk factors previously disclosed in our annual report on Form 10-K for the year ended December 31, 2018. For a discussion of our potential risks and uncertainties, see the information under the heading “Risk Factors” in our annual report on Form 10-K for the year ended December 31, 2018 filed with the SEC on February 26, 2019, which is accessible on the SEC’s website at sec.gov.

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

We did not sell any equity securities during the period covered in this report that were not registered under the Securities Act of 1933, as amended.

Purchases of Equity Securities by the Issuer and Affiliated Purchasers

The following table provides information regarding purchases of our common stock made by or on behalf of the Company or any “affiliated purchaser” (as defined in Rule 10b-18(a)(3) under the Exchange Act) during the first quarter of 2019.

Period	Total Number of Shares Purchased ⁽¹⁾	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs ⁽¹⁾⁽²⁾	Maximum (or Approximate Dollar Value) of Shares that May Yet Be Purchased Under the Plans or Programs
January 1, 2019 through January 31, 2019	307,549	\$ 14.37	307,549	\$ 90,335
February 1, 2019 through February 28, 2019	272,806	14.99	272,806	86,245
March 1, 2019 through March 31, 2019	402,642	14.89	402,642	80,248
Total	982,997		982,997	

(1) On trade date basis.

(2) Shares purchased by the Company pursuant to the Company's Stock Repurchase Program, which was entered into on November 5, 2018. Pursuant to the program, the Company is authorized to repurchase up to \$100 million in the aggregate of its outstanding common stock in the open market and/or through privately negotiated transactions at prices not to exceed the Company’s net asset value per share as reported in its most recent financial statements, in accordance with the guidelines specified in Rule 10b-18 of the Exchange Act. The timing, manner, price and amount of any repurchases will be determined by the Company, in its discretion, based upon the evaluation of economic and market conditions, stock price, available cash, applicable legal and regulatory requirements and other factors, and may include purchases pursuant to Rule 10b5-1 of the Exchange Act. The program is expected to be in effect until the earlier of November 5, 2019 and the date the approved dollar amount has been used to repurchase shares. The program does not require the Company to repurchase any specific number of shares and there can be no assurance as to the amount of shares repurchased under the program. The program may be suspended, extended, modified or discontinued by the Company at any time, subject to applicable law. Pursuant to the authorization described above, the Company adopted the Company 10b5-1 Plan. The Company 10b5-1 Plan provides that purchases will be conducted on the open market in accordance with Rule 10b5-1 and 10b-18 under the Exchange Act and will otherwise be subject to applicable law, which may prohibit purchases under certain circumstances. The amount of purchases made under the Company 10b5-1 Plan or otherwise and how much will be purchased at any time is uncertain, dependent on prevailing market prices and trading volumes, all of which we cannot predict.

Item 3. Defaults Upon Senior Securities.

Not applicable.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

Not applicable.

Item 6. Exhibits.

[31.1](#) [Certification of Chief Executive Officer \(Principal Executive Officer\) Pursuant to Rule 13a-14\(a\) of the Securities Exchange Act of 1934, as amended.*](#)

[31.2](#) [Certification of Chief Financial Officer \(Principal Financial Officer\) Pursuant to Rule 13a-14 of the Securities Exchange Act of 1934, as amended.*](#)

[32.1](#) [Certification of Chief Executive Officer \(Principal Executive Officer\) Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.*](#)

[32.2](#) [Certification of Chief Financial Officer \(Principal Financial Officer\) Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.*](#)

* Filed herewith

SIGNATURES

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

TCG BDC, INC.

Dated: May 7, 2019

By /s/ Thomas M. Hennigan
Thomas M. Hennigan
Chief Financial Officer
(principal financial officer)

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER

CERTIFICATION

I, Michael A. Hart, certify that:

1. I have reviewed this quarterly report on Form 10-Q of TCG 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 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 7, 2019

/s/ Michael A. Hart

Michael Hart
Chief Executive Officer
(Principal Executive Officer)

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER

CERTIFICATION

I, Thomas M. Hennigan, certify that:

1. I have reviewed this quarterly report on Form 10-Q of TCG 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 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 7, 2019

/s/ Thomas M. Hennigan

Thomas M. Hennigan
Chief Financial Officer
(Principal Financial Officer)

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER, SECTION 906

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

I, Michael A. Hart, the Chief Executive Officer (Principal Executive Officer) of TCG BDC, Inc. (the “Company”), hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- the Form 10-Q of the Company for the quarter ended March 31, 2019 as filed with the Securities and Exchange Commission on the date hereof (the “Form 10-Q”), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and
- the information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: May 7, 2019

/s/ Michael A. Hart

Michael A. Hart
Chief Executive Officer
(Principal Executive Officer)

* The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document.

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER, SECTION 906

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

I, Thomas M. Hennigan, the Chief Financial Officer (Principal Financial Officer) of TCG BDC, Inc. (the “Company”), hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- the Form 10-Q of the Company for the quarter ended March 31, 2019 as filed with the Securities and Exchange Commission on the date hereof (the “Form 10-Q”), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and
- the information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: May 7, 2019

/s/ Thomas M. Hennigan

Thomas M. Hennigan
Chief Financial Officer
(Principal Financial Officer)

* The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document.