

**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 September 30, 2020
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. 814-00995

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)

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	The Nasdaq Global Select Market

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

The number of shares of the registrant's common stock, \$0.01 par value per share, outstanding at November 4, 2020 was 56,308,616.

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>September 30, 2020</u>	<u>December 31, 2019</u>
	<u>(unaudited)</u>	
ASSETS		
Investments, at fair value		
Investments—non-controlled/non-affiliated, at fair value (amortized cost of \$1,840,796 and \$1,960,755, respectively)	\$ 1,737,044	\$ 1,897,057
Investments—controlled/affiliated, at fair value (amortized cost of \$233,131 and \$240,696, respectively)	211,129	226,907
Total investments, at fair value (amortized cost of \$2,073,927 and \$2,201,451, respectively)	1,948,173	2,123,964
Cash and cash equivalents	37,088	36,751
Receivable for investment sold	74	6,162
Deferred financing costs	3,651	4,032
Interest receivable from non-controlled/non-affiliated investments	12,791	9,462
Interest and dividend receivable from controlled/affiliated investments	5,754	6,845
Prepaid expenses and other assets	856	317
Total assets	\$ 2,008,387	\$ 2,187,533
LIABILITIES		
Secured borrowings (Note 6)	\$ 513,332	\$ 616,543
2015-1 Notes payable, net of unamortized debt issuance costs of \$2,726 and \$2,911, respectively (Note 7)	446,474	446,289
Senior Notes (Note 7)	115,000	115,000
Interest and credit facility fees payable (Notes 6 and 7)	3,405	6,764
Dividend payable (Note 9)	20,830	31,760
Base management and incentive fees payable (Note 4)	11,473	13,236
Administrative service fees payable (Note 4)	85	77
Other accrued expenses and liabilities	2,566	1,393
Total liabilities	1,113,165	1,231,062
Commitments and contingencies (Notes 8 and 11)		
EQUITY		
NET ASSETS		
Cumulative convertible preferred stock, \$0.01 par value; 2,000,000 and 0 shares issued and outstanding as of September 30, 2020 and December 31, 2019, respectively	50,000	—
Common stock, \$0.01 par value; 198,000,000 and 200,000,000 shares authorized; 56,308,616 and 57,763,811 shares issued and outstanding at September 30, 2020 and December 31, 2019, respectively	563	578
Paid-in capital in excess of par value	1,093,250	1,109,238
Offering costs	(1,633)	(1,633)
Total distributable earnings (loss)	(246,958)	(151,712)
Total net assets	\$ 895,222	\$ 956,471
NET ASSETS PER COMMON SHARE	\$ 15.01	\$ 16.56

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		For the nine month periods ended	
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
Investment income:				
From non-controlled/non-affiliated investments:				
Interest income	\$ 34,789	\$ 47,118	\$ 112,290	\$ 139,584
Other income	2,110	1,756	8,001	6,050
Total investment income from non-controlled/non-affiliated investments	36,899	48,874	120,291	145,634
From non-controlled/affiliated investments:				
Interest income	—	446	—	1,209
Total investment income from non-controlled/affiliated investments	—	446	—	1,209
From controlled/affiliated investments:				
Interest income	135	2,459	3,563	9,240
Dividend income	5,750	4,000	14,750	11,750
Total investment income from controlled/affiliated investments	5,885	6,459	18,313	20,990
Total investment income	42,784	55,779	138,604	167,833
Expenses:				
Base management fees (Note 4)	7,134	8,016	21,585	23,614
Incentive fees (Note 4)	4,322	5,710	14,075	17,489
Professional fees	937	534	2,282	1,879
Administrative service fees (Note 4)	167	61	539	442
Interest expense (Notes 6 and 7)	7,291	13,538	28,913	38,561
Credit facility fees (Note 6)	728	545	2,106	1,784
Directors' fees and expenses	86	88	303	269
Other general and administrative	498	483	1,364	1,338
Total expenses	21,163	28,975	71,167	85,376
Net investment income (loss) before taxes	21,621	26,804	67,437	82,457
Excise tax expense	387	49	539	169
Net investment income (loss)	21,234	26,755	66,898	82,288
Net realized gain (loss) and net change in unrealized appreciation (depreciation):				
Net realized gain (loss) on investments:				
Non-controlled/non-affiliated investments	(209)	(10,909)	(49,690)	(8,600)
Controlled/affiliated investments	—	—	—	(9,091)
Currency gains (losses) on non-investment assets and liabilities	(11)	—	474	—
Net change in unrealized appreciation (depreciation) on investments:				
Non-controlled/non-affiliated investments	12,906	(22,343)	(40,054)	(34,074)
Non-controlled/affiliated investments	—	(48)	—	1,903
Controlled/affiliated investments	2,134	(2,850)	(8,213)	1,662
Net change in unrealized currency gains (losses) on non-investment assets and liabilities	(2,446)	406	(749)	406
Net realized and unrealized gain (loss) on investments and non-investment assets and liabilities	12,374	(35,744)	(98,232)	(47,794)
Net increase (decrease) in net assets resulting from operations	33,608	(8,989)	(31,334)	34,494
Preferred stock dividend	856	—	1,410	—
Net increase (decrease) in net assets resulting from operations attributable to Common Stockholders	\$ 32,752	\$ (8,989)	\$ (32,744)	\$ 34,494
Basic and diluted earnings per common share (Note 9)				
Basic	\$ 0.58	\$ (0.15)	\$ (0.58)	\$ 0.57
Diluted	\$ 0.55	\$ (0.15)	\$ (0.58)	\$ 0.57
Weighted-average shares of common stock outstanding (Note 9)				
Basic	56,308,616	59,587,941	56,575,498	60,644,479
Diluted	61,571,773	59,587,941	56,575,498	60,644,479

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 nine month periods ended	
	September 30, 2020	September 30, 2019
Net increase (decrease) in net assets resulting from operations:		
Net investment income (loss)	\$ 66,898	\$ 82,288
Net realized gain (loss)	(49,216)	(17,691)
Net change in unrealized appreciation (depreciation) on investments	(48,267)	(30,509)
Net change in unrealized currency gains (losses) on non-investment assets and liabilities	(749)	406
Net increase (decrease) in net assets resulting from operations	<u>(31,334)</u>	<u>34,494</u>
Capital transactions:		
Preferred stock issued	50,000	—
Repurchase of common stock	(16,003)	(47,521)
Dividends declared on preferred and common stock (Note 9)	(63,912)	(71,590)
Net increase (decrease) in net assets resulting from capital share transactions	<u>(29,915)</u>	<u>(119,111)</u>
Net increase (decrease) in net assets	<u>(61,249)</u>	<u>(84,617)</u>
Net Assets at beginning of period	956,471	1,063,218
Net Assets at end of period	<u>\$ 895,222</u>	<u>\$ 978,601</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 nine month periods ended	
	September 30, 2020	September 30, 2019
Cash flows from operating activities:		
Net increase (decrease) in net assets resulting from operations	\$ (31,334)	\$ 34,494
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	939	931
Net accretion of discount on investments	(5,510)	(9,012)
Paid-in-kind interest	(3,878)	(6,841)
Net realized (gain) loss on investments	49,690	17,691
Net realized currency (gain) loss on non-investment assets and liabilities	(474)	—
Net change in unrealized (appreciation) depreciation on investments	48,267	30,509
Net change in unrealized currency (gains) losses on non-investment assets and liabilities	749	(406)
Cost of investments purchased and change in payable for investments purchased	(449,658)	(707,910)
Proceeds from sales and repayments of investments and change in receivable for investments sold	542,846	521,508
<i>Changes in operating assets:</i>		
Interest receivable	(3,329)	(5,705)
Dividend receivable	1,091	454
Prepaid expenses and other assets	(211)	32
<i>Changes in operating liabilities:</i>		
Due to Investment Adviser	—	(94)
Interest and credit facility fees payable	(3,359)	180
Base management and incentive fees payable	(1,763)	(108)
Administrative service fees payable	8	(28)
Other accrued expenses and liabilities	1,173	(616)
Net cash provided by (used in) operating activities	<u>145,247</u>	<u>(124,921)</u>
Cash flows from financing activities:		
Proceeds from issuance of preferred stock	50,000	—
Repurchase of common stock	(16,003)	(47,521)
Borrowings on SPV Credit Facility and Credit Facility	293,792	590,179
Repayments of SPV Credit Facility and Credit Facility	(397,484)	(347,897)
Debt issuance costs paid	(373)	(1,483)
Dividends paid in cash	(74,842)	(85,262)
Net cash provided by (used in) financing activities	<u>(144,910)</u>	<u>108,016</u>
Net increase (decrease) in cash and cash equivalents	337	(16,905)
Cash and cash equivalents, beginning of period	36,751	87,186
Cash and cash equivalents, end of period	<u>\$ 37,088</u>	<u>\$ 70,281</u>
Supplemental disclosures:		
Interest paid during the period	\$ 31,708	\$ 38,244
Taxes, including excise tax, paid during the period	\$ 387	\$ 169
Dividends declared on preferred stock and common stock during the period	\$ 63,912	\$ 71,590

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

TCG BDC, INC.
CONSOLIDATED SCHEDULE OF INVESTMENTS
As of September 30, 2020
(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 (72.71% of fair value)											
Airnov, Inc. (Clariant)	^*	(2)(3)(12)	Containers, Packaging & Glass	L + 5.25%	6.25%	12/20/2019	12/19/2025	\$ 12,748	\$ 12,562	\$ 12,648	1.41 %
Alpha Packaging Holdings, Inc.	+*	(2)(3)	Containers, Packaging & Glass	L + 6.00%	7.00%	6/26/2015	11/12/2021	2,802	2,802	2,799	0.31
Alpine SG, LLC	^*	(2)(3)	High Tech Industries	L + 5.75%	6.75%	2/2/2018	11/16/2022	15,301	15,215	15,229	1.70
Alpine SG, LLC	^	(2)(3)	High Tech Industries	L + 8.50%	9.50%	7/24/2020	11/16/2022	1,618	1,573	1,624	0.18
American Physician Partners, LLC	^+*	(2)(3)(12)	Healthcare & Pharmaceuticals	L + 6.50%	7.50%	1/7/2019	12/21/2021	37,966	37,741	36,391	4.07
AMS Group HoldCo, LLC	^+	(2)(3)(12)	Transportation: Cargo	L + 6.50%	7.50%	9/29/2017	9/29/2023	30,479	30,117	30,238	3.38
Analogic Corporation	^+*	(2)(3)(12)	Capital Equipment	L + 5.25%	6.25%	6/22/2018	6/22/2024	2,367	2,336	2,363	0.26
Anchor Hocking, LLC	^	(2)(3)	Durable Consumer Goods	L + 11.75%	12.75%	1/25/2019	1/25/2024	10,047	9,816	9,623	1.07
Apptio, Inc.	^	(2)(3)(12)	Software	L + 7.25%	8.25%	1/10/2019	1/10/2025	10,541	10,340	10,582	1.18
At Home Holding III, Inc.	^	(2)(3)(7)	Retail	L + 9.00%	10.00%	6/12/2020	7/27/2022	898	878	882	0.10
Aurora Lux FinCo S.Á.R.L. (Accelya) (Luxembourg)	^*	(2)(3)(7)	Software	L + 6.00%	7.00%	12/24/2019	12/24/2026	37,313	36,460	34,051	3.81
Avenu Holdings, LLC	+*	(2)(3)	Sovereign & Public Finance	L + 5.25%	6.25%	9/28/2018	9/28/2024	38,371	37,932	37,815	4.22
Barnes & Noble, Inc.	^	(2)(3)(11)	Retail	L + 5.50%	6.50%	8/7/2019	8/7/2024	16,967	16,626	15,859	1.77
BMS Holdings III Corp.	^*	(2)(3)	Construction & Building	L + 5.25%	6.25%	9/30/2019	9/30/2026	4,917	4,793	4,882	0.55
Brooks Equipment Company, LLC	+	(2)(3)	Construction & Building	L + 5.00%	6.00%	6/26/2015	5/1/2021	367	367	367	0.04
Captive Resources Midco, LLC	^*	(2)(3)(12)	Banking, Finance, Insurance & Real Estate	L + 6.00%	7.00%	6/30/2015	5/31/2025	19,698	19,408	19,777	2.21
Central Security Group, Inc.	^+*	(2)(3)(8)	Consumer Services	L + 5.63%	6.63%	6/26/2015	10/6/2021	18,400	17,863	7,949	0.89
Chartis Holding, LLC	^*	(2)(3)(12)	Business Services	L + 5.50%	6.50%	5/1/2019	5/1/2025	15,806	15,469	15,702	1.75
Chemical Computing Group ULC (Canada)	^*	(2)(3)(7)(12)	Software	L + 5.00%	6.00%	8/30/2018	8/30/2023	472	471	469	0.05
CircusTrix Holdings, LLC	^*	(2)(3)(12)	Hotel, Gaming & Leisure	L + 6.75% (100% PIK)	7.75%	2/2/2018	12/6/2021	9,757	9,714	7,733	0.86
Cobblestone Intermediate Holdco LLC	^	(2)(3)(12)	Consumer Services	L + 5.00%	6.00%	1/29/2020	1/29/2026	615	609	618	0.07
Comar Holding Company, LLC	^+*	(2)(3)(12)	Containers, Packaging & Glass	L + 5.50%	6.50%	6/18/2018	6/18/2024	30,915	30,467	30,902	3.45
Cority Software Inc. (Canada)	^*	(2)(3)(7)(12)	Software	L + 5.25%	6.25%	7/2/2019	7/2/2026	19,470	19,083	19,508	2.18
Cority Software Inc. (Canada)	^	(2)(3)(7)	Software	L + 7.25%	8.25%	9/3/2020	7/2/2026	1,902	1,846	1,931	0.22
Derm Growth Partners III, LLC (Dermatology Associates)	^	(2)(3)(8)	Healthcare & Pharmaceuticals	L + 6.25% (100% PIK)	7.25%	5/31/2016	5/31/2022	56,320	56,046	28,680	3.20
DermaRite Industries, LLC	^*	(2)(3)	Healthcare & Pharmaceuticals	L + 7.00%	8.00%	3/3/2017	3/3/2022	21,966	21,861	21,424	2.39
Designer Brands Inc.	^	(2)(3)(7)	Retail	L + 8.50%	9.75%	8/7/2020	8/7/2025	18,182	17,738	18,037	2.02
Diligent Corporation	^	(2)(3)(12)	Telecommunications	L + 6.25%	7.25%	8/4/2020	8/4/2025	580	562	576	0.06
Direct Travel, Inc.	^*	(2)(3)(8)	Hotel, Gaming & Leisure	L + 8.50%	9.50%	10/14/2016	12/1/2021	36,711	36,476	25,985	2.90
DTI Holdco, Inc.	*	(2)(3)	High Tech Industries	L + 4.75%	5.75%	12/18/2018	9/30/2023	1,959	1,875	1,670	0.19

TCG BDC, INC.
CONSOLIDATED SCHEDULE OF INVESTMENTS (Continued)
As of September 30, 2020
(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	
Emergency Communications Network, LLC	^+*	(2)(3)	Telecommunications	L + 2.625%, 5.125% PIK	8.75%	6/1/2017	6/1/2023	\$ 24,218	\$ 24,107	\$ 20,948	2.34 %
Ensono, LP	^*	(2)(3)	Telecommunications	L + 5.25%	5.40%	4/30/2018	6/27/2025	8,472	8,406	8,376	0.94
Ensono, LP	^*	(2)(3)	Telecommunications	L + 5.75%	5.89%	6/25/2020	6/27/2025	18,176	18,047	17,964	2.01
Ethos Veterinary Health LLC	^+	(2)(3)(12)	Consumer Services	L + 4.75%	4.90%	5/17/2019	5/15/2026	10,813	10,701	10,502	1.17
EvolveIP, LLC	^+*	(2)(3)(12)	Telecommunications	L + 5.75%	6.75%	11/26/2019	6/7/2023	34,749	34,670	34,470	3.85
Frontline Technologies Holdings, LLC	*+	(2)(3)	Software	L + 5.75%	6.75%	9/18/2017	9/18/2023	3,107	3,087	3,128	0.35
FWR Holding Corporation	^+*	(2)(3)(12)	Beverage, Food & Tobacco	L + 5.50%, 1.50% PIK	8.00%	8/21/2017	8/21/2023	34,537	34,124	30,685	3.43
Hydrofarm, LLC	^	(2)(3)	Wholesale	L + 8.50%	8.65%	5/15/2017	5/12/2022	19,327	19,063	14,697	1.64
iCIMS, Inc.	^	(2)(3)(12)	Software	L + 6.50%	7.50%	9/12/2018	9/12/2024	—	(17)	(10)	—
Individual FoodService Holdings, LLC	^+	(2)(3)(12)	Wholesale	L + 5.75%	6.75%	2/21/2020	11/22/2025	3,928	3,837	3,553	0.40
Innovative Business Services, LLC	^*	(2)(3)(12)	High Tech Industries	L + 5.50%	6.50%	4/5/2018	4/5/2023	16,913	16,601	16,659	1.86
Integrity Marketing Acquisition, LLC	^	(2)(3)(12)	Banking, Finance, Insurance & Real Estate	L + 5.50%	6.50%	1/15/2020	8/27/2025	4,863	4,797	4,911	0.55
K2 Insurance Services, LLC	^+*	(2)(3)(12)	Banking, Finance, Insurance & Real Estate	L + 5.00%	6.00%	7/3/2019	7/1/2024	25,633	25,177	25,415	2.84
Kaseya, Inc.	^	(2)(3)(12)	High Tech Industries	L + 5.50%, 1.00% PIK	7.50%	5/3/2019	5/2/2025	21,217	20,831	21,229	2.37
Legacy.com, Inc.	^	(2)(3)(11)	High Tech Industries	L + 6.00%	7.00%	3/20/2017	3/20/2023	17,066	16,868	16,369	1.83
Lifelong Learner Holdings, LLC	^*	(2)(3)(12)	Business Services	L + 5.75%	6.75%	10/18/2019	10/18/2026	23,872	23,396	20,046	2.24
Liqui-Box Holdings, Inc.	^	(2)(3)(12)	Containers, Packaging & Glass	L + 4.50%	5.50%	6/3/2019	6/3/2024	1,227	1,204	1,189	0.13
Mailgun Technologies, Inc.	^	(2)(3)(12)	High Tech Industries	L + 5.00%	6.00%	3/26/2019	3/26/2025	11,764	11,550	11,419	1.28
National Carwash Solutions, Inc.	^+*	(2)(3)(12)	Automotive	L + 6.00%	7.00%	8/7/2018	4/28/2023	10,245	10,118	10,042	1.12
National Technical Systems, Inc.	^+*	(2)(3)(12)	Aerospace & Defense	L + 6.00%	7.00%	6/26/2015	6/12/2021	27,581	27,511	27,476	3.07
NES Global Talent Finance US, LLC (United Kingdom)	+	(2)(3)(7)	Energy: Oil & Gas	L + 5.50%	6.50%	5/9/2018	5/11/2023	9,814	9,713	9,712	1.09
NMI AcquisitionCo, Inc.	^+*	(2)(3)(12)	High Tech Industries	L + 5.50%	6.50%	9/6/2017	9/6/2022	49,683	49,246	49,637	5.54
Northland Telecommunications Corporation	^*	(2)(3)(12)	Media: Broadcasting & Subscription	L + 5.75%	6.75%	10/1/2018	10/1/2025	46,266	45,660	46,654	5.21
Paramit Corporation	+	(2)(3)	Capital Equipment	L + 4.50%	5.50%	5/3/2019	5/3/2025	6,213	6,164	6,162	0.69
PF Growth Partners, LLC	^+*	(2)(3)(12)	Hotel, Gaming & Leisure	L + 5.00%	6.00%	7/1/2019	7/11/2025	7,313	7,211	6,432	0.72
Plano Molding Company, LLC	^	(2)(3)	Hotel, Gaming & Leisure	L + 7.50%, 1.50% PIK	10.00%	5/1/2015	5/12/2022	14,674	14,625	12,759	1.43
Plano Molding Company, LLC	^	(2)(3)	Hotel, Gaming & Leisure	L + 7.50%, 1.50% PIK	10.00%	8/7/2020	5/12/2022	1,077	1,067	937	0.10
PPC Flexible Packaging, LLC	^+*	(2)(3)(12)	Containers, Packaging & Glass	L + 5.50%	6.50%	11/23/2018	11/23/2024	14,565	14,440	14,411	1.61

TCG BDC, INC.
CONSOLIDATED SCHEDULE OF INVESTMENTS (Continued)
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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
PPT Management Holdings, LLC	^	(2)(3)	Healthcare & Pharmaceuticals	L + 6.00%, 2.50% PIK	9.50%	12/15/2016	12/16/2022	\$ 27,893	\$ 27,804	\$ 22,505	2.51 %
PricewaterhouseCoopers Public Sector LLP	^	(2)(3)(12)	Aerospace & Defense	L + 3.25%	3.48%	5/1/2018	5/1/2023	—	(82)	(46)	(0.01)
Product Quest Manufacturing, LLC	^	(2)(3)(8)	Containers, Packaging & Glass	L + 6.75%	10.00%	9/21/2017	3/31/2020	840	840	441	0.05
Propel Insurance Agency, LLC	^	(2)(3)	Banking, Finance, Insurance & Real Estate	L + 4.25%	5.25%	6/1/2018	6/1/2024	2,345	2,332	2,321	0.26
QW Holding Corporation (Quala)	^+*	(2)(3)(12)	Environmental Industries	L + 6.25%	7.25%	8/31/2016	8/31/2022	43,231	42,831	40,685	4.55
Redwood Services Group, LLC	^*	(2)(3)	High Tech Industries	L + 6.00%	7.00%	11/13/2018	6/6/2023	8,364	8,313	8,252	0.92
Redwood Services Group, LLC	^	(2)(3)(12)	High Tech Industries	L + 8.50%	9.50%	8/14/2020	6/6/2023	977	877	990	0.11
Regency Entertainment, Inc.	^+	(2)(3)	Media: Diversified & Production	L + 6.75%	7.75%	5/22/2020	10/22/2025	20,000	19,621	19,600	2.19
Reladyne, Inc.	^	(2)(3)	Wholesale	L + 5.00%	6.00%	8/21/2020	7/22/2022	16,667	16,510	16,500	1.84
Riveron Acquisition Holdings, Inc.	^+*	(2)(3)	Banking, Finance, Insurance & Real Estate	L + 5.75%	6.75%	5/22/2019	5/22/2025	19,818	19,501	19,838	2.22
RSC Acquisition, Inc.	^	(2)(3)(12)	Banking, Finance, Insurance & Real Estate	L + 5.50%	6.50%	11/1/2019	11/1/2026	17,640	17,304	17,320	1.94
Sapphire Convention, Inc. (Smart City)	^+*	(2)(3)	Telecommunications	L + 5.25%	6.25%	11/20/2018	11/20/2025	32,467	31,975	27,444	3.07
Smile Doctors, LLC	^+*	(2)(3)(12)	Healthcare & Pharmaceuticals	L + 6.00%	7.00%	10/6/2017	10/6/2022	23,401	23,333	22,465	2.51
Sovos Brands Intermediate, Inc.	+*	(2)(3)	Beverage, Food & Tobacco	L + 4.75%	4.90%	11/16/2018	11/20/2025	19,748	19,585	19,523	2.18
SPay, Inc.	^*	(2)(3)(12)	Hotel, Gaming & Leisure	L + 2.30%, 5.45% PIK	8.75%	6/15/2018	6/17/2024	20,983	20,700	17,006	1.90
Superior Health Linens, LLC	^+	(2)(3)(12)	Business Services	L + 6.50%	7.50%	9/30/2016	9/30/2021	21,110	21,030	20,900	2.34
Surgical Information Systems, LLC	^+*	(2)(3)(11)	High Tech Industries	L + 5.00%	6.00%	4/24/2017	4/24/2023	26,168	26,040	25,906	2.89
T2 Systems, Inc.	^+*	(2)(3)(12)	Transportation: Consumer	L + 6.75%	7.75%	9/28/2016	9/28/2022	35,473	35,090	34,705	3.88
Tank Holding Corp.	^	(2)(3)(12)	Capital Equipment	L + 4.00%	4.15%	3/26/2019	3/26/2024	4	4	4	—
TCFI Aevox LLC	^*	(2)(3)	Aerospace & Defense	L + 6.00%	7.00%	3/18/2020	3/18/2026	10,006	9,842	9,843	1.10
The Leaders Romans Bidco Limited (United Kingdom) Term Loan B	^	(2)(3)(7)	Banking, Finance, Insurance & Real Estate	L + 6.75%, 3.50% PIK	11.00%	7/23/2019	6/30/2024	£ 20,420	24,920	25,822	2.88
The Leaders Romans Bidco Limited (United Kingdom) Term Loan C	^	(2)(3)(7)(12)	Banking, Finance, Insurance & Real Estate	L + 6.75%, 3.50% PIK	11.00%	7/23/2019	6/30/2024	£ 3,377	4,284	4,426	0.49
Trump Card, LLC	+^*	(2)(3)(12)	Transportation: Cargo	L + 5.50%	6.50%	6/26/2018	4/21/2022	7,613	7,587	7,401	0.83
TSB Purchaser, Inc. (Teaching Strategies, LLC)	^+*	(2)(3)(12)	Media: Advertising, Printing & Publishing	L + 6.00%	7.00%	5/14/2018	5/14/2024	28,083	27,604	27,698	3.09
Turbo Buyer, Inc. (Portfolio Holdings, Inc.)	^+*	(2)(3)(12)	Automotive	L + 5.50%	6.50%	12/2/2019	12/2/2025	32,579	31,814	32,242	3.60

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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
Tweddle Group, Inc.	^	(2)(3)	Media: Advertising, Printing & Publishing	L + 4.50%	5.50%	9/17/2018	9/17/2023	\$ 1,825	\$ 1,807	\$ 1,782	0.20 %
U.S. Acute Care Solutions, LLC	*	(2)(3)	Healthcare & Pharmaceuticals	L + 6.00%	7.00%	2/21/2019	5/15/2021	4,265	4,252	3,851	0.43
Unifrutti Financing PLC (Cyprus)	^	(7)	Beverage, Food & Tobacco	7.50%, 1.00% PIK	8.50%	9/15/2019	9/15/2026	€ 4,575	4,825	5,177	0.58
US INFRA SVCS Buyer, LLC (AIMS Companies)	^	(2)(3)(12)	Environmental Industries	L + 6.00%	7.00%	4/13/2020	4/13/2026	6,564	5,915	5,829	0.65
USLS Acquisition, Inc.	^*	(2)(3)(12)	Business Services	L + 5.75%	6.75%	11/30/2018	11/30/2024	21,975	21,633	20,336	2.27
USLS Acquisition, Inc.	^*	(2)(3)(12)	Business Services	L + 5.75%	6.75%	9/3/2020	11/30/2024	—	(23)	(42)	—
VRC Companies, LLC	^+*	(2)(3)(12)	Business Services	L + 6.50%	7.50%	3/31/2017	3/31/2023	37,457	37,147	37,457	4.18
Westfall Technik, Inc.	^*	(2)(3)	Chemicals, Plastics & Rubber	L + 6.25%	7.25%	9/13/2018	9/13/2024	28,254	27,974	26,024	2.91
YLG Holdings, Inc.	^	(2)(3)(12)	Consumer Services	L + 6.25%	7.25%	9/30/2020	11/1/2025	1,210	1,150	1,150	0.13
Zemax Software Holdings, LLC	^*	(2)(3)(12)	Software	L + 5.75%	6.75%	6/25/2018	6/25/2024	10,710	10,598	10,568	1.18
Zenith Merger Sub, Inc.	^+*	(2)(3)(12)	Business Services	L + 5.25%	6.25%	12/13/2017	12/13/2023	18,607	18,434	18,389	2.05
First Lien Debt Total								\$ 1,504,621	\$ 1,416,398		158.22 %
Second Lien Debt (14.77% of fair value)											
Access CIG, LLC	*	(2)(3)	Business Services	L + 7.75%	7.91%	2/14/2018	2/27/2026	\$ 2,700	\$ 2,688	\$ 2,543	0.28 %
AI Convoy S.A.R.L (Cobham) (United Kingdom)	^	(2)(3)(7)	Aerospace & Defense	L + 8.25%	9.25%	1/17/2020	1/17/2028	30,327	29,689	31,213	3.49
Aimbridge Acquisition Co., Inc.	^	(2)(3)	Hotel, Gaming & Leisure	L + 7.50%	7.66%	2/1/2019	2/1/2027	9,241	9,100	8,043	0.90
AQA Acquisition Holding, Inc.	^+	(2)(3)	High Tech Industries	L + 8.00%	9.00%	10/1/2018	5/24/2024	40,000	39,717	39,940	4.46
Brave Parent Holdings, Inc.	^*	(2)(3)	Software	L + 7.50%	8.50%	10/3/2018	4/19/2026	19,062	18,698	18,463	2.06
Drilling Info Holdings, Inc.	^	(2)(3)	Energy: Oil & Gas	L + 8.25%	8.40%	2/11/2020	7/30/2026	18,600	18,129	18,042	2.02
Higginbotham Insurance Agency, Inc.	^	(2)(3)	Banking, Finance, Insurance & Real Estate	L + 7.50%	8.50%	12/3/2019	12/19/2025	2,500	2,478	2,500	0.28
Jazz Acquisition, Inc.	^	(2)(3)	Aerospace & Defense	L + 8.00%	8.15%	6/13/2019	6/18/2027	23,450	23,141	17,278	1.93
Le Tote, Inc.	^	(2)(3)	Retail	L + 8.75%	10.25%	11/8/2019	11/8/2024	7,511	7,359	7,196	0.80
Outcomes Group Holdings, Inc.	^*	(2)(3)	Business Services	L + 7.50%	7.72%	10/23/2018	10/26/2026	4,500	4,491	4,442	0.50
Pharmalogic Holdings Corp.	^	(2)(3)	Healthcare & Pharmaceuticals	L + 8.00%	9.00%	6/7/2018	12/11/2023	800	797	770	0.09
Quartz Holding Company (QuickBase, Inc.)	^	(2)(3)	Software	L + 8.00%	8.15%	4/2/2019	4/2/2027	11,900	11,694	11,547	1.29
Reladyne, Inc.	^+	(2)(3)	Wholesale	L + 9.50%	10.50%	4/19/2018	1/21/2023	12,242	12,121	11,861	1.32
Stonegate Pub Company Bidco Limited (United Kingdom)	^	(2)(3)(7)	Beverage, Food & Tobacco	L + 8.50%	8.86%	3/12/2020	3/12/2028	£ 20,000	24,716	21,025	2.35
Tank Holding Corp.	^*	(2)(3)	Capital Equipment	L + 8.25%	8.39%	3/26/2019	3/26/2027	37,380	36,862	37,466	4.19
Ultimate Baked Goods MIDCO, LLC (Rise Baking)	^	(2)(3)	Beverage, Food & Tobacco	L + 8.00%	9.00%	8/9/2018	8/9/2026	8,333	8,199	7,808	0.87

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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
Watchfire Enterprises, Inc.	^ (2)(3)	Media: Advertising, Printing & Publishing	L + 8.00%	9.00%	10/2/2013	10/2/2021	\$ 7,000	\$ 6,980	\$ 6,969	0.78 %
World 50, Inc.	^ (9)	Business Services	11.50%	11.50%	1/10/2020	1/9/2027	10,000	9,817	9,792	1.09
WP CPP Holdings, LLC (CPP)	^* (2)(3)	Aerospace & Defense	L + 7.75%	8.75%	7/18/2019	4/30/2026	39,500	39,160	30,297	3.38
Zywave, Inc.	^ (2)(3)	High Tech Industries	L + 9.00%	10.00%	11/18/2016	11/17/2023	464	459	464	0.05
Second Lien Debt Total								\$ 306,295	\$ 287,659	32.13 %

Investments—non-controlled/non-affiliated ⁽¹⁾	Footnotes	Industry	Acquisition Date	Shares/Units	Cost	Fair Value ⁽⁵⁾	% of Net Assets
Equity Investments (1.69% of fair value)							
ANLG Holdings, LLC	^ (6)	Capital Equipment	6/22/2018	592	\$ 592	\$ 978	0.11 %
Avenu Holdings, LLC	^ (6)	Sovereign & Public Finance	9/28/2018	172	172	259	0.03
BK Intermediate Company, LLC	^ (6)	Healthcare & Pharmaceuticals	5/27/2020	288	288	271	0.03
Chartis Holding, LLC	^ (6)	Business Services	5/1/2019	433	433	601	0.07
CIP Revolution Holdings, LLC	^ (6)	Media: Advertising, Printing & Publishing	8/19/2016	318	318	154	0.02
Cority Software Inc. (Canada)	^ (6)	Software	7/2/2019	250	250	280	0.03
DecoPac, Inc.	^ (6)	Non-durable Consumer Goods	9/29/2017	1,500	1,500	2,084	0.23
Derm Growth Partners III, LLC (Dermatology Associates)	^ (6)	Healthcare & Pharmaceuticals	5/31/2016	1,000	1,000	—	—
GRO Sub Holdco, LLC (Grand Rapids)	^ (6)	Healthcare & Pharmaceuticals	3/29/2018	500	500	—	—
K2 Insurance Services, LLC	^ (6)	Banking, Finance, Insurance & Real Estate	7/3/2019	433	433	556	0.06
Legacy.com, Inc.	^ (6)	High Tech Industries	3/20/2017	1,500	1,500	665	0.07
Mailgun Technologies, Inc.	^ (6)	High Tech Industries	3/26/2019	424	424	784	0.09
North Haven Goldfinch Topco, LLC	^ (6)	Containers, Packaging & Glass	6/18/2018	2,315	2,315	2,717	0.30
Paramit Corporation	^ (6)	Capital Equipment	6/17/2019	150	500	737	0.08
PPC Flexible Packaging, LLC	^ (6)	Containers, Packaging & Glass	2/1/2019	965	965	1,247	0.14
Rough Country, LLC	^ (6)	Durable Consumer Goods	5/25/2017	755	755	1,830	0.20
SiteLock Group Holdings, LLC	^ (6)	High Tech Industries	4/5/2018	446	446	560	0.06
T2 Systems Parent Corporation	^ (6)	Transportation: Consumer	9/28/2016	556	556	825	0.09
Tailwind HMT Holdings Corp.	^ (6)	Energy: Oil & Gas	11/17/2017	20	1,334	2,025	0.23
Tank Holding Corp.	^ (6)	Capital Equipment	3/26/2019	850	850	943	0.11
Titan DI Preferred Holdings, Inc. (Drilling Info)	^ (6)	Energy: Oil & Gas	2/11/2020	10,876	10,589	10,549	1.18

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CONSOLIDATED SCHEDULE OF INVESTMENTS (Continued)
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Investments—non-controlled/non-affiliated ⁽¹⁾	Footnotes	Industry	Acquisition Date	Shares/Units	Cost	Fair Value ⁽⁵⁾	% of Net Assets
Turbo Buyer, Inc. (Portfolio Holdings, Inc.)	^ (6)	Automotive	12/2/2019	1,925	\$ 1,925	\$ 2,368	0.27 %
Tweddle Holdings, Inc.	*^ (6)	Media: Advertising, Printing & Publishing	9/17/2018	17	—	—	—
USLS Acquisition, Inc.	^ (6)	Business Services	11/30/2018	641	641	560	0.06
W50 Parent LLC	^ (6)	Business Services	1/10/2020	500	500	542	0.06
Zenith American Holding, Inc.	^ (6)	Business Services	12/13/2017	1,564	782	1,287	0.14
Zillow Topco LP	^ (6)	Software	6/25/2018	313	312	165	0.02
Equity Investments Total					\$ 29,880	\$ 32,987	3.68 %
Total investments—non-controlled/non-affiliated					\$ 1,840,796	\$ 1,737,044	194.03 %

Investments—controlled/affiliated	Footnotes	Industry	Reference Rate & Spread ⁽²⁾	Interest Rate ⁽²⁾	Acquisition Date	Maturity Date	Par/Principal Amount	Amortized Cost ⁽⁶⁾	Fair Value ⁽⁵⁾	% of Net Assets
First Lien Debt (0.35% of fair value)										
SolAero Technologies Corp. (A1 Term Loan)	^ (2)(3)(8)(10)	Telecommunications	L + 8.00% (100% PIK)	9.00%	4/12/2019	10/12/2022	\$ 3,166	\$ 3,166	\$ 1,151	0.13 %
SolAero Technologies Corp. (A2 Term Loan)	^ (2)(3)(8)(10)	Telecommunications	L + 8.00% (100% PIK)	9.00%	4/12/2019	10/12/2022	8,707	8,707	3,165	0.35
SolAero Technologies Corp. (Priority Facilities)	^ (2)(3)(10)(12)	Telecommunications	L + 6.00%	7.00%	4/12/2019	10/12/2022	2,477	2,442	2,477	0.28
First Lien Debt Total								\$ 14,315	\$ 6,793	0.76 %

Investments—controlled/affiliated	Footnotes	Industry	Acquisition Date	Shares/Units	Cost	Fair Value ⁽⁵⁾	% of Net Assets
Equity Investments (0.00% of fair value)							
SolAero Technologies Corp.	^ (6)(10)	Telecommunications	4/12/2019	3	\$ 2,815	\$ —	— %
Equity Investments Total					\$ 2,815	\$ —	— %

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CONSOLIDATED SCHEDULE OF INVESTMENTS (Continued)
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Investments— controlled/affiliated	Footnotes	Industry	Reference Rate & Spread ⁽²⁾	Interest Rate ⁽²⁾	Acquisition Date	Maturity Date	Par Amount/ LLC Interest	Cost	Fair Value ⁽⁷⁾	% of Net Assets
Investment Fund (10.49% of fair value)										
Middle Market Credit Fund, LLC, Subordinated Loan and Member's Interest	[^] (7)(10)	Investment Fund	N/A	—%	2/29/2016	3/1/2021	\$ 216,000	\$ 216,001	\$ 204,336	22.83 %
Middle Market Credit Fund, Mezzanine Loan	[^] (2)(7)(9)(10)	Investment Fund	L + 9.00%	9.23%	6/30/2016	3/22/2021	—	—	—	—
Investment Fund Total								<u>\$ 216,001</u>	<u>\$ 204,336</u>	<u>22.83 %</u>
Total investments—controlled/affiliated								<u>\$ 233,131</u>	<u>\$ 211,129</u>	<u>23.59 %</u>
Total Investments								<u>\$ 2,073,927</u>	<u>\$ 1,948,173</u>	<u>217.62 %</u>

[^] 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 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.

** Par amount is denominated in USD (“\$”) unless otherwise noted, as denominated in Euro (“€”) or British Pound (“£”).

- 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 September 30, 2020, 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 September 30, 2020, the Company is not an “affiliated person” of any of these portfolio companies. 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 (“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 September 30, 2020. As of September 30, 2020, the reference rates for our variable rate loans were the 30-day LIBOR at 0.15%, the 90-day LIBOR at 0.23% and the 180-day LIBOR at 0.26%.
- Loan includes interest rate floor feature, which is generally 1.00%.
- 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 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.
- 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. As of September 30, 2020, the aggregate fair value of these securities is \$32,987, or 3.68% of the Company’s net assets.
- 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.
- Loan was on non-accrual status as of September 30, 2020.
- Represents a corporate mezzanine loan, which is subordinated to senior secured term loans of the portfolio company.

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- (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 nine month period ended September 30, 2020, were as follows:

Investments— controlled/affiliated	Fair Value as of December 31, 2019	Additions/Purchases	Reductions/Sales/ Paydowns	Net Realized Gain (Loss)	Net Change in Unrealized Appreciation (Depreciation)	Fair Value as of September 30, 2020	Dividend and Interest Income
Middle Market Credit Fund, LLC, Mezzanine Loan	\$ 93,000	\$ 63,500	\$ (156,500)	\$ —	\$ —	\$ —	\$ 3,049
Middle Market Credit Fund, LLC, Subordinated Loan and Member’s Interest	111,596	92,500	—	—	240	204,336	14,750
Total investments— controlled/affiliated	\$ 204,596	\$ 156,000	\$ (156,500)	\$ —	\$ 240	\$ 204,336	\$ 17,799

Investments— controlled/affiliated	Fair Value as of December 31, 2019	Additions/Purchases	Reductions/Sales/ Paydowns	Net Realized Gain (Loss)	Net Change in Unrealized Appreciation (Depreciation)	Fair Value as of September 30, 2020	Dividend and Interest Income
SolAero Technologies Corp. (Priority Term Loan)	\$ 9,612	\$ —	\$ (7,135)	\$ —	\$ —	\$ 2,477	\$ 237
SolAero Technologies Corp. (A1 Term Loan)	3,166	—	—	—	(2,015)	1,151	—
SolAero Technologies Corp. (A2 Term Loan)	8,707	—	—	—	(5,542)	3,165	—
Solaero Technology Corp. (Equity)	826	—	—	—	(826)	—	—
Total investments— controlled/affiliated	\$ 22,311	\$ —	\$ (7,135)	\$ —	\$ (8,383)	\$ 6,793	\$ 237

- (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: Barnes & Noble, Inc. (1.83%), Legacy.com Inc. (4.44%), and Surgical Information Systems, LLC (1.01%). 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.

- (12) As of September 30, 2020, the Company had the following unfunded commitments to fund delayed draw and revolving senior secured loans:

Investments—non-controlled/non-affiliated	Type	Unused Fee	Par/ Principal Amount	Fair Value
First and Second Lien Debt—unfunded delayed draw and revolving term loans commitments				
Airnov, Inc. (Clariant)	Revolver	0.50%	\$ 1,250	\$ (9)
American Physician Partners, LLC	Revolver	0.50	550	(22)
AMS Group HoldCo, LLC	Revolver	0.50	2,315	(17)
Analogic Corporation	Revolver	0.50	168	—
Apptio, Inc.	Revolver	0.50	2,367	8
Captive Resources Midco, LLC	Revolver	0.50	2,143	8
Chartis Holding, LLC	Delayed Draw	1.00	6,402	(27)
Chartis Holding, LLC	Revolver	0.50	2,401	(10)
Chemical Computing Group ULC (Canada)	Revolver	0.50	29	—

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Investments—non-controlled/non-affiliated	Type	Unused Fee	Par/ Principal Amount	Fair Value
CircusTriX Holdings, LLC	Delayed Draw	1.00%	\$ 836	\$ (160)
Cobblestone Intermediate Holdco LLC	Delayed Draw	1.00	117	—
Comar Holding Company, LLC	Revolver	0.50	2,935	(1)
Cority Software Inc. (Canada)	Revolver	0.50	3,000	5
Diligent Corporation	Delayed Draw	1.00	141	(1)
Diligent Corporation	Revolver	0.50	47	—
Ethos Veterinary Health LLC	Delayed Draw	2.00	2,696	(62)
EvolveIP, LLC	Delayed Draw	1.00	3,922	(27)
EvolveIP, LLC	Revolver	0.50	2,353	(16)
FWR Holding Corporation	Revolver	0.50	4,444	(439)
iCIMS, Inc.	Revolver	0.50	1,252	(10)
Individual FoodService Holdings, LLC	Revolver	0.50	400	(30)
Individual FoodService Holdings, LLC	Delayed Draw	1.00	644	(49)
Innovative Business Services, LLC	Revolver	0.50	1,339	(19)
Integrity Marketing Acquisition, LLC	Delayed Draw	1.00	120	1
K2 Insurance Services, LLC	Revolver	0.50	2,290	(17)
K2 Insurance Services, LLC	Delayed Draw	1.00	1,571	(12)
Kaseya, Inc.	Delayed Draw	1.00	1,786	1
Kaseya, Inc.	Delayed Draw	0.50	882	—
Kaseya, Inc.	Revolver	0.50	787	—
Lifelong Learner Holdings, LLC	Delayed Draw	1.00	1,690	(240)
Lifelong Learner Holdings, LLC	Revolver	0.50	1,377	(196)
Liqui-Box Holdings, Inc.	Revolver	0.50	1,403	(20)
Mailgun Technologies, Inc.	Revolver	0.50	1,342	(35)
National Carwash Solutions, Inc.	Delayed Draw	1.00	611	(11)
National Carwash Solutions, Inc.	Revolver	0.50	5	—
National Technical Systems, Inc.	Revolver	0.50	2,500	(9)
NMI AcquisitionCo, Inc.	Revolver	0.50	1,280	(1)
Northland Telecommunications Corporation	Revolver	0.50	1,702	13
Northland Telecommunications Corporation	Revolver	0.50	1,257	10
PF Growth Partners, LLC	Delayed Draw	1.00	823	(89)
PPC Flexible Packaging, LLC	Revolver	0.50	881	(9)
PricewaterhouseCoopers Public Sector LLP	Revolver	0.50	6,250	(46)
QW Holding Corporation (Quala)	Delayed Draw	1.00	600	(35)
Redwood Services Group, LLC	Delayed Draw	4.25	2,500	10
RSC Acquisition, Inc.	Revolver	0.50	608	(10)
RSC Acquisition, Inc.	Delayed Draw	1.00	1,606	(26)
Smile Doctors, LLC	Delayed Draw	1.00	414	(16)

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Investments—non-controlled/non-affiliated	Type	Unused Fee	Par/ Principal Amount	Fair Value
Smile Doctors, LLC	Revolver	0.50%	\$ 424	\$ (16)
SolAero Technologies Corp. (Priority Facilities)	Revolver	0.50	2,068	—
SPay, Inc.	Revolver	0.50	664	(122)
Superior Health Linens, LLC	Revolver	0.50	1,000	(10)
T2 Systems, Inc.	Revolver	0.50	2,933	(59)
Tank Holding Corp.	Revolver	0.38	43	—
The Leaders Romans Bidco Limited (United Kingdom) Term Loan C	Delayed Draw	1.69	587	(12)
Trump Card, LLC	Revolver	0.50	635	(16)
TSB Purchaser, Inc. (Teaching Strategies, LLC)	Revolver	0.50	1,342	(18)
Turbo Buyer, Inc. (Portfolio Holdings, Inc.)	Revolver	0.50	2,151	(21)
US INFRA SVCS Buyer, LLC (AIMS Companies)	Revolver	0.50	2,275	(48)
US INFRA SVCS Buyer, LLC (AIMS Companies)	Delayed Draw	1.00	26,153	(549)
USLS Acquisition, Inc.	Revolver	0.50	946	(68)
USLS Acquisition, Inc.	Delayed Draw	0.50	591	(42)
VRC Companies, LLC	Revolver	0.50	1,646	—
VRC Companies, LLC	Delayed Draw	0.75	236	—
YLG Holdings, Inc.	Delayed Draw	1.00	790	(24)
Zemax Software Holdings, LLC	Revolver	0.50	642	(8)
Zenith Merger Sub, Inc.	Revolver	0.50	1,590	(15)
Zenith Merger Sub, Inc.	Delayed Draw	1.00	2,572	(25)
Total unfunded commitments			\$ 125,324	\$ (2,668)

As of September 30, 2020, investments at fair value consisted of the following:

Type	Amortized Cost	Fair Value	% of Fair Value
First Lien Debt (excluding First Lien/Last Out Debt)	\$ 1,438,903	\$ 1,344,575	69.01 %
First Lien/Last Out Debt	80,033	78,616	4.04
Second Lien Debt	306,295	287,659	14.77
Equity Investments	32,695	32,987	1.69
Investment Fund	216,001	204,336	10.49
Total	\$ 2,073,927	\$ 1,948,173	100.00 %

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The rate type of debt investments at fair value as of September 30, 2020 was as follows:

Rate Type	Amortized Cost	Fair Value	% of Fair Value of First and Second Lien Debt
Floating Rate	\$ 1,810,589	\$ 1,695,881	99.13 %
Fixed Rate	14,642	14,969	0.87
Total	\$ 1,825,231	\$ 1,710,850	100.00 %

The industry composition of investments at fair value as of September 30, 2020 was as follows:

Industry	Amortized Cost	Fair Value	% of Fair Value
Aerospace & Defense	\$ 129,261	\$ 116,061	5.96 %
Automotive	43,857	44,652	2.29
Banking, Finance, Insurance & Real Estate	120,634	122,886	6.31
Beverage, Food & Tobacco	91,449	84,218	4.32
Business Services	156,438	152,555	7.83
Capital Equipment	47,308	48,653	2.50
Chemicals, Plastics & Rubber	27,974	26,024	1.34
Construction & Building	5,160	5,249	0.27
Consumer Services	30,323	20,219	1.04
Containers, Packaging & Glass	65,595	66,354	3.41
Durable Consumer Goods	10,571	11,453	0.59
Energy: Oil & Gas	39,765	40,328	2.07
Environmental Industries	48,746	46,514	2.39
Healthcare & Pharmaceuticals	173,622	136,357	7.00
High Tech Industries	211,535	211,397	10.85
Hotel, Gaming & Leisure	98,893	78,895	4.05
Investment Fund	216,001	204,336	10.49
Media: Advertising, Printing & Publishing	36,709	36,603	1.88
Media: Broadcasting & Subscription	45,660	46,654	2.39
Media: Diversified & Production	19,621	19,600	1.01
Non-durable Consumer Goods	1,500	2,084	0.11
Retail	42,601	41,974	2.15
Software	112,822	110,682	5.68
Sovereign & Public Finance	38,104	38,074	1.95
Telecommunications	134,897	116,571	5.98
Transportation: Cargo	37,704	37,639	1.93
Transportation: Consumer	35,646	35,530	1.82
Wholesale	51,531	46,611	2.39
	\$ 2,073,927	\$ 1,948,173	100.00 %

TCG BDC, INC.
CONSOLIDATED SCHEDULE OF INVESTMENTS (Continued)
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The geographical composition of investments at fair value as of September 30, 2020 was as follows:

Geography	Amortized Cost	Fair Value	% of Fair Value
Canada	\$ 21,650	\$ 22,188	1.14 %
Cyprus	4,825	5,177	0.27
Luxembourg	36,460	34,051	1.75
United Kingdom	93,322	92,198	4.73
United States	1,917,670	1,794,559	92.11
Total	\$ 2,073,927	\$ 1,948,173	100.00 %

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

TCG BDC, INC.
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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 (77.29%)											
Aero Operating, LLC (Dejana Industries, Inc.)	^+*	(2) (3) (13)	Business Services	L + 7.25%	9.16%	1/5/2018	12/29/2022	\$ 3,517	\$ 3,491	\$ 3,449	0.36 %
Aimov, Inc.	^	(2) (3) (13)	Containers, Packaging & Glass	L + 5.25%	7.16%	12/20/2019	12/19/2025	12,813	12,602	12,601	1.32
Alpha Packaging Holdings, Inc.	++	(2) (3)	Containers, Packaging & Glass	L + 4.25%	6.35%	6/26/2015	5/12/2020	2,836	2,836	2,822	0.30
Alpine SG, LLC	^*	(2) (3)	High Tech Industries	L + 6.50%	8.43%	2/2/2018	11/16/2022	15,301	15,187	15,244	1.59
American Physician Partners, LLC	^+*	(2) (3) (13)	Healthcare & Pharmaceuticals	L + 6.50%	8.58%	1/7/2019	12/21/2021	38,235	37,868	38,110	3.98
AMS Group HoldCo, LLC	^+*	(2) (3) (13)	Transportation: Cargo	L + 6.00%	8.07%	9/29/2017	9/29/2023	30,808	30,361	30,457	3.18
Analogic Corporation	^+*	(2) (3) (13)	Healthcare & Pharmaceuticals	L + 6.00%	7.70%	6/22/2018	6/22/2024	34,784	34,190	34,784	3.64
Anchor Hocking, LLC	^	(2) (3)	Durable Consumer Goods	L + 8.75%	10.66%	1/25/2019	1/25/2024	10,707	10,410	10,359	1.08
Apptio, Inc.	^	(2) (3) (13)	Software	L + 7.25%	8.96%	1/10/2019	1/10/2025	35,541	34,874	35,237	3.68
Aurora Lux FinCo S.Á.R.L. (Luxembourg)	^	(2) (3) (7)	Software	L + 6.00%	7.93%	12/24/2019	12/24/2026	37,500	36,563	36,563	3.82
Avenu Holdings, LLC	++	(2) (3)	Sovereign & Public Finance	L + 5.25%	7.35%	9/28/2018	9/28/2024	38,665	38,125	37,227	3.89
Barnes & Noble, Inc.	^	(2) (3) (11)	Retail	L + 5.50%	9.07%	8/7/2019	8/7/2024	17,637	17,225	17,196	1.80
BMS Holdings III Corp.	^*	(2) (3) (13)	Construction & Building	L + 5.25%	7.35%	9/30/2019	9/30/2026	11,638	11,274	11,591	1.21
Brooks Equipment Company, LLC	++	(2) (3)	Construction & Building	L + 5.00%	6.91%	6/26/2015	8/29/2020	2,443	2,439	2,441	0.26
Capstone Logistics Acquisition, Inc.	++	(2) (3)	Transportation: Cargo	L + 4.50%	6.20%	6/26/2015	10/7/2021	3,976	3,962	3,894	0.41
Captive Resources Midco, LLC	^*	(2) (3) (13)	Banking, Finance, Insurance & Real Estate	L + 6.00%	8.18%	6/30/2015	5/31/2025	30,301	29,814	30,158	3.15
Central Security Group, Inc.	++	(2) (3)	Consumer Services	L + 5.63%	7.33%	6/26/2015	10/6/2021	22,634	22,531	19,466	2.04
Chartis Holding, LLC	^	(2) (3) (13)	Business Services	L + 5.25%	7.28%	5/1/2019	5/1/2025	15,926	15,538	15,723	1.64
Chemical Computing Group ULC (Canada)	^*	(2) (3) (7) (13)	Software	L + 5.25%	6.95%	8/30/2018	8/30/2023	14,674	14,567	14,539	1.52
CircusTriX Holdings, LLC	^+*	(2) (3)	Hotel, Gaming & Leisure	L + 5.50%	7.20%	2/2/2018	12/6/2021	9,397	9,342	9,242	0.97
Comar Holding Company, LLC	^+*	(2) (3) (13)	Containers, Packaging & Glass	L + 5.25%	6.96%	6/18/2018	6/18/2024	27,783	27,254	27,101	2.83
Cority Software Inc. (Canada)	^	(2) (3) (7) (13)	Software	L + 5.50%	7.57%	7/2/2019	7/2/2026	27,000	26,435	26,400	2.76
Dent Wizard International Corporation	+	(2) (3)	Automotive	L + 4.00%	5.70%	4/28/2015	4/7/2022	877	877	873	0.09
Derm Growth Partners III, LLC (Dermatology Associates)	^	(2) (3) (9)	Healthcare & Pharmaceuticals	L + 6.25% (100% PIK)	8.16%	5/31/2016	5/31/2022	56,310	56,026	39,716	4.15
DermaRite Industries, LLC	^*	(2) (3) (13)	Healthcare & Pharmaceuticals	L + 7.00%	8.70%	3/3/2017	3/3/2022	22,647	22,481	21,690	2.27
Digicel Limited (Jamaica)	^	(7)	Telecommunications	6.00%	6.00%	7/23/2019	4/15/2021	250	202	195	0.02

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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
Dimensional Dental Management, LLC	^	(2) (3) (11) (13)	Healthcare & Pharmaceuticals	L + 5.75%	10.00%	2/12/2016	2/12/2021	\$ 1,224	\$ 1,199	\$ 1,224	0.13 %
Dimensional Dental Management, LLC	^	(2) (3) (9) (11)	Healthcare & Pharmaceuticals	L + 5.75%	8.66%	2/12/2016	7/22/2020	33,674	33,301	—	—
Direct Travel, Inc.	^+*	(2) (3)	Hotel, Gaming & Leisure	L + 6.50%	8.41%	10/14/2016	12/1/2021	36,805	36,515	36,757	3.84
DTI Holdco, Inc.	*	(2) (3)	High Tech Industries	L + 4.75%	6.68%	12/18/2018	9/30/2023	1,974	1,871	1,841	0.19
Emergency Communications Network, LLC	^+*	(2) (3)	Telecommunications	L + 6.25%	8.14%	6/1/2017	6/1/2023	24,375	24,233	22,323	2.33
Ensono, LP	*	(2) (3)	Telecommunications	L + 5.25%	6.95%	4/30/2018	6/27/2025	8,537	8,452	8,537	0.89
Ethos Veterinary Health LLC	^+	(2) (3) (13)	Consumer Services	L + 4.75%	6.45%	5/17/2019	5/15/2026	10,869	10,744	10,807	1.13
EvolveIP, LLC	^+*	(2) (3)	Telecommunications	L + 5.75%	7.45%	11/26/2019	6/7/2023	34,420	33,923	34,420	3.60
Frontline Technologies Holdings, LLC	^*	(2) (3)	Software	L + 5.75%	7.85%	9/18/2017	9/18/2023	48,242	47,949	48,705	5.09
FWR Holding Corporation	^+*	(2) (3) (13)	Beverage, Food & Tobacco	L + 5.50%	7.29%	8/21/2017	8/21/2023	48,630	47,950	48,393	5.06
Green Energy Partners/Stonewall, LLC	+*	(2) (3)	Energy: Electricity	L + 5.50%	7.60%	6/26/2015	11/10/2021	19,550	19,374	18,034	1.89
GRO Sub Holdco, LLC (Grand Rapids)	^+*	(2) (3) (13)	Healthcare & Pharmaceuticals	L + 6.00%	8.10%	2/28/2018	2/22/2023	6,465	6,380	6,085	0.64
Hummel Station, LLC	+*	(2) (3)	Energy: Electricity	L + 6.00%	7.70%	2/3/2016	10/27/2022	14,641	14,169	12,896	1.35
Hydrofarm, LLC	^	(2) (3)	Wholesale	L+10.00% (30% Cash / 70% PIK)	11.91%	5/15/2017	5/12/2022	21,556	21,254	13,647	1.43
iCIMS, Inc.	^	(2) (3) (13)	Software	L + 6.50%	8.29%	9/12/2018	9/12/2024	23,930	23,507	23,927	2.50
Innovative Business Services, LLC	^*	(2) (3) (13)	High Tech Industries	L + 5.50%	7.53%	4/5/2018	4/5/2023	16,143	15,782	15,880	1.66
K2 Insurance Services, LLC	^+*	(2) (3) (13)	Banking, Finance, Insurance & Real Estate	L + 5.00%	7.19%	7/3/2019	7/1/2024	22,027	21,487	22,062	2.31
Kaseya Inc.	^	(2) (3) (13)	High Tech Industries	L + 5.50%, 1.00% PIK	8.41%	5/3/2019	5/2/2025	19,545	19,145	19,590	2.05
Legacy.com, Inc.	^	(2) (3) (11)	High Tech Industries	L + 9.98%	11.77%	3/20/2017	3/20/2023	17,080	16,832	16,325	1.71
Lifelong Learner Holdings, LLC	^*	(2) (3) (13)	Business Services	L + 5.75%	7.51%	10/18/2019	10/18/2026	23,523	22,971	23,240	2.43
Liqui-Box Holdings, Inc.	^	(2) (3) (13)	Containers, Packaging & Glass	L + 4.50%	6.41%	6/3/2019	6/3/2024	—	(26)	(37)	—
Mailgun Technologies, Inc.	^	(2) (3) (13)	High Tech Industries	L + 5.00%	7.10%	3/26/2019	3/26/2025	11,853	11,607	11,655	1.22
National Carwash Solutions, Inc.	^+	(2) (3) (13)	Automotive	L + 6.00%	7.69%	8/7/2018	4/28/2023	9,511	9,342	9,428	0.99
National Technical Systems, Inc.	^+*	(2) (3) (13)	Aerospace & Defense	L + 6.25%	7.94%	6/26/2015	6/12/2021	27,950	27,801	27,920	2.92
NES Global Talent Finance US, LLC (United Kingdom)	+*	(2) (3) (7)	Energy: Oil & Gas	L + 5.50%	7.43%	5/9/2018	5/11/2023	9,890	9,762	9,763	1.02

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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
Nexus Technologies, LLC	*	(2) (3)	High Tech Industries	L + 5.50%, 1.50% PIK	8.91%	12/11/2018	12/5/2023	\$ 6,172	\$ 6,119	\$ 5,621	0.59 %
NMI AcquisitionCo, Inc.	^+*	(2) (3) (13)	High Tech Industries	L + 5.75%	7.45%	9/6/2017	9/6/2022	50,067	49,471	49,888	5.22
Northland Telecommunications Corporation	^*	(2) (3) (13)	Media: Broadcast & Subscription	L + 5.75%	7.46%	10/1/2018	10/1/2025	46,603	45,916	46,529	4.86
Paramit Corporation	+*	(2) (3)	Capital Equipment	L + 4.50%	6.22%	5/3/2019	5/3/2025	6,298	6,241	6,268	0.66
PF Growth Partners, LLC	^+*	(2) (3) (13)	Hotel, Gaming & Leisure	L + 5.00%	6.70%	7/1/2019	7/11/2025	7,161	7,045	7,135	0.75
Plano Molding Company, LLC	^	(2) (3)	Hotel, Gaming & Leisure	L + 7.50%	9.20%	5/1/2015	5/12/2021	14,752	14,645	14,085	1.47
PPC Flexible Packaging, LLC	+*	(2) (3) (13)	Containers, Packaging & Glass	L + 5.50%	7.19%	11/23/2018	11/23/2024	13,591	13,404	13,464	1.41
PPT Management Holdings, LLC	^	(2) (3)	Healthcare & Pharmaceuticals	L + 6.00%, 0.75% PIK	8.66%	12/15/2016	12/16/2022	27,744	27,627	23,155	2.42
Pretium Packaging, LLC	^	(2) (3)	Containers, Packaging & Glass	L + 5.00%	6.91%	8/15/2019	11/14/2023	7,700	7,631	7,700	0.81
PricewaterhouseCoopers Public Sector LLP	^	(2) (3) (13)	Aerospace & Defense	L + 3.25%	5.16%	5/1/2018	5/1/2023	—	(105)	(46)	—
Product Quest Manufacturing, LLC	^	(2) (3) (9)	Containers, Packaging & Glass	L + 6.75%	5.75%	9/21/2017	3/31/2020	840	840	840	0.09
Propel Insurance Agency, LLC	^	(2) (3)	Banking, Finance, Insurance & Real Estate	L + 4.25%	6.35%	6/1/2018	6/1/2024	2,363	2,347	2,353	0.25
QW Holding Corporation (Quala)	^+*	(2) (3) (13)	Environmental Industries	L + 5.75%	7.73%	8/31/2016	8/31/2022	43,358	42,802	43,106	4.51
Redwood Services Group, LLC	^	(2) (3)	High Tech Industries	L + 6.00%	7.91%	11/13/2018	6/6/2023	8,427	8,363	8,342	0.87
Riveron Acquisition Holdings, Inc.	^+*	(2) (3)	Banking, Finance, Insurance & Real Estate	L + 6.00%	7.91%	5/22/2019	5/22/2025	19,968	19,605	19,587	2.05
RSC Acquisition, Inc.	^	(2) (3) (13)	Banking, Finance, Insurance & Real Estate	L + 5.50%	7.41%	11/1/2019	11/1/2026	11,594	11,222	11,449	1.20
Sapphire Convention, Inc. (Smart City)	*+^	(2) (3) (13)	Telecommunications	L + 5.25%	7.27%	11/20/2018	11/20/2025	28,577	28,009	28,329	2.96
Smile Doctors, LLC	^*+	(2) (3) (13)	Healthcare & Pharmaceuticals	L + 6.00%	8.07%	10/6/2017	10/6/2022	22,227	22,136	21,996	2.30
Sovos Brands Intermediate, Inc.	+*	(2) (3)	Beverage, Food & Tobacco	L + 5.00%	7.20%	11/16/2018	11/20/2025	19,899	19,714	19,750	2.06
SPay, Inc.	^+*	(2) (3) (13)	Hotel, Gaming & Leisure	L + 5.75%	7.46%	6/15/2018	6/17/2024	20,512	20,179	18,694	1.95
Superior Health Linens, LLC	^+*	(2) (3) (13)	Business Services	L + 7.50%, 0.50% PIK	9.91%	9/30/2016	9/30/2021	21,805	21,666	19,933	2.08
Surgical Information Systems, LLC	^+*	(2) (3) (11)	High Tech Industries	L + 4.50%	7.47%	4/24/2017	4/24/2023	26,168	26,007	25,715	2.69
T2 Systems, Inc.	^+*	(2) (3) (13)	Transportation: Consumer	L + 6.75%	8.85%	9/28/2016	9/28/2022	35,648	35,159	35,648	3.73
Tank Holding Corp.	^	(2) (3) (13)	Capital Equipment	L + 4.00%	5.76%	3/26/2019	3/26/2024	—	—	—	—
The Leaders Romans Bidco Limited (United Kingdom)	^	(2) (3) (7) (13)	Banking, Finance, Insurance & Real Estate	L + 6.75%, 3.50% PIK	11.01%	7/23/2019	6/30/2024	£ 19,577	24,865	26,531	2.77

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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	
Transform SR Holdings, LLC	^	(2) (3)	Retail	L + 7.25%	9.18%	2/11/2019	2/12/2024	\$ 19,050	\$ 18,887	\$ 18,860	1.97 %
Trump Card, LLC	^+*	(2) (3) (13)	Transportation: Cargo	L + 5.50%	7.63%	6/26/2018	4/21/2022	7,918	7,881	7,869	0.82
TSB Purchaser, Inc. (Teaching Strategies, LLC)	^+*	(2) (3) (13)	Media: Advertising, Printing & Publishing	L + 6.00%	8.10%	5/14/2018	5/14/2024	28,294	27,726	28,105	2.94
Turbo Buyer, Inc.	^	(2) (3) (13)	Automotive	L + 6.00%	7.69%	12/2/2019	12/2/2025	27,897	27,033	27,439	2.87
Tweddle Group, Inc.	^	(2) (3)	Media: Advertising, Printing & Publishing	L + 4.50%	6.20%	9/17/2018	9/17/2023	1,908	1,885	1,859	0.19
U.S. Acute Care Solutions, LLC	+*	(2) (3)	Healthcare & Pharmaceuticals	L + 5.00%	6.91%	2/21/2019	5/15/2021	4,265	4,230	4,053	0.42
Unifrutti Financing PLC (Cyprus)	^	(2) (3) (7)	Beverage, Food & Tobacco	7.50%, 1.00% PIK	8.50%	9/15/2019	9/15/2026	€ 4,530	4,746	4,836	0.51
USLS Acquisition, Inc.	^*	(2) (3) (13)	Business Services	L + 5.75%	7.85%	11/30/2018	11/30/2024	22,139	21,741	21,674	2.27
VRC Companies, LLC	^+*	(2) (3) (13)	Business Services	L + 6.50%	8.21%	3/31/2017	3/31/2023	57,164	56,674	57,106	5.97
Westfall Technik, Inc.	^	(2) (3) (13)	Chemicals, Plastics & Rubber	L + 5.75%	7.66%	9/13/2018	9/13/2024	27,973	27,432	26,962	2.82
WP CPP Holdings, LLC (CPP)	^	(2) (3)	Aerospace & Defense	L + 3.75%	5.66%	7/18/2019	4/30/2025	20,000	19,817	19,826	2.07
Zemax Software Holdings, LLC	^*	(2) (3) (13)	Software	L + 5.75%	7.85%	6/25/2018	6/25/2024	10,146	10,013	10,087	1.05
Zenith Merger Sub, Inc.	^	(2) (3) (13)	Business Services	L + 5.25%	7.35%	12/13/2017	12/13/2023	16,530	16,321	16,405	1.72
First Lien Debt Total							\$ 1,725,479	\$ 1,707,292	\$ 1,641,653	171.66 %	
Second Lien Debt (11.04%)											
Access CIG, LLC	*	(2) (3)	Business Services	L + 7.75%	9.44%	2/14/2018	2/27/2026	\$ 2,700	\$ 2,687	\$ 2,681	0.28 %
Aimbridge Acquisition Co., Inc.	^*	(2) (3)	Hotel, Gaming & Leisure	L + 7.50%	9.19%	2/1/2019	2/1/2027	9,241	9,089	9,160	0.96
AQA Acquisition Holding, Inc.	^	(2) (3)	High Tech Industries	L + 8.00%	10.09%	10/1/2018	5/24/2024	40,000	39,670	39,740	4.15
Brave Parent Holdings, Inc.	^*	(2) (3)	Software	L + 7.50%	9.43%	10/3/2018	4/19/2026	19,062	18,660	18,261	1.91
Higginbotham Insurance Agency, Inc.	^	(2) (3)	Banking, Finance, Insurance & Real Estate	L + 7.50%	9.20%	12/3/2019	12/19/2025	2,500	2,475	2,493	0.26
Jazz Acquisition, Inc.	^	(2) (3)	Aerospace & Defense	L + 8.00%	10.10%	6/13/2019	6/18/2027	23,450	23,117	23,225	2.43
Le Tote, Inc.	^	(2) (3)	Retail	L + 6.75%	8.66%	11/8/2019	11/8/2024	7,143	6,969	6,964	0.73
Outcomes Group Holdings, Inc.	^*	(2) (3)	Business Services	L + 7.50%	9.41%	10/23/2018	10/26/2026	4,500	4,490	4,487	0.47
Pathway Vet Alliance, LLC	^	(2) (3) (13)	Consumer Services	L + 8.50%	10.22%	11/14/2019	12/23/2025	8,050	7,814	8,074	0.84
Pharmalogic Holdings Corp.	^	(2) (3)	Healthcare & Pharmaceuticals	L + 8.00%	9.70%	6/7/2018	12/11/2023	800	797	796	0.08
Quartz Holding Company (QuickBase, Inc.)	^	(2) (3)	Software	L + 8.00%	9.71%	4/2/2019	4/2/2027	11,900	11,677	11,662	1.22
Reladyne, Inc.	^+*	(2) (3) (13)	Wholesale	L + 9.50%	11.60%	4/19/2018	1/21/2023	12,242	12,080	12,234	1.28
Tank Holding Corp.	^*	(2) (3)	Capital Equipment	L + 8.25%	11.04%	3/26/2019	3/26/2027	37,380	36,771	37,223	3.89
Ultimate Baked Goods MIDCO, LLC (Rise Baking)	^	(2) (3)	Beverage, Food & Tobacco	L + 8.00%	9.70%	8/9/2018	8/9/2026	8,333	8,187	8,243	0.86
Watchfire Enterprises, Inc.	^	(2) (3)	Media: Advertising, Printing & Publishing	L + 8.00%	9.95%	10/2/2013	10/2/2021	7,000	6,966	6,998	0.73
WP CPP Holdings, LLC (CPP)	^*	(2) (3)	Aerospace & Defense	L + 7.75%	9.68%	7/18/2019	4/30/2026	39,500	39,125	38,833	4.06

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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	
Zywave, Inc.	^	(2) (3)	High Tech Industries	L + 9.00%	10.94%	11/18/2016	11/17/2023	\$ 3,468	\$ 3,432	\$ 3,458	0.36 %
Second Lien Debt Total							\$ 237,269	\$ 234,006	\$ 234,532	24.51 %	

Investments—non-controlled/non-affiliated ⁽¹⁾	Footnotes	Industry	Acquisition Date	Shares/ Units	Cost	Fair Value ⁽⁵⁾	% of Net Assets	
Equity Investments (0.98%)								
ANLG Holdings, LLC	^	(6)	Healthcare & Pharmaceuticals	6/22/2018	880	\$ 880	\$ 973	0.10 %
Avenu Holdings, LLC	^	(6)	Sovereign & Public Finance	9/28/2018	172	172	154	0.02
Chartis Holding, LLC	^	(6)	Business Services	5/1/2019	433	433	589	0.06
CIP Revolution Holdings, LLC	^	(6)	Media: Advertising, Printing & Publishing	8/19/2016	318	318	444	0.05
Cority Software Inc. (Canada)	^	(6)	Software	7/2/2019	250	250	306	0.03
DecoPac, Inc.	^	(6)	Non-durable Consumer Goods	9/29/2017	1,500	1,500	1,999	0.21
Derm Growth Partners III, LLC (Dermatology Associates)	^	(6)	Healthcare & Pharmaceuticals	5/31/2016	1,000	1,000	—	—
GRO Sub Holdco, LLC (Grand Rapids)	^	(6)	Healthcare & Pharmaceuticals	3/29/2018	500	500	137	0.01
K2 Insurance Services, LLC	^	(6)	Banking, Finance, Insurance & Real Estate	7/3/2019	433	433	486	0.05
Legacy.com, Inc.	^	(6)	High Tech Industries	3/20/2017	1,500	1,500	783	0.08
Mailgun Technologies, Inc.	^	(6)	High Tech Industries	3/26/2019	424	424	605	0.06
North Haven Goldfinch Topco, LLC	^	(6)	Containers, Packaging & Glass	6/18/2018	2,315	2,315	2,542	0.27
Paramit Corporation	^	(6)	Capital Equipment	6/17/2019	150	500	501	0.05
PPC Flexible Packaging, LLC	^	(6)	Containers, Packaging & Glass	2/1/2019	965	965	1,174	0.12
Rough Country, LLC	^	(6)	Durable Consumer Goods	5/25/2017	755	755	1,225	0.13
SiteLock Group Holdings, LLC	^	(6)	High Tech Industries	4/5/2018	446	446	587	0.06
T2 Systems Parent Corporation	^	(6)	Transportation: Consumer	9/28/2016	556	556	628	0.07
Tailwind HMT Holdings Corp.	^	(6)	Energy: Oil & Gas	11/17/2017	20	2,000	2,211	0.23
Tank Holding Corp.	^	(6)	Capital Equipment	3/26/2019	850	850	1,035	0.11
Turbo Buyer, Inc.	^	(6)	Automotive	12/2/2019	1,925	1,925	1,925	0.20
Tweddle Holdings, Inc.	^*	(6)	Media: Advertising, Printing & Publishing	9/17/2018	17	—	—	—
USLS Acquisition, Inc.	^	(6)	Business Services	11/30/2018	641	641	720	0.08
Zenith American Holding, Inc.	^	(6)	Business Services	12/13/2017	1,564	782	1,490	0.16
Zillow Topco LP	^	(6)	Software	6/25/2018	313	312	358	0.04
Equity Investments Total						\$ 19,457	\$ 20,872	2.19 %
Total investments—non-controlled/non-affiliated						\$ 1,960,755	\$ 1,897,057	198.36 %

TCG BDC, INC.
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Investments— 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 (1.01%)										
SolAero Technologies Corp. (A1 Term Loan)	^ (2) (3) (9) (10)	Telecommunications	L + 8.00% (100% PIK)	9.91%	4/12/2019	10/12/2022	\$ 3,166	\$ 3,166	\$ 3,166	0.33 %
SolAero Technologies Corp. (A2 Term Loan)	^ (2) (3) (9) (10)	Telecommunications	L + 8.00% (100% PIK)	9.91%	4/12/2019	10/12/2022	8,707	8,707	8,707	0.91
SolAero Technologies Corp. (Priority Term Loan)	^ (2) (3) (10) (13)	Telecommunications	L + 6.00%	7.91%	4/12/2019	10/12/2022	9,612	9,507	9,612	1.00
First Lien Debt Total							\$ 21,485	\$ 21,380	\$ 21,485	2.24 %

Investments—controlled/affiliated	Footnotes	Industry	Acquisition Date	Shares/ Units	Cost	Fair Value ⁽⁵⁾	% of Net Assets
Equity Investments (—)							
SolAero Technologies Corp.	^ (6) (10)	Telecommunications	4/12/2019	3	\$ 2,815	\$ 826	0.09 %
Equity Investments Total					\$ 2,815	\$ 826	0.09 %

Investments— controlled/affiliated	Industry	Reference Rate & Spread ⁽²⁾	Interest Rate ⁽²⁾	Acquisition Date	Maturity Date	Par Amount/ LLC Interest	Cost	Fair Value ⁽⁷⁾	% of Net Assets	
Investment Fund (9.63%)										
Middle Market Credit Fund, Mezzanine Loan	^ (2) (7) (8) (10)	Investment Fund	L + 9.00%	10.97%	6/30/2016	5/18/2021	\$ 93,000	\$ 93,000	\$ 93,000	9.72 %
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	123,500	123,501	111,596	11.67 %
Investment Fund Total						\$ 216,500	\$ 216,501	\$ 204,596	21.39 %	
Total investments—controlled/affiliated						\$ 237,985	\$ 240,696	\$ 226,907	23.72 %	
Total investments						\$ 2,200,733	\$ 2,201,451	\$ 2,123,964	222.08 %	

^ 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 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.

** Par amount is denominated in USD ("\$") unless otherwise noted, as denominated in Euro ("€") or British Pound ("£").

- (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 December 31, 2019, the Company does not "control" any of these portfolio companies.

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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 December 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 December 31, 2019. As of December 31, 2019, the reference rates for our variable rate loans were the 30-day LIBOR at 1.75%, the 90-day LIBOR at 1.91% and the 180-day LIBOR at 1.91%.
- (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. As of December 31, 2019, the aggregate fair value of these securities is \$21,698, or 2.60% 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, 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 year ended December 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 December 31, 2019	Dividend and Interest Income
Middle Market Credit Fund, LLC, Mezzanine Loan	\$ 112,000	\$ 126,200	\$ (145,200)	\$ —	\$ —	\$ 93,000	\$ 12,181
Middle Market Credit Fund, LLC, Subordinated Loan and Member’s Interest	110,295	5,500	—	—	(4,199)	111,596	15,750
Total investments— controlled/affiliated	\$ 222,295	\$ 131,700	\$ (145,200)	\$ —	\$ (4,199)	\$ 204,596	\$ 27,931

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 December 31, 2019	Dividend and Interest Income
SolAero Technologies Corp.	\$ 17,968	\$ —	\$ (18,319)	\$ (9,091)	\$ 9,442	\$ —	\$ —
SolAero Technologies Corp. (Priority Term Loan)	—	9,630	—	—	—	9,630	226
SolAero Technologies Corp. (A1 Term Loan)	—	3,166	—	—	—	3,166	—
SolAero Technologies Corp. (A2 Term Loan)	—	8,707	—	—	—	8,707	—
Solaero Technology Corp. (Equity)	—	2,815	—	—	(554)	2,261	—
Total investments— controlled/affiliated	\$ 17,968	\$ 24,318	\$ (18,319)	\$ (9,091)	\$ 8,888	\$ 23,764	\$ 226

- (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: Barnes & Noble, Inc. (1.83%), Dimensional Dental Management, LLC (4.87%), Legacy.com Inc. (3.73%) and Surgical Information Systems, LLC (1.13%). 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.

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(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, 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 December 31, 2019	Interest Income
TwentyEighty, Inc. - Revolver	\$ —	\$ —	\$ —	\$ 1	\$ —	\$ (1)	\$ —	\$ —
TwentyEighty, Inc. - (Term A Loans)	316	—	(415)	1	101	(1)	—	19
TwentyEighty, Inc. - (Term B Loans)	6,855	230	(7,102)	76	—	(59)	—	498
TwentyEighty, Inc. - (Term C Loans)	6,981	489	(7,397)	179	—	(252)	—	692
TwentyEighty Investors LLC (Equity)	4,391	—	—	—	7,990	(4,391)	—	—
Total investments—non-controlled/affiliated	\$ 18,543	\$ 719	\$ (14,914)	\$ 257	\$ 8,091	\$ (4,704)	\$ —	\$ 1,209

(13) As of December 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 Fee	Par/ Principal Amount	Fair Value
First and Second Lien Debt—unfunded delayed draw and revolving term loans commitments				
Aero Operating, LLC (Dejana Industries, Inc.)	Revolver	1.00%	\$ 159	(3)
Airnov, Inc.	Revolver	0.50	1,250	(19)
American Physician Partners, LLC	Revolver	0.50	1,500	(5)
AMS Group HoldCo, LLC	Revolver	0.50	2,315	(25)
Analogic Corporation	Revolver	0.50	3,029	—
Apptio, Inc.	Revolver	0.50	2,367	(19)
BMS Holdings III Corp.	Delayed Draw	1.00	3,333	(10)
Captive Resources Midco, LLC	Revolver	0.50	2,143	(9)
Chartis Group, LLC	Revolver	0.50	2,401	(20)
Chartis Group, LLC	Delayed Draw	0.50	6,402	(52)
Chemical Computing Group ULC (Canada)	Revolver	0.50	903	(8)
Comar Holding Company, LLC	Delayed Draw	1.00	5,136	(103)
Comar Holding Company, LLC	Revolver	0.50	1,168	(23)
Cority Software, Inc. (Canada)	Revolver	0.50	3,000	(60)
DermaRite Industries, LLC	Revolver	0.50	807	(33)
Dimensional Dental Management, LLC	Revolver	0.50	48	—
Ethos Veterinary Health, LLC	Delayed Draw	1.00	2,696	(12)
Evolve IP	Revolver	0.50	2,941	—
Evolve IP	Delayed Draw	1.00	3,922	—
FWR Holding Corporation	Delayed Draw	1.00	87	—
FWR Holding Corporation	Revolver	0.50	667	(3)
GRO Sub Holdco, LLC (Grand Rapids)	Revolver	0.50	1,071	(54)

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As of December 31, 2019
(dollar amounts in thousands)

Investments—non-controlled/non-affiliated	Type	Unused Fee	Par/ Principal Amount	Fair Value
iCIMS, Inc.	Revolver	0.50%	\$ 1,252	\$ —
Innovative Business Services, LLC	Revolver	0.50	2,232	(32)
K2 Insurance Services, LLC	Revolver	0.50	2,290	3
K2 Insurance Services, LLC	Delayed Draw	1.00	5,344	6
Kaseya Inc.	Revolver	0.50	661	1
Kaseya Inc.	Delayed Draw	0.50	1,918	4
Lifelong Learner Holdings, LLC	Revolver	0.50	1,901	(19)
Lifelong Learner Holdings, LLC	Delayed Draw	—	2,878	(29)
Liqui-Box Holdings, Inc.	Revolver	0.50	2,630	(37)
Mailgun Technologies, Inc.	Revolver	0.50	1,342	(20)
National Car Wash Solutions, LP	Revolver	0.50	310	(2)
National Car Wash Solutions, LP	Delayed Draw	1.00	1,111	(8)
National Technical Systems, Inc.	Revolver	0.50	2,500	(2)
NMI AcquisitionCo, Inc.	Revolver	0.50	1,280	(4)
Northland Telecommunications Corporation	Revolver	0.50	2,960	(4)
Pathway Vet Alliance, LLC	Delayed Draw	1.00	7,950	12
PF Growth Partners, LLC	Delayed Draw	1.00	1,028	(3)
PPC Flexible Packaging, LLC	Revolver	0.50	1,957	(16)
PricewaterhouseCoopers Public Sector LLP	Revolver	0.50	6,250	(46)
QW Holding Corporation (Quala)	Delayed Draw	1.00	809	(5)
RSC Acquisition, Inc.	Revolver	0.50	608	(4)
RSC Acquisition, Inc.	Delayed Draw	1.00	7,757	(57)
Sapphire Convention, Inc. (Smart City)	Revolver	0.50	4,528	(34)
Smile Doctors, LLC	Revolver	0.50	707	(7)
Smile Doctors, LLC	Delayed Draw	1.00	1,477	(14)
SolAero Technologies Corp. (Priority Term Loan)	Revolver	1.00	542	—
SPay, Inc.	Revolver	0.50	682	(58)
Superior Health Linens, LLC	Revolver	0.50	693	(58)
T2 Systems, Inc.	Revolver	0.50	2,053	—
Tank Holding Corp.	Revolver	0.50	47	—
TSB Purchaser, Inc. (Teaching Strategies, LLC)	Revolver	0.50	1,342	(9)
The Leaders Romans Bidco Limited (United Kingdom)	Delayed Draw	1.69	£ 3,533	(94)
Trump Card, LLC	Revolver	0.50	369	(2)
Turbo Buyer, Inc.	Revolver	0.50	2,151	(28)
Turbo Buyer, Inc.	Delayed Draw	1.00	4,904	(64)
USLS Acquisition, Inc.	Revolver	0.50	946	(19)
VRC Companies, LLC	Delayed Draw	0.75	210	—
VRC Companies, LLC	Revolver	0.50	1,119	(1)
Westfall Technik, Inc.	Revolver	0.50	431	(11)

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

Investments—non-controlled/non-affiliated	Type	Unused Fee	Par/ Principal Amount	Fair Value
Westfall Technik, Inc.	Delayed Draw	1.00%	\$ 12,190	\$ (304)
Zemax Software Holdings, LLC	Revolver	0.50	1,284	(7)
Zenith American Holding, Inc.	Delayed Draw	1.00	3,189	(18)
Zenith American Holding, Inc.	Revolver	0.50	3,180	(17)
Total unfunded commitments			\$ 149,890	\$ (1,465)

As of December 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 Debt)	\$ 1,649,721	\$ 1,585,042	74.63 %
First Lien/Last Out Debt	78,951	78,096	3.68
Second Lien Debt	234,006	234,532	11.04
Equity Investments	22,272	21,698	1.02
Investment Fund	216,501	204,596	9.63
Total	\$ 2,201,451	\$ 2,123,964	100.00 %

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

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

Rate Type	Amortized Cost	Fair Value	% of Fair Value of First and Second Lien Debt
Floating Rate	\$ 1,957,730	\$ 1,892,639	99.73 %
Fixed Rate	4,948	5,031	0.27
Total	\$ 1,962,678	\$ 1,897,670	100.00 %

The industry composition of investments at fair value as of December 31, 2019 was as follows:

Industry	Amortized Cost	Fair Value	% of Fair Value
Aerospace & Defense	\$ 109,755	\$ 109,758	5.17 %
Automotive	39,177	39,665	1.87
Banking, Finance, Insurance & Real Estate	112,248	115,119	5.42
Beverage, Food & Tobacco	80,597	81,222	3.82
Business Services	167,435	167,497	7.89
Capital Equipment	44,362	45,027	2.12
Chemicals, Plastics & Rubber	27,432	26,962	1.27
Construction & Building	13,713	14,032	0.66
Consumer Services	41,089	38,347	1.81
Containers, Packaging & Glass	67,821	68,207	3.21
Durable Consumer Goods	11,165	11,584	0.55
Energy: Electricity	33,543	30,930	1.46
Energy: Oil & Gas	11,762	11,974	0.56
Environmental Industries	42,802	43,106	2.03
Healthcare & Pharmaceuticals	248,615	192,719	9.07
High Tech Industries	215,856	215,274	10.13
Hotel, Gaming & Leisure	96,815	95,073	4.48
Investment Fund	216,501	204,596	9.63
Media: Broadcast & Subscription	45,916	46,529	2.19
Media: Advertising, Printing & Publishing	36,895	37,406	1.76
Non-durable Consumer Goods	1,500	1,999	0.09
Retail	43,081	43,020	2.03
Software	224,807	226,045	10.63
Sovereign & Public Finance	38,297	37,381	1.76
Telecommunications	119,014	116,115	5.47
Transportation: Cargo	42,204	42,220	1.99
Transportation: Consumer	35,715	36,276	1.71
Wholesale	33,334	25,881	1.22
Total	\$ 2,201,451	\$ 2,123,964	100.00 %

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

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

Geography	Amortized Cost	Fair Value	% of Fair Value
Canada	\$ 41,002	\$ 40,939	1.93 %
Cyprus	4,746	4,836	0.23
Jamaica	202	195	0.01
Luxembourg	36,563	36,563	1.72
United Kingdom	24,865	26,531	1.25
United States	2,094,073	2,014,900	94.86
Total	\$ 2,201,451	\$ 2,123,964	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 September 30, 2020
(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 Inc. (formerly, 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. The Company’s core investment strategy focuses on lending to U.S. middle market companies, which the Company defines as companies with approximately \$25 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 complements this core strategy with additive, diversifying assets including, but not limited to, specialty lending investments. The Company seeks to achieve its investment objective primarily through direct origination of secured debt instruments, 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 Inc. “Carlyle” refers to The Carlyle Group Inc. and its affiliates and its consolidated subsidiaries (other than portfolio companies of its affiliated funds), a global investment firm publicly traded on the 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, Notes Payable, 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.

On May 5, 2020, the Company issued and sold 2,000,000 shares of cumulative convertible preferred stock, par value \$0.01 per share (the “Preferred Stock”), to an affiliate of Carlyle in a private placement at a price of \$25 per share. See Note 9, Net Assets, for further information about the Preferred Stock.

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 (“U.S. 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. U.S. 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 U.S. 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 U.S. 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, 2019. The results of operations for the three and nine month periods ended September 30, 2020 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 U.S. 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 September 30, 2020 and December 31, 2019, the fair value of the loans in the portfolio with PIK provisions was \$202,223 and \$164,902, respectively, which represents approximately 10.4% and 7.8% of total investments at fair value, respectively. For the three and nine month periods ended September 30, 2020, the Company earned \$1,810 and \$3,655 in PIK income, respectively. For the three and nine month periods ended September 30, 2019, the Company earned \$2,397 and \$5,687 in PIK income, respectively.

Dividend Income

Dividend income from the investment fund, Credit 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, underwriting, 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 and nine month periods ended September 30, 2020, the Company earned \$2,110 and \$8,001 in other income, respectively, primarily from amendment and underwriting fees. For the three and nine month periods ended September 30, 2019, the Company earned \$1,756 and \$6,050 in other income, respectively, primarily from prepayment and underwriting 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 determine not to place a loan on non-accrual status if the loan has sufficient collateral value and is in the process of collection. As of September 30, 2020 and December 31, 2019, the fair value of the loans in the portfolio on non-accrual status was \$67,371 and \$52,429, respectively. The remaining first and second lien debt investments were performing and current on their interest payments as of September 30, 2020 and December 31, 2019.

The Facilities, Senior Notes, and 2015-1R Notes – Related Costs, Expenses and Deferred Financing Costs

The Company has entered into a senior secured revolving credit facility (as amended, the "Credit Facility") and the SPV has entered into a senior secured credit facility (as amended, the "SPV Credit Facility", and together with the Credit Facility, the "Facilities"). Interest expense and unused commitment fees on the Facilities are recorded on an accrual basis. Unused commitment fees are included in credit facility fees in the accompanying Consolidated Statements of Operations.

On December 30, 2019, the Company closed a private offering of \$115.0 million in aggregate principal amount of 4.750% Senior Unsecured Notes due December 31, 2024 (the "Senior Notes"). The Facilities, the 2015-1R Notes and the Senior Notes are recorded at carrying value, which approximates fair value.

Deferred financing costs include capitalized expenses related to the closing or amendments of the Facilities. 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 and Senior 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.

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, although 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 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 and nine month periods ended September 30, 2020, the Company incurred \$387 and \$539 in excise tax expense, respectively. For the three and nine month periods ended September 30, 2019, the Company incurred \$49 and \$169 in excise tax expense, respectively.

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 Translations

The functional currency of the Company is the U.S. Dollar. Investments are generally made in the local currency of the country in which the investments are domiciled and are translated into U.S. Dollars with foreign currency translation gains or losses recorded within net change in unrealized appreciation (depreciation) on investments in the accompanying Consolidated Statements of Operations. Foreign currency translation gains and losses on non-investment assets and liabilities are separately reflected in the accompanying Consolidated Statements of Operations.

Earnings Per Common Share

The Company computes earnings per common share in accordance with ASC 260, *Earnings Per Share* (“ASC 260”). Basic earnings per common share is calculated by dividing the net increase (decrease) in net assets resulting from operations attributable to common stock by the weighted average number of shares of common stock outstanding. Diluted earnings per common share reflects the assumed conversion of all dilutive securities.

Recent Accounting Standards Updates

On June 16, 2016, the FASB issued ASU 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*. This ASU is intended to introduce new guidance for the accounting for credit losses on instruments within scope based on an estimate of current expected credit losses. The guidance was effective for fiscal years,

and interim periods within those fiscal years, beginning after December 15, 2019. The Company adopted the new requirement within Form 10-Q filings starting with the quarter that began January 1, 2020, which did not have a material impact on the Company's consolidated financial statements.

In May 2020, the SEC adopted rule amendments that will impact the requirement of investment companies, including BDCs, to disclose the financial statements of certain of their portfolio companies. Under Rules 3-09 and 4-08(g) of Regulation S-X, investment companies are required to include separate financial statements or summary financial information, respectively, in their periodic reports for any portfolio company that meets the definition of "significant subsidiary." The rule amendments adopted in May 2020 create a new definition of "significant subsidiary", as set forth in Rule 1-02(w)(2) of Regulation S-X under the Securities Act, which are applicable only to investment companies. This new definition modifies the investment test and income test, and eliminates the asset test, and is intended to more accurately capture those portfolio companies that are more likely to materially impact the financial condition of an investment company. The rule amendments are effective on January 1, 2021, but voluntary compliance is permitted in advance of the effective date. The Company adopted the rule amendments for the quarter ended September 30, 2020, which did not have a material impact on the Company's consolidated 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 U.S. 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 September 30, 2020 and December 31, 2019.

U.S. 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 and nine month periods ended September 30, 2020 and 2019, 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 September 30, 2020 and December 31, 2019:

	September 30, 2020			
	Level 1	Level 2	Level 3	Total
Assets				
First Lien Debt	\$ —	\$ —	\$ 1,423,191	\$ 1,423,191
Second Lien Debt	—	—	287,659	287,659
Equity Investments	—	—	32,987	32,987
Investment Fund				
Subordinated Loan and Member's Interest	—	—	204,336	204,336
Total	\$ —	\$ —	\$ 1,948,173	\$ 1,948,173

	December 31, 2019			
	Level 1	Level 2	Level 3	Total
Assets				
First Lien Debt	\$ —	\$ —	\$ 1,663,138	\$ 1,663,138
Second Lien Debt	—	—	234,532	234,532
Equity Investments	—	—	21,698	21,698
Investment Fund				
Mezzanine Loan	—	—	93,000	93,000
Subordinated Loan and Member's Interest	—	—	111,596	111,596
Total	\$ —	\$ —	\$ 2,123,964	\$ 2,123,964

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
	First Lien Debt	Second Lien Debt	Equity Investments	Investment Fund - Mezzanine Loan	Investment Fund - Subordinated Loan and Member's Interest	
For the three month period ended September 30, 2020						
Balance, beginning of period	\$ 1,394,913	\$ 278,623	\$ 31,756	\$ —	\$ 202,263	\$ 1,907,555
Purchases	59,529	—	358	—	—	59,887
Sales	(6,045)	—	—	—	—	(6,045)
Paydowns	(29,034)	(4)	(468)	—	—	(29,506)
Accretion of discount	1,269	176	6	—	—	1,451
Net realized gains (losses)	(677)	—	468	—	—	(209)
Net change in unrealized appreciation (depreciation)	3,236	8,864	867	—	2,073	15,040
Balance, end of period	\$ 1,423,191	\$ 287,659	\$ 32,987	\$ —	\$ 204,336	\$ 1,948,173
Net change in unrealized appreciation (depreciation) included in earnings related to investments still held at the reporting date included in net change in unrealized appreciation (depreciation) on investments on the Consolidated Statements of Operations	\$ 2,161	\$ 8,864	\$ 867	\$ —	\$ 2,073	\$ 13,965

Financial Assets
For the nine month period ended September 30, 2020

	First Lien Debt	Second Lien Debt	Equity Investments	Investment Fund - Mezzanine Loan	Investment Fund - Subordinated Loan and Member's Interest	Total
Balance, beginning of period	\$ 1,663,138	\$ 234,532	\$ 21,698	\$ 93,000	\$ 111,596	\$ 2,123,964
Purchases	196,562	89,776	11,076	63,500	92,500	453,414
Sales	(242,324)	(2,760)	—	(156,500)	—	(401,584)
Paydowns	(118,446)	(15,236)	(1,492)	—	—	(135,174)
Accretion of discount	4,774	722	14	—	—	5,510
Net realized gains (losses)	(50,302)	(213)	825	—	—	(49,690)
Net change in unrealized appreciation (depreciation)	(30,211)	(19,162)	866	—	240	(48,267)
Balance, end of period	<u>\$ 1,423,191</u>	<u>\$ 287,659</u>	<u>\$ 32,987</u>	<u>\$ —</u>	<u>\$ 204,336</u>	<u>\$ 1,948,173</u>
Net change in unrealized appreciation (depreciation) included in earnings related to investments still held at the reporting date included in net change in unrealized appreciation (depreciation) on investments on the Consolidated Statements of Operations	\$ (66,484)	\$ (18,905)	\$ 866	\$ —	\$ 240	\$ (84,283)

Financial Assets
For the three month period ended September 30, 2019

	First Lien Debt	Second Lien Debt	Equity Investments	Investment Fund - Mezzanine Loan	Investment Fund - Subordinated Loan and Member's Interest	Total
Balance, beginning of period	\$ 1,651,899	\$ 203,187	\$ 29,142	\$ 80,000	\$ 111,386	\$ 2,075,614
Purchases	163,807	38,823	682	32,500	—	235,812
Sales	(52,865)	—	—	—	—	(52,865)
Paydowns	(70,592)	(9,498)	—	(18,500)	—	(98,590)
Accretion of discount	2,651	216	—	—	—	2,867
Net realized gains (losses)	(10,909)	—	—	—	—	(10,909)
Net change in unrealized appreciation (depreciation)	(23,196)	(593)	833	—	(2,285)	(25,241)
Balance, end of period	<u>\$ 1,660,795</u>	<u>\$ 232,135</u>	<u>\$ 30,657</u>	<u>\$ 94,000</u>	<u>\$ 109,101</u>	<u>\$ 2,126,688</u>
Net change in unrealized appreciation (depreciation) included in earnings related to investments still held at the reporting date included in net change in unrealized appreciation (depreciation) on investments on the Consolidated Statements of Operations	\$ (32,745)	\$ (565)	\$ 867	\$ —	\$ (2,285)	\$ (34,728)

Financial Assets
For the nine month period ended September 30, 2019

	First Lien Debt	Second Lien Debt	Equity Investments	Investment Fund - Mezzanine Loan	Investment Fund - Subordinated Loan and Member's Interest	Total
Balance, beginning of period	\$ 1,546,271	\$ 178,958	\$ 24,633	\$ 112,000	\$ 110,295	\$ 1,972,157
Purchases	495,081	122,475	6,670	83,200	5,500	712,926
Sales	(68,666)	—	(4,936)	—	—	(73,602)
Paydowns	(272,814)	(71,557)	—	(101,200)	—	(445,571)
Accretion of discount	7,813	1,199	—	—	—	9,012
Net realized gains (losses)	(20,382)	—	2,657	—	—	(17,725)
Net change in unrealized appreciation (depreciation)	(26,507)	1,059	1,633	—	(6,694)	(30,509)
Balance, end of period	<u>\$ 1,660,796</u>	<u>\$ 232,134</u>	<u>\$ 30,657</u>	<u>\$ 94,000</u>	<u>\$ 109,101</u>	<u>\$ 2,126,688</u>
Net change in unrealized appreciation (depreciation) included in earnings related to investments still held as of the reporting date included in net change in unrealized appreciation (depreciation) on investments on the Consolidated Statements of Operations	<u>\$ (43,879)</u>	<u>\$ 1,234</u>	<u>\$ 1,806</u>	<u>\$ —</u>	<u>\$ (6,694)</u>	<u>\$ (47,533)</u>

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 market value (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 September 30, 2020 and December 31, 2019:

	Fair Value as of September 30, 2020	Valuation Techniques	Significant Unobservable Inputs	Range		Weighted Average
				Low	High	
Investments in First Lien Debt	\$ 1,235,757	Discounted Cash Flow	Discount Rate	4.47 %	18.13 %	9.08 %
	128,452	Consensus Pricing	Indicative Quotes	43.20	100.00	94.05
	58,982	Income Approach	Discount Rate	12.22 %	13.33 %	13.25 %
		Market Approach	Comparable Multiple	6.59x	8.07x	7.40x
Total First Lien Debt	1,423,191					
Investments in Second Lien Debt	247,623	Discounted Cash Flow	Discount Rate	8.23 %	14.61 %	10.44 %
	40,036	Consensus Pricing	Indicative Quotes	76.70	95.81	81.24
Total Second Lien Debt	287,659					
Investments in Equity	32,987	Income Approach	Discount Rate	7.25 %	13.33 %	9.06 %
		Market Approach	Comparable Multiple	6.66x	16.41x	10.30x
Total Equity Investments	32,987					
Investments in Investment Fund						
Subordinated Loan and Member's Interest	204,336	Discounted Cash Flow	Discount Rate	9.00 %	9.00 %	9.00 %
		Discounted Cash Flow	Default Rate	3.00 %	3.00 %	3.00 %
		Discounted Cash Flow	Recovery Rate	65.00 %	65.00 %	65.00 %
Total Investments in Investment Fund	204,336					
Total Level 3 Investments	\$ 1,948,173					

	Fair Value as of December 31, 2019	Valuation Techniques	Significant Unobservable Inputs	Range		Weighted Average
				Low	High	
Investments in First Lien Debt	\$ 1,332,584	Discounted Cash Flow	Discount Rate	3.64 %	24.45 %	8.13 %
	318,681	Consensus Pricing	Indicative Quotes	77.94	100.00	96.96
	11,873	Income Approach	Discount Rate	12.22 %	19.32 %	13.16 %
		Market Approach	Comparable Multiple	7.89x	8.38x	8.49x
Total First Lien Debt	1,663,138					
Investments in Second Lien Debt	188,736	Discounted Cash Flow	Discount Rate	7.40 %	10.66 %	8.85 %
	45,796	Consensus Pricing	Indicative Quotes	97.50	98.31	98.19
Total Second Lien Debt	234,532					
Investments in Equity	21,698	Income Approach	Discount Rate	7.76 %	15.31 %	8.84 %
		Market Approach	Comparable Multiple	6.37x	16.65x	9.24x
Total Equity Investments	21,698					
Investment in Investment Fund						
Mezzanine Loan	93,000	Collateral Analysis	Recovery Rate	100.00 %	100.00 %	100.00 %
Subordinated Loan and Member's Interest	111,596	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	204,596					
Total Level 3 Investments	\$ 2,123,964					

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 in isolation 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 in isolation would result in a significantly lower fair value measurement. Significant decreases in comparable EBITDA multiples in isolation 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 in isolation would result in a significantly lower fair value measurement. A significant decrease in the recovery rate in isolation 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 and senior unsecured notes disclosed but not carried at fair value as of September 30, 2020 and December 31, 2019:

	September 30, 2020		December 31, 2019	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Secured borrowings	\$ 513,332	\$ 513,332	\$ 616,543	\$ 616,543
Senior unsecured notes	115,000	115,000	115,000	115,000
Total	\$ 628,332	\$ 628,332	\$ 731,543	\$ 731,543

The carrying values of the secured borrowings and senior unsecured notes 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 and senior unsecured notes 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 September 30, 2020 and December 31, 2019:

	September 30, 2020		December 31, 2019	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Aaa/AAA Class A-1-1-R Notes	\$ 234,800	\$ 227,026	\$ 234,800	\$ 233,053
Aaa/AAA Class A-1-2-R Notes	50,000	48,814	50,000	49,908
Aaa/AAA Class A-1-3-R Notes	25,000	25,020	25,000	25,163
AA Class A-2-R Notes	66,000	66,000	66,000	66,000
A Class B Notes	46,400	44,153	46,400	46,400
BBB- Class C Notes	27,000	23,031	27,000	27,000
Total	\$ 449,200	\$ 434,044	\$ 449,200	\$ 447,524

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. On May 29, 2020, the Company’s Board of Directors, including a majority of the Independent Directors, approved the continuance of the Company’s Investment Advisory Agreement with the Adviser for an additional one year term.

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.

Pre-incentive fee net investment income means interest income, dividend income and any other income (including any other fees (other than fees for providing managerial assistance), such as commitment, origination, structuring, diligence and consulting fees or other fees that the Company receives from portfolio companies) accrued during the calendar quarter, minus the operating expenses accrued for the quarter (including the base management fee, expenses payable under the administration agreement, and any interest expense or fees on any credit facilities or outstanding debt and dividends paid on any issued and outstanding preferred stock, but excluding the incentive fee). Pre-incentive fee net investment income includes, in the case of investments with a deferred interest feature, accrued income that the Company has not yet received in cash. Pre-incentive fee net investment income does not include any realized capital gains, realized capital losses or unrealized capital appreciation or depreciation.

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 net 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.

Below is a summary of the base management fees and incentive fees incurred during the three month and nine month periods ended September 30, 2020 and 2019.

	For the three month periods ended		For the nine month periods ended	
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
Base management fees	\$ 7,134	\$ 8,016	\$ 21,585	\$ 23,614
Incentive fees on pre-incentive fee net investment income	4,322	5,710	14,075	17,489
Realized capital gains incentive fees	—	—	—	—
Accrued capital gains incentive fees	—	—	—	—
Total capital gains incentive fees	—	—	—	—
Total incentive fees	4,322	5,710	14,075	17,489
Total base management fees and incentive fees	\$ 11,456	\$ 13,726	\$ 35,660	\$ 41,103

Accrued capital gains incentive fees are based upon the cumulative net realized and unrealized appreciation (depreciation) from inception. Accordingly, the accrual for any capital gains incentive fee under U.S. 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 September 30, 2020 and December 31, 2019, \$11,473 and \$13,236, 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

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. On May 29, 2020, the Company’s Board of Directors, including a majority of the Independent Directors, approved the continuance of the Administration Agreement for a one-year period. 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 and nine month periods ended September 30, 2020, the Company incurred \$167 and \$539, respectively, in fees under the Administration Agreement. For the three and nine month periods ended September 30, 2019, the Company incurred \$61 and \$442, respectively, in fees under the Administration Agreement. These fees are included in administrative service fees in the accompanying Consolidated Statements of Operations. As of September 30, 2020 and December 31, 2019,

\$85 and \$77, respectively, was unpaid and included in administrative service fees payable in the accompanying Consolidated Statements of Assets and Liabilities.

Sub-Administration Agreements

On April 3, 2013, the Administrator entered into a sub-administration agreement with 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 April 3, 2013, the Administrator entered into a sub-administration agreement with 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”). On March 11, 2015, the Company’s Board of Directors, including a majority of the Independent Directors, approved an amendment to the State Street Sub-Administration Agreement. The initial term of the State Street Sub-Administration Agreement ends on April 1, 2017, and 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. On May 29, 2020, the Company’s Board of Directors, including a majority of the Independent Directors, approved the continuance of the State Street Sub-Administration Agreement for a one-year period. 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 and nine month periods ended September 30, 2020, fees incurred in connection with the State Street Sub-Administration Agreement, which amounted to \$193 and \$578, respectively, were included in other general and administrative in the accompanying Consolidated Statements of Operations. For the three and nine month periods ended September 30, 2019, fees incurred in connection with the State Street Sub-Administration Agreement, which amounted to \$188 and \$563, respectively, were included in other general and administrative in the accompanying Consolidated Statements of Operations. As of September 30, 2020 and December 31, 2019, \$958 and \$380, 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 Pricing 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 and nine month periods ended September 30, 2020, the Company incurred \$86 and \$303, respectively, and for the three and nine month periods ended September 30, 2019, the Company incurred \$88 and \$269, respectively, in fees and expenses associated with its Independent Directors’ services on the Company’s Board of Directors and its committees. As of September 30, 2020 and December 31, 2019, no fees or expenses associated with its Independent Directors were payable.

Transactions with Credit Fund

For the three and nine month periods ended September 30, 2020, the Company sold 0 and 4 investments, respectively, to Credit Fund for proceeds of \$0 and \$62,754, respectively, and realized gain (loss) of \$0 and \$(2,289), respectively. For the three and nine month periods ended September 30, 2019, the Company sold 1 and 2 investments, respectively, to Credit Fund for proceeds of \$20,771 and \$35,683, respectively, and realized gains of \$208 and \$208, respectively. See Note 5, Middle Market Credit Fund, LLC, for further information about Credit Fund.

Issuance and Sale of Cumulative Convertible Preferred Stock

On May 5, 2020, the Company issued and sold 2,000,000 shares of the Preferred Stock to an affiliate of Carlyle in a private placement at a price of \$25 per share. See Note 9, Net Assets, for further information about the Preferred Stock.

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 commenced operations in May 2016 and 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"), MMCF CLO 2019-2, LLC (the "2019-2 Issuer", formerly known as MMCF Warehouse, LLC (the "Credit Fund Warehouse")) and MMCF Warehouse II, LLC (the "Credit Fund Warehouse II"), each a Delaware limited liability company, were formed on April 5, 2016, October 6, 2017, November 26, 2018 and August 16, 2019, respectively. Credit Fund Sub, the 2017-1 Issuer, the 2019-2 Issuer and Credit Fund Warehouse II 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, the 2019-2 Issuer and Credit Fund Warehouse II 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. Refer to "Debt" below for discussions regarding the credit facilities entered into and then notes issued by such wholly-owned subsidiaries.

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 September 30, 2020 and December 31, 2019, the Company and Credit Partners each made capital contributions of \$1 and \$1 in members' equity, respectively, and \$216,000 and \$123,500 in subordinated loans, respectively, to Credit Fund. Below is certain summarized consolidated financial information for Credit Fund as of September 30, 2020 and December 31, 2019.

	As of	
	September 30, 2020 (unaudited)	December 31, 2019
Selected Consolidated Balance Sheet Information		
ASSETS		
Investments, at fair value (amortized cost of \$1,325,843 and \$1,258,157, respectively)	\$ 1,291,412	\$ 1,246,839
Cash and cash equivalents	36,122	64,787
Other assets	10,298	9,369
Total assets	\$ 1,337,832	\$ 1,320,995
LIABILITIES AND MEMBERS' EQUITY		
Secured borrowings	\$ 485,410	\$ 441,077
Notes payable, net of unamortized debt issuance costs of \$3,097 and \$3,441, respectively	444,113	528,407
Mezzanine loans ⁽¹⁾	—	93,000
Other Short-Term Borrowings	—	—
Other liabilities	18,389	32,383
Subordinated loans and members' equity (1)	389,920	226,128
Liabilities and members' equity	\$ 1,337,832	\$ 1,320,995

⁽¹⁾ As of September 30, 2020 and December 31, 2019, the Company's ownership interest in the subordinated loans and members' equity was \$204,336 and \$111,596, respectively, and \$0 and \$93,000, respectively, in the mezzanine loans.

	For the three month periods ended		For the nine month periods ended	
	September 30, 2020 (unaudited)	September 30, 2019	September 30, 2020	September 30, 2019
Selected Consolidated Statement of Operations Information:				
Total investment income	\$ 22,863	\$ 24,659	\$ 64,276	\$ 70,999
Expenses				
Interest and credit facility expenses	7,696	15,094	31,175	45,495
Other expenses	602	496	1,695	1,409
Total expenses	8,298	15,590	32,870	46,904
Net investment income (loss)	14,565	9,069	31,406	24,095
Net realized gain (loss) on investments	—	—	—	(8,353)
Net change in unrealized appreciation (depreciation) on investments	18,351	3,107	(23,114)	13,333
Net increase (decrease) resulting from operations	\$ 32,916	\$ 12,176	\$ 8,292	\$ 29,075

Below is a summary of Credit Fund's portfolio, followed by a listing of the loans in Credit Fund's portfolio as of September 30, 2020 and December 31, 2019:

	As of	
	September 30, 2020	December 31, 2019
Senior secured loans ⁽¹⁾	\$ 1,330,670	\$ 1,260,582
Weighted average yields of senior secured loans based on amortized cost ⁽²⁾	5.95 %	6.51 %
Weighted average yields of senior secured loans based on fair value ⁽²⁾	6.11 %	6.55 %
Number of portfolio companies in Credit Fund	65	61
Average amount per portfolio company ⁽¹⁾	\$ 20,472	\$ 20,665
Number of loans on non-accrual status	—	1
Fair value of loans on non-accrual status	\$ —	\$ 21,150
Percentage of portfolio at floating interest rates ⁽³⁾⁽⁴⁾	98.3 %	98.3 %
Percentage of portfolio at fixed interest rates ⁽⁴⁾	1.7 %	1.7 %
Fair value of loans with PIK provisions	\$ 22,180	\$ 21,150
Percentage of portfolio with PIK provisions ⁽⁴⁾	1.7 %	1.7 %

(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 September 30, 2020 and December 31, 2019. 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 original issue discount ("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.

(3) Floating rate debt investments are generally subject to interest rate floors.

(4) Percentages based on fair value.

Consolidated Schedule of Investments as of September 30, 2020

Investments ⁽¹⁾		Footnotes	Industry	Reference Rate & Spread ⁽²⁾	Interest Rate ⁽²⁾	Maturity Date	Par/Principal Amount	Amortized Cost ⁽⁴⁾	Fair Value ⁽⁵⁾
First Lien Debt (97.67% of fair value)									
Achilles Acquisition, LLC	+ #	(2)(3)	Banking, Finance, Insurance & Real Estate	L + 4.00%	4.19%	10/13/2025	\$ 29,640	\$ 29,535	\$ 29,047
Acisure, LLC	\#	(2)(3)	Banking, Finance, Insurance & Real Estate	L + 3.50%	3.65%	2/15/2027	25,699	25,669	24,769
Advanced Instruments, LLC	+*\	(2)(3)(7)	Healthcare & Pharmaceuticals	L + 5.25%	6.25%	10/31/2022	33,416	33,362	33,150
Alku, LLC	+ #	(2)(3)	Business Services	L + 5.50%	5.81%	7/29/2026	24,875	24,657	24,723
Alpha Packaging Holdings, Inc.	+*\	(2)(3)	Containers, Packaging & Glass	L + 6.00%	7.00%	11/12/2021	16,487	16,487	16,471
AmeriLife Holdings LLC	#	(2)(3)(7)	Banking, Finance, Insurance & Real Estate	L + 4.00%	4.16%	3/18/2027	9,446	9,423	9,389
Analogic Corporation	^+	(2)(3)(7)	Capital Equipment	L + 5.25%	6.25%	6/22/2024	18,905	18,883	18,870
Anchor Packaging, Inc.	^+ #	(2)(3)	Containers, Packaging & Glass	L + 3.75%	3.90%	7/18/2026	24,786	24,675	24,657
API Technologies Corp.	+ \	(2)(3)	Aerospace & Defense	L + 4.25%	4.40%	5/9/2026	14,813	14,748	13,734
Aptean, Inc.	+ \	(2)(3)	Software	L + 4.25%	4.40%	4/23/2026	12,313	12,256	12,070
AQA Acquisition Holding, Inc.	+*\	(2)(3)(7)	High Tech Industries	L + 4.25%	5.25%	5/24/2023	18,808	18,800	18,765
Astra Acquisition Corp.	+ #	(2)(3)	Software	L + 5.50%	6.50%	3/1/2027	28,855	28,450	28,933
Avalign Technologies, Inc.	+ \	(2)(3)	Healthcare & Pharmaceuticals	L + 4.50%	4.65%	12/22/2025	14,629	14,513	13,759
Big Ass Fans, LLC	+*\	(2)(3)	Capital Equipment	L + 3.75%	4.75%	5/21/2024	13,801	13,744	13,401
BK Medical Holding Company, Inc.	^+	(2)(3)(7)	Healthcare & Pharmaceuticals	L + 5.25%	6.25%	6/22/2024	24,226	23,997	22,347
Brooks Equipment Company, LLC	+*	(2)(3)	Construction & Building	L + 5.00%	6.00%	5/1/2021	4,582	4,581	4,579
Chemical Computing Group ULC (Canada)	^+	(2)(3)(7)	Software	L + 5.00%	6.00%	8/30/2023	14,091	13,354	13,971
Clarity Telecom LLC.	+	(2)(3)	Media: Broadcasting & Subscription	L + 4.25%	4.40%	8/30/2026	14,850	14,809	14,711
Clearent Newco, LLC	^+ \	(2)(3)(7)	High Tech Industries	L + 5.50%	6.50%	3/20/2025	33,632	33,370	31,819
Datto, Inc.	+ \	(2)(3)	High Tech Industries	L + 4.25%	4.40%	4/2/2026	12,344	12,287	12,244
DecoPac, Inc.	^+*\	(2)(3)(7)	Non-durable Consumer Goods	L + 4.25%	5.25%	9/29/2024	12,336	12,248	12,287
Diligent Corporation	^+	(2)(3)(7)	Telecommunications	L + 6.25%	7.25%	8/4/2025	8,705	8,423	8,634
DTI Holdco, Inc.	+*\	(2)(3)	High Tech Industries	L + 4.75%	5.75%	9/30/2023	18,739	18,646	15,975
Eliassen Group, LLC	+ \	(2)(3)	Business Services	L + 4.25%	4.40%	11/5/2024	7,552	7,524	7,466
EvolveIP, LLC	^+	(2)(3)(7)	Telecommunications	L + 5.75%	6.75%	6/7/2023	19,850	19,805	19,691
Exactech, Inc.	+ \#	(2)(3)	Healthcare & Pharmaceuticals	L + 3.75%	4.75%	2/14/2025	21,584	21,465	18,994
Excel Fitness Holdings, Inc.	+ #	(2)(3)	Hotel, Gaming & Leisure	L + 5.25%	6.25%	10/7/2025	24,813	24,599	22,145
Frontline Technologies Holdings, LLC	+	(2)(3)	Software	L + 5.75%	6.75%	9/18/2023	14,925	14,181	15,027
Golden West Packaging Group LLC	+*\	(2)(3)	Containers, Packaging & Glass	L + 5.75%	6.75%	6/20/2023	29,092	28,965	28,969
HMT Holding Inc.	+	(2)(3)(7)	Energy: Oil & Gas	L + 4.75%	5.75%	11/17/2023	35,727	35,335	35,531
Integrity Marketing Acquisition, LLC	^	(2)(3)(7)	Banking, Finance, Insurance & Real Estate	L + 6.25%	7.25%	8/27/2025	—	(162)	240
Jensen Hughes, Inc.	+*\	(2)(3)(7)	Utilities: Electric	L + 4.50%	5.50%	3/22/2024	33,093	32,974	32,469
KAMC Holdings, Inc.	+ #	(2)(3)	Energy: Electricity	L + 4.00%	4.26%	8/14/2026	13,860	13,801	12,197
KBP Investments, LLC	^+	(2)(3)(7)	Beverage, Food & Tobacco	L + 5.25%	6.25%	5/15/2023	8,512	8,264	8,263
Lionbridge Technologies, Inc.	+	(2)(3)	Business Services	L + 6.25%	7.25%	12/29/2025	24,813	24,812	25,172

Consolidated Schedule of Investments as of September 30, 2020

Investments ⁽¹⁾		Footnotes	Industry	Reference Rate & Spread ⁽²⁾	Interest Rate ⁽²⁾	Maturity Date	Par/Principal Amount	Amortized Cost ⁽⁴⁾	Fair Value ⁽⁵⁾
Maravai Intermediate Holdings, LLC	+#\	(2)(3)	Healthcare & Pharmaceuticals	L + 4.25%	5.25%	8/2/2025	\$ 29,400	\$ 29,184	\$ 29,271
Marco Technologies, LLC	^\	(2)(3)(7)	Media: Advertising, Printing & Publishing	L + 4.00%	5.00%	10/30/2023	7,332	7,290	7,332
Mold-Rite Plastics, LLC	+\<	(2)(3)	Chemicals, Plastics & Rubber	L + 4.25%	5.25%	12/14/2021	14,557	14,533	14,557
MSHC, Inc.	^+*\	(2)(3)(7)	Construction & Building	L + 4.25%	5.25%	12/31/2024	44,202	44,084	43,748
Newport Group Holdings II, Inc.	+#\	(2)(3)	Banking, Finance, Insurance & Real Estate	L + 3.50%	3.72%	9/13/2025	23,535	23,335	22,330
Odyssey Logistics & Technology Corp.	+*\#	(2)(3)	Transportation: Cargo	L + 4.00%	5.00%	10/12/2024	38,955	38,823	36,559
Output Services Group	^\	(2)(3)	Media: Advertising, Printing & Publishing	L + 4.50%	5.50%	3/27/2024	19,471	19,429	13,955
PAI Holdco, Inc.	+*\	(2)(3)	Automotive	L + 4.00%	5.00%	1/5/2025	19,393	19,328	19,393
Park Place Technologies, Inc.	+#\	(2)(3)	High Tech Industries	L + 4.00%	5.00%	3/28/2025	22,387	22,321	22,387
Pasternack Enterprises, Inc.	+\<	(2)(3)	Capital Equipment	L + 4.00%	5.00%	7/2/2025	22,582	22,570	22,200
Pharmalogic Holdings Corp.	+\<	(2)(3)	Healthcare & Pharmaceuticals	L + 4.00%	5.00%	6/11/2023	11,234	11,215	11,105
Premise Health Holding Corp.	+#\	(2)(3)	Healthcare & Pharmaceuticals	L + 3.50%	3.72%	7/10/2025	13,619	13,570	13,509
Propel Insurance Agency, LLC	^\	(2)(3)(7)	Banking, Finance, Insurance & Real Estate	L + 4.25%	5.25%	6/1/2024	30,498	30,098	30,173
Q Holding Company	+*\#	(2)(3)	Automotive	L + 5.00%	6.00%	12/31/2023	21,790	21,643	21,328
QW Holding Corporation (Quala)	+*	(2)(3)(7)	Environmental Industries	L + 6.25%	7.25%	8/31/2022	12,421	12,299	11,418
Radiology Partners, Inc.	+#\	(2)(3)	Healthcare & Pharmaceuticals	L + 4.25%	5.29%	7/9/2025	27,686	27,576	26,614
RevSpring Inc.	*#\	(2)(3)	Media: Advertising, Printing & Publishing	L + 4.25%	4.47%	10/11/2025	29,525	29,331	29,209
Situs Group Holdings Corporation	+\<	(2)(3)	Banking, Finance, Insurance & Real Estate	L + 4.75%	5.75%	6/28/2025	14,827	14,730	14,566
Surgical Information Systems, LLC	+*\	(2)(3)(6)	High Tech Industries	L + 5.00%	6.00%	4/24/2023	26,168	26,039	25,906
Systems Maintenance Services Holding, Inc.	^*	(2)(3)(9)	High Tech Industries	L + 5.00%	6.00%	10/30/2023	23,581	23,505	18,389
T2 Systems, Inc.	^+*	(2)(3)(7)	Transportation: Consumer	L + 6.75%	7.75%	9/28/2022	29,193	28,771	28,570
The Original Cakerie, Ltd. (Canada)	+*\	(2)(3)	Beverage, Food & Tobacco	L + 5.00%	6.00%	7/20/2022	8,860	8,834	8,838
The Original Cakerie, Ltd. (Canada)	+*\	(2)(3)(7)	Beverage, Food & Tobacco	L + 4.50%	5.50%	7/20/2022	6,311	6,292	6,294
Thoughtworks, Inc.	*#\	(2)(3)	Business Services	L + 3.75%	4.75%	10/11/2024	11,734	11,712	11,544
U.S. Acute Care Solutions, LLC	+*\	(2)(3)	Healthcare & Pharmaceuticals	L + 6.00%	7.00%	5/15/2021	31,293	31,246	28,257
U.S. TelePacific Holdings Corp.	+*\	(2)(3)	Telecommunications	L + 5.50%	6.50%	5/2/2023	26,660	26,533	22,867
VRC Companies, LLC	^+	(2)(3)(7)	Business Services	L + 6.50%	7.50%	3/31/2023	28,307	27,069	28,307
Welocalize, Inc.	+	(2)(3)(7)	Business Services	L + 4.50%	5.50%	12/2/2024	21,558	21,334	21,349
WRE Holding Corp.	^+*	(2)(3)(7)	Environmental Industries	L + 5.25%	6.25%	1/3/2023	8,384	8,350	8,250
Zywave, Inc.	+*\	(2)(3)(7)	High Tech Industries	L + 5.00%	6.00%	11/17/2022	18,581	18,490	18,581
First Lien Debt Total								\$ 1,298,014	\$ 1,261,275
Second Lien Debt (1.77% of fair value)									
DBI Holding, LLC	^*		Transportation: Cargo	9.00% PIK	9.00%	2/1/2026	\$ 22,180	\$ 21,823	\$ 22,180
Zywave, Inc.	+*\	(2)(3)	High Tech Industries	L + 9.00%	10.00%	11/17/2023	647	642	647
Second Lien Debt Total								\$ 22,465	\$ 22,827

Investments ⁽¹⁾	Footnotes	Industry	Type	Shares/Units	Cost	Fair Value ⁽⁶⁾
Equity Investments (0.57% of fair value)						
DBI Holding, LLC	^*	Transportation: Cargo	Common Stock	2,961	\$ —	\$ —
DBI Holding, LLC	^*	Transportation: Cargo	Preferred Equity	13,996	5,364	7,310
Equity Investments Total					\$ 5,364	\$ 7,310
Total Investments					\$ 1,325,843	\$ 1,291,412

^ Denotes that all or a portion of the assets are owned by Credit Fund. Credit Fund has entered into a revolving credit facility with the Company (the "Credit Fund Facility"). Accordingly, such assets are not available to creditors of Credit Fund Sub, the 2017-1 Issuer, the 2019-2 Issuer or Credit Fund Warehouse II.

+ 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, the 2019-2 Issuer or Credit Fund Warehouse II.

* 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, the 2019-2 Issuer or Credit Fund Warehouse II.

\ Denotes that all or a portion of the assets are owned by the 2019-2 Issuer and secure the notes issued in connection with a \$399,900 term debt securitization completed by Credit Fund on May 21, 2019 (the "2019-2 Debt Securitization"). Accordingly, such assets are not available to creditors of Credit Fund, Credit Fund Sub, the 2017-1 Issuer or Credit Fund Warehouse II.

Denotes that all or a portion of the assets are owned by the Credit Fund Warehouse II. Credit Fund Warehouse II has entered into a revolving credit facility (the "Credit Fund Warehouse II Facility"). The lenders of the Credit Fund Warehouse II Facility have a first lien security interest in substantially all of the assets of the Credit Fund Warehouse II. Accordingly, such assets are not available to creditors of Credit Fund, Credit Fund Sub, the 2017-1 Issuer or the 2019-2 Issuer.

- (1) Unless otherwise indicated, issuers of investments held by Credit Fund are domiciled in the United States. As of September 30, 2020, the geographical composition of investments as a percentage of fair value was 2.26% in Canada and 97.73% in the United States. 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 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 September 30, 2020. As of September 30, 2020, the reference rates for Credit Fund's variable rate loans were the 30-day LIBOR at 0.15%, the 90-day LIBOR at 0.23% and the 180-day LIBOR at 0.26%.
- (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 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.
- (6) 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: Surgical Information Systems, LLC (1.01%). 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.

(7) As of September 30, 2020, 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%	\$ 2,500	\$ (19)
AmeriLife Holdings LLC	Delayed Draw	1.00	530	(3)
Analogic Corporation	Revolver	0.50	1,975	(3)
AQA Acquisition Holding, Inc.	Revolver	0.50	2,459	(5)
BK Medical Holding Company, Inc.	Revolver	0.50	2,609	(183)
Chemical Computing Group ULC (Canada)	Revolver	0.50	873	(7)
Clearent Newco, LLC	Delayed Draw	1.00	2,549	(128)
DecoPac, Inc.	Revolver	0.50	2,143	(7)
Diligent Corporation	Revolver	0.50	703	(4)
Diligent Corporation	Delayed Draw	1.00	2,109	(13)
EvolveIP, LLC	Delayed Draw	1.00	2,240	(15)
EvolveIP, LLC	Revolver	0.50	1,345	(10)
HMT Holding Inc.	Revolver	0.50	3,351	(17)
Integrity Marketing Acquisition, LLC	Delayed Draw	1.00	12,000	240
Jensen Hughes, Inc.	Revolver	0.50	2,000	(35)
Jensen Hughes, Inc.	Delayed Draw	1.00	2,068	(36)
KBP Investments, LLC	Delayed Draw	1.00	10,190	(127)
KBP Investments, LLC	Delayed Draw	1.00	1,297	(16)
Marco Technologies, LLC	Delayed Draw	1.00	7,500	—
MSHC, Inc.	Delayed Draw	1.00	5,130	(47)
Propel Insurance Agency, LLC	Revolver	0.50	1,369	(14)
QW Holding Corporation (Quala)	Revolver	0.50	4,674	(272)
QW Holding Corporation (Quala)	Delayed Draw	1.00	161	(9)
T2 Systems, Inc.	Revolver	0.50	1,955	(39)
The Original Cakerie, Ltd. (Canada)	Revolver	0.50	1,665	(4)
VRC Companies, LLC	Delayed Draw	0.75	2,347	—
VRC Companies, LLC	Revolver	0.50	858	—
Welocalize, Inc.	Revolver	0.50	3,375	(28)
WRE Holding Corp.	Delayed Draw	1.00	563	(8)
WRE Holding Corp.	Revolver	0.50	852	(12)
Zywave, Inc.	Revolver	0.50	1,500	—
Total unfunded commitments			\$ 84,890	\$ (821)

Consolidated Schedule of Investments as of December 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 (98.11% of fair value)								
Achilles Acquisition, LLC	+#\ (2) (3)	Banking, Finance, Insurance & Real Estate	L + 4.00%	5.75%	10/13/2025	\$ 17,865	\$ 17,776	\$ 17,763
Acisure, LLC	+\< (2) (3)	Banking, Finance, Insurance & Real Estate	L + 3.75%	5.85%	11/22/2023	11,820	11,810	11,805
Acisure, LLC	+#\ (2) (3)	Banking, Finance, Insurance & Real Estate	L + 4.25%	6.35%	11/22/2023	20,674	20,639	20,674
Advanced Instruments, LLC	^+*\ (2) (3) (7)	Healthcare & Pharmaceuticals	L + 5.25%	6.99%	10/31/2022	35,610	35,536	35,466
Alku, LLC	+#\ (2) (3)	Business Services	L + 5.50%	7.44%	7/29/2026	25,000	24,754	24,624
Alpha Packaging Holdings, Inc.	+*\ (2) (3)	Containers, Packaging & Glass	L + 4.25%	6.35%	5/12/2020	16,684	16,676	16,601
AmeriLife Group, LLC	^#\ (2) (3) (7)	Banking, Finance, Insurance & Real Estate	L + 4.50%	6.20%	6/5/2026	16,627	16,557	16,558
Anchor Packaging, Inc.	^#\ (2) (3) (7)	Containers, Packaging & Glass	L + 4.00%	5.70%	7/18/2026	20,462	20,363	20,457
API Technologies Corp.	+\< (2) (3)	Aerospace & Defense	L + 4.25%	5.95%	5/9/2026	14,925	14,853	14,807
Aptean, Inc.	+\< (2) (3)	Software	L + 4.25%	6.34%	4/23/2026	12,406	12,344	12,385
AQA Acquisition Holding, Inc.	^*\ (2) (3) (7)	High Tech Industries	L + 4.25%	6.16%	5/24/2023	18,954	18,922	18,860
Avalign Technologies, Inc.	+\< (2) (3)	Healthcare & Pharmaceuticals	L + 4.50%	6.70%	12/22/2025	14,741	14,610	14,626
Big Ass Fans, LLC	+*\ (2) (3)	Capital Equipment	L + 3.75%	5.85%	5/21/2024	13,909	13,841	13,903
Borchers, Inc.	+*\ (2) (3) (7)	Chemicals, Plastics & Rubber	L + 4.50%	6.60%	11/1/2024	15,116	15,072	15,085
Brooks Equipment Company, LLC	*	Construction & Building	L + 5.00%	6.91%	8/29/2020	5,144	5,141	5,141
Clarity Telecom LLC.	+ (2) (3)	Media: Broadcasting & Subscription	L + 4.50%	6.20%	8/30/2026	14,963	14,915	14,902
Clearent Newco, LLC	^+\< (2) (3) (7)	High Tech Industries	L + 5.50%	7.44%	3/20/2025	29,738	29,436	29,134
Datto, Inc.	+\< (2) (3)	High Tech Industries	L + 4.25%	5.95%	4/2/2026	12,438	12,375	12,420
DecoPac, Inc.	+*\ (2) (3) (7)	Non-durable Consumer Goods	L + 4.25%	6.01%	9/29/2024	12,336	12,233	12,292
Dent Wizard International Corporation	+\< (2) (3)	Automotive	L + 4.00%	5.70%	4/7/2020	36,880	36,843	36,717
DTI Holdco, Inc.	+*\ (2) (3)	High Tech Industries	L + 4.75%	6.68%	9/30/2023	18,885	18,771	17,611
Eliassen Group, LLC	+\< (2) (3)	Business Services	L + 4.50%	6.20%	11/5/2024	7,581	7,548	7,579
EIP Merger Sub, LLC (Evolve IP)	^+ (2) (3) (7)	Telecommunications	L + 5.75%	7.45%	6/7/2023	19,661	19,605	19,661
Exactech, Inc.	+#\ (2) (3)	Healthcare & Pharmaceuticals	L + 3.75%	5.45%	2/14/2025	21,772	21,634	21,751
Excel Fitness Holdings, Inc.	+#\ (2) (3)	Hotel, Gaming & Leisure	L + 5.25%	6.95%	10/7/2025	25,000	24,758	24,875
Golden West Packaging Group LLC	+*\ (2) (3)	Containers, Packaging & Glass	L + 5.75%	7.45%	6/20/2023	29,464	29,303	29,072
HMT Holding Inc.	^+*\ (2) (3) (7)	Energy: Oil & Gas	L + 5.00%	6.74%	11/17/2023	33,157	32,678	32,972
Jensen Hughes, Inc.	^+*\ (2) (3) (7)	Utilities: Electric	L + 4.50%	6.24%	3/22/2024	33,909	33,757	33,550
KAMC Holdings, Inc.	+#\ (2) (3)	Energy: Electricity	L + 4.00%	5.91%	8/14/2026	13,965	13,899	13,881
MAG DS Corp.	^+\< (2) (3) (7)	Aerospace & Defense	L + 4.75%	6.46%	6/6/2025	28,471	28,242	28,286
Maravai Intermediate Holdings, LLC	+#\ (2) (3)	Healthcare & Pharmaceuticals	L + 4.25%	6.00%	8/2/2025	29,625	29,378	29,400
Marco Technologies, LLC	^+\< (2) (3) (7)	Media: Advertising, Printing & Publishing	L + 4.25%	6.16%	10/30/2023	7,463	7,410	7,463
Mold-Rite Plastics, LLC	+\< (2) (3)	Chemicals, Plastics & Rubber	L + 4.25%	5.95%	12/14/2021	\$ 14,557	\$ 14,519	\$ 14,524

Consolidated Schedule of Investments as of December 31, 2019

Investments ⁽¹⁾		Footnotes	Industry	Reference Rate & Spread ⁽²⁾	Interest Rate ⁽²⁾	Maturity Date	Par/Principal Amount	Amortized Cost ⁽⁵⁾	Fair Value ⁽⁶⁾
MSHC, Inc.	^+*\	(2) (3) (7)	Construction & Building	L + 4.25%	5.95%	12/31/2024	38,251	38,138	38,166
Newport Group Holdings II, Inc.	+*\#	(2) (3)	Banking, Finance, Insurance & Real Estate	L + 3.75%	5.65%	9/13/2025	23,715	23,487	23,663
Odyssey Logistics & Technology Corp.	+*\#	(2) (3)	Transportation: Cargo	L + 4.00%	5.70%	10/12/2024	39,013	38,859	38,763
Output Services Group	^+\	(2) (3) (7)	Media: Advertising, Printing & Publishing	L + 4.50%	6.20%	3/27/2024	19,621	19,570	19,469
PAI Holdco, Inc.	+*\	(2) (3)	Automotive	L + 4.25%	6.35%	1/5/2025	19,532	19,458	19,532
Park Place Technologies, Inc.	+*\#	(2) (3)	High Tech Industries	L + 4.00%	5.70%	3/28/2025	22,566	22,489	22,566
Pasternack Enterprises, Inc.	+*\	(2) (3)	Capital Equipment	L + 4.00%	5.70%	7/2/2025	22,755	22,742	22,653
Pathway Vet Alliance LLC	+*\	(2) (3) (7)	Consumer Services	L + 4.50%	6.21%	12/20/2024	19,085	18,708	19,217
Pharmalogic Holdings Corp.	+*\	(2) (3)	Healthcare & Pharmaceuticals	L + 4.00%	5.70%	6/11/2023	11,320	11,296	11,302
Premise Health Holding Corp.	^+*\#	(2) (3) (7)	Healthcare & Pharmaceuticals	L + 3.50%	5.60%	7/10/2025	13,723	13,665	13,501
Propel Insurance Agency, LLC	^+\	(2) (3) (7)	Banking, Finance, Insurance & Real Estate	L + 4.25%	6.35%	6/1/2024	22,532	22,056	22,395
Q Holding Company	+*\#	(2) (3)	Automotive	L + 5.00%	6.70%	12/31/2023	21,955	21,777	21,922
QW Holding Corporation (Quala)	^+*	(2) (3) (7)	Environmental Industries	L + 5.75%	7.73%	8/31/2022	11,630	11,449	11,531
Radiology Partners, Inc.	+*\#	(2) (3)	Healthcare & Pharmaceuticals	L + 4.75%	6.66%	7/9/2025	28,719	28,590	28,768
RevSpring Inc.	+*\#	(2) (3)	Media: Advertising, Printing & Publishing	L + 4.00%	5.95%	10/11/2025	24,750	24,631	24,608
Situs Group Holdings Corporation	^+\	(2) (3) (7)	Banking, Finance, Insurance & Real Estate	L + 4.75%	6.45%	6/28/2025	13,715	13,621	13,697
Systems Maintenance Services Holding, Inc.	+*	(2) (3)	High Tech Industries	L + 5.00%	6.70%	10/30/2023	23,765	23,672	18,180
Surgical Information Systems, LLC	+*\	(2) (3) (6)	High Tech Industries	L + 4.75%	7.47%	4/24/2023	26,168	26,005	25,715
T2 Systems, Inc.	^+*	(2) (3) (7)	Transportation: Consumer	L + 6.75%	8.85%	9/28/2022	18,045	17,789	18,045
The Original Cakerie, Ltd. (Canada)	+*	(2) (3) (7)	Beverage, Food & Tobacco	L + 5.00%	6.84%	7/20/2022	8,928	8,897	8,887
The Original Cakerie, Ltd. (Canada)	^*	(2) (3) (7)	Beverage, Food & Tobacco	L + 4.50%	6.34%	7/20/2022	6,826	6,801	6,790
ThoughtWorks, Inc.	+*\	(2) (3)	Business Services	L + 4.00%	5.70%	10/11/2024	11,824	11,794	11,824
U.S. Acute Care Solutions, LLC	+*\	(2) (3)	Healthcare & Pharmaceuticals	L + 5.00%	6.91%	5/15/2021	31,431	31,331	29,869
U.S. TelePacific Holdings Corp.	+*\	(2) (3)	Telecommunications	L + 5.00%	7.10%	5/2/2023	26,660	26,499	25,430
Valet Waste Holdings, Inc.	+*\	(2) (3)	Construction & Building	L + 3.75%	5.70%	9/28/2025	11,850	11,825	11,688
Welocalize, Inc.	+^	(2) (3) (7)	Business Services	L + 4.50%	6.21%	12/2/2024	23,038	22,788	22,787
WIRB - Copernicus Group, Inc.	+*\	(2) (3) (7)	Healthcare & Pharmaceuticals	L + 4.25%	5.95%	8/15/2022	20,888	20,822	20,887
WRE Holding Corp.	^+*	(2) (3) (7)	Environmental Industries	L + 5.00%	6.91%	1/3/2023	7,431	7,372	7,304
Zywave, Inc.	+*\	(2) (3) (7)	High Tech Industries	L + 5.00%	6.93%	11/17/2022	19,228	19,107	19,211
First Lien Debt Total								\$ 1,231,436	\$ 1,223,215
Second Lien Debt (1.75% of fair value)									
DBI Holding, LLC	^*	(2) (3) (8)	Transportation: Cargo	9.00% PIK	8.00%	2/1/2026	\$ 21,150	\$ 20,697	\$ 21,150
Zywave, Inc.	*	(2) (3)	High Tech Industries	L + 9.00%	10.94%	11/17/2023	\$ 666	660	664
Second Lien Debt Total								\$ 21,357	\$ 21,814
Equity Investments (0.15% of fair value)									

Consolidated Schedule of Investments as of December 31, 2019

Investments ⁽¹⁾	Footnotes	Industry	Reference Rate & Spread ⁽²⁾	Interest Rate ⁽²⁾	Maturity Date	Par/Principal Amount	Amortized Cost ⁽⁵⁾	Fair Value ⁽⁶⁾
DBI Holding, LLC	^	Transportation: Cargo				\$ 16,957	\$ 5,364	\$ 1,810
Equity Investments Total							<u>\$ 5,364</u>	<u>\$ 1,810</u>
Total Investments							<u>\$ 1,258,157</u>	<u>\$ 1,246,839</u>

^ Denotes that all or a portion of the assets are owned by Credit Fund. Credit Fund has entered into the Credit Fund Facility. Accordingly, such assets are not available to creditors of Credit Fund Sub, the 2017-1 Issuer, the 2019-2 Issuer or Credit Fund Warehouse II.

+ Denotes that all or a portion of the assets are owned by Credit Fund Sub. Credit Fund Sub has entered into 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, the 2019-2 Issuer or Credit Fund Warehouse II.

* Denotes that all or a portion of the assets are owned by the 2017-1 Issuer and secure the notes issued in connection with the 2017-1 Debt Securitization. Accordingly, such assets are not available to creditors of Credit Fund, Credit Fund Sub, the 2019-2 Issuer or Credit Fund Warehouse II.

\ Denotes that all or a portion of the assets are owned by the 2019-2 Issuer and secure the notes issued in connection with the 2019-2 Debt Securitization. Accordingly, such assets are not available to creditors of Credit Fund, Credit Fund Sub, the 2017-1 Issuer or Credit Fund Warehouse II.

Denotes that all or a portion of the assets are owned by the Credit Fund Warehouse II. Credit Fund Warehouse II has entered into the Credit Fund Warehouse II Facility. The lenders of the Credit Fund Warehouse II Facility have a first lien security interest in substantially all of the assets of the Credit Fund Warehouse II. Accordingly, such assets are not available to creditors of Credit Fund, Credit Fund Sub, the 2017-1 Issuer or the 2019-2 Issuer.

- Unless otherwise indicated, issuers of investments held by Credit Fund are domiciled in the United States. As of December 31, 2019, the geographical composition of investments as a percentage of fair value was 1.26% in Canada and 98.74% 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, 2019. As of December 31, 2019, the reference rates for Credit Fund's variable rate loans were the 30-day LIBOR at 1.75%, the 90-day LIBOR at 1.91% and the 180-day LIBOR at 1.91%.
- Loan includes interest rate floor feature, which is generally 1.00%.
- 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 these consolidated financial statements.
- 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: 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.

(7) As of December 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 %	\$ 563	\$ (2)
AmeriLife Group, LLC	Delayed Draw	1.00	298	(1)
Anchor Packaging, Inc.	Delayed Draw	1.00	4,487	(1)
AQA Acquisition Holding, Inc.	Revolver	0.50	2,459	(11)
Borchers, Inc.	Revolver	0.50	1,935	(3)
Clearent Newco, LLC	Delayed Draw	1.00	6,636	(110)
DecoPac, Inc.	Revolver	0.50	2,143	(7)
EIP Merger Sub, LLC (Evolve IP)	Revolver	0.50	1,680	—
EIP Merger Sub, LLC (Evolve IP)	Delayed Draw	1.00	2,240	—
HMT Holding Inc.	Revolver	0.50	6,173	(29)
Jensen Hughes, Inc.	Revolver	0.50	1,136	(11)
Jensen Hughes, Inc.	Delayed Draw	1.00	2,365	(23)
MAG DS Corp.	Revolver	0.50	2,188	(13)
Marco Technologies, LLC	Delayed Draw	1.00	7,500	—
MSHC, Inc.	Delayed Draw	1.00	1,913	(4)
Output Services Group	Delayed Draw	4.25	116	(1)
Pathway Vet Alliance LLC	Delayed Draw	1.00	19,867	68
Premise Health Holding Corp.	Delayed Draw	1.00	1,103	(17)
Propel Insurance Agency, LLC	Revolver	0.50	2,381	(10)
Propel Insurance Agency, LLC	Delayed Draw	0.50	7,143	(31)
QW Holding Corporation (Quala)	Revolver	0.50	5,498	(31)
QW Holding Corporation (Quala)	Delayed Draw	1.00	217	(1)
Situs Group Holdings Corporation	Delayed Draw	1.00	1,216	(1)
T2 Systems, Inc.	Revolver	0.50	1,369	—
The Original Cakerie, Ltd. (Canada)	Revolver	0.50	1,199	(5)
Welocalize, Inc.	Revolver	0.50	2,057	(21)
WIRB - Copernicus Group, Inc.	Revolver	0.50	1,000	—
WIRB - Copernicus Group, Inc.	Delayed Draw	1.00	2,592	—
WRE Holding Corp.	Revolver	0.50	441	(6)
WRE Holding Corp.	Delayed Draw	1.00	1,981	(25)
Zywave, Inc.	Revolver	0.50	998	(1)
Total unfunded commitments			\$ 92,894	\$ (297)

(8) Loan was on non-accrual status as of December 31, 2019.

Debt

Credit Fund Facilities

The Credit Fund, Credit Fund Sub and Credit Fund Warehouse II are party to separate credit facilities as described below. In addition, until May 15, 2019, the 2019-2 Issuer (formerly known as the Credit Fund Warehouse) was party to the Credit Fund Warehouse Facility. As of September 30, 2020 and December 31, 2019, Credit Fund, Credit Fund Sub and Credit Fund Warehouse II were in compliance with all covenants and other requirements of their respective credit facility agreements.

Below is a summary of the borrowings and repayments under the credit facilities for the three month and nine month periods ended 2020 and 2019, and the outstanding balances under the credit facilities for the respective periods.

	Credit Fund Facility		Credit Fund Sub Facility		Credit Fund Warehouse Facility		Credit Fund Warehouse II Facility	
	2020	2019	2020	2019	2020	2019	2020	2019
Three Month Periods Ended September 30,								
Outstanding balance, beginning of period	\$ —	\$ 80,000	\$ 353,006	\$ 384,493	\$ —	\$ —	\$ 108,994	\$ —
Borrowings	—	32,500	25,000	35,500	—	—	5,000	77,935
Repayments	—	(18,500)	—	(76,987)	—	—	(6,590)	—
Outstanding balance, end of period	\$ —	\$ 94,000	\$ 378,006	\$ 343,006	\$ —	\$ —	\$ 107,404	\$ 77,935
Nine Month Periods Ended September 30,								
Outstanding Borrowing, beginning of period	\$ 93,000	\$ 112,000	\$ 343,506	\$ 471,134	\$ —	\$ 101,045	\$ 97,571	\$ —
Borrowings	63,500	83,200	125,000	144,370	—	34,544	38,373	77,935
Repayments	(156,500)	(101,200)	(90,500)	(272,498)	—	(135,589)	(28,540)	—
Outstanding balance, end of period	\$ —	\$ 94,000	\$ 378,006	\$ 343,006	\$ —	\$ —	\$ 107,404	\$ 77,935

Credit Fund Facility. On June 24, 2016, Credit Fund entered into the Credit Fund Facility with the Company, which was subsequently amended on June 5, 2017, October 2, 2017, November 3, 2017, June 22, 2018, June 29, 2018, February 21, 2019 and March 20, 2020, pursuant to which Credit Fund may from time to time request mezzanine loans from the Company. The maximum principal amount of the Credit Fund Facility is \$175,000. The maturity date of the Credit Fund Facility is March 22, 2021. Amounts borrowed under the Credit Fund Facility bear interest at a rate of LIBOR plus 9.00%.

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, August 24, 2018, December 12, 2019 and March 11, 2020. 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%.

Credit Fund Warehouse Facility. On November 26, 2018, Credit Fund Warehouse closed on the Credit Fund Warehouse Facility with lenders. The Credit Fund Warehouse Facility provided for secured borrowings during the applicable revolving period up to an amount equal to \$150,000. The Credit Fund Warehouse Facility was 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 was November 26, 2019. Amounts borrowed under the Credit Fund Warehouse Facility bore interest at a rate of LIBOR plus 1.05%. Effective May 15, 2019, the Warehouse Facility changed its name from “MMCF Warehouse, LLC” to “MMCF CLO 2019-2, LLC” and secured borrowings outstanding were repaid in connection with the 2019-2 Debt Securitization.

Credit Fund Warehouse II Facility. On August 16, 2019, Credit Fund Warehouse II closed on a revolving credit facility (the “Credit Fund Warehouse II Facility”) with lenders. The Credit Fund Warehouse II Facility provides for secured borrowings during the applicable revolving period up to an amount equal to \$150,000. The Credit Fund Warehouse II Facility is secured by a first lien security interest in substantially all of the portfolio investments held by the Credit Fund Warehouse II Facility. The maturity date of the Credit Fund Warehouse II Facility is August 16, 2022. Amounts borrowed under the Credit Fund Warehouse II Facility bear interest at a rate of LIBOR plus 1.05% for the first 12 months, LIBOR plus 1.15% for the next 12 months, and LIBOR plus 1.50% in the final 12 months.

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 September 30, 2020 and December 31, 2019, the 2017-1 Issuer was in compliance with all covenants and other requirements of the indenture.

2019-2 Notes

On May 21, 2019, Credit Fund completed the 2019-2 Debt Securitization. The notes offered in the 2019-2 Debt Securitization (the “2019-2 Notes”) were issued by the 2019-2 Issuer, a wholly owned and consolidated subsidiary of Credit Fund, and are secured by a diversified portfolio of the 2019-2 Issuer consisting primarily of first and second lien senior secured loans. The 2019-2 Debt Securitization was executed through a private placement of the 2019-2 Notes, consisting of:

- \$233,000 of Aaa/AAA Class A-1 Notes, which bear interest at the three-month LIBOR plus 1.50%;
- \$48,000 of Aa2/AA Class A-2 Notes, which bear interest at the three-month LIBOR plus 2.40%;
- \$23,000 of A2/A Class B Notes, which bear interest at the three-month LIBOR plus 3.45%;
- \$27,000 of Baa2/BBB- Class C Notes which bear interest at the three-month LIBOR plus 4.55%; and
- \$21,000 of Ba2/BB- Class D Notes which bear interest at the three-month LIBOR plus 8.03%.

The 2019-2 Notes are scheduled to mature on April 15, 2029. Credit Fund received 100% of the preferred interests issued by the 2019-2 Issuer (the “2019-2 Issuer Preferred Interests”) on the closing date of the 2019-2 Debt Securitization in exchange for Credit Fund’s contribution to the 2019-2 Issuer of the initial closing date loan portfolio. The 2019-2 Issuer Preferred Interests do not bear interest and had a nominal value of \$48,300 at closing.

As of September 30, 2020 and December 31, 2019, the 2019-2 Issuer was in compliance with all covenants and other requirements of the indenture.

6. BORROWINGS

The Company and the SPV are party to facilities as described below. 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. For the purposes of the asset coverage ratio under the Investment Company Act, the Preferred Stock, as defined in Note 1, is considered a senior security and is included in the denominator of the calculation. As of September 30, 2020 and December 31, 2019, asset coverage was 174.96% and 181.01%, respectively. As of September 30, 2020 and December 31, 2019, the Company and the SPV were in compliance with all covenants and other requirements of their respective credit facility agreements.

Below is a summary of the borrowings and repayments under the credit facilities for the three month and nine month periods ended September 30, 2020 and 2019, and the outstanding balances under the Facilities for the respective periods.

	For the three month periods ended		For the nine month periods ended	
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
Outstanding Borrowing, beginning of period	\$ 474,386	\$ 649,397	\$ 616,543	\$ 514,635
Borrowings	36,500	187,229	293,792	590,179
Repayments	—	(79,709)	(397,484)	(347,897)
Foreign currency translation	2,446	(406)	481	(406)
Outstanding balance, end of period	\$ 513,332	\$ 756,511	\$ 513,332	\$ 756,511

SPV Credit Facility

The SPV closed on the SPV Credit Facility on May 24, 2013, 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 \$275,000 (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.

Credit Facility

The Company closed on the Credit Facility on March 21, 2014, which was subsequently amended on January 8, 2015, May 25, 2016, March 22, 2017, September 25, 2018 and June 14, 2019. The maximum principal amount of the Credit Facility is \$688,000, 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 \$900,000 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 \$50,000 limit for swingline loans and a \$20,000 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. On October 28, 2020, the Credit Facility was amended to extend the availability period to October 28, 2024 and the maturity date to October 28, 2025. During the period from October 29, 2024 to October 28, 2025, 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.

Summary of Facilities

The Facilities consisted of the following as of September 30, 2020 and December 31, 2019:

	September 30, 2020			
	Total Facility	Borrowings Outstanding	Unused Portion ⁽¹⁾	Amount Available ⁽²⁾
SPV Credit Facility	\$ 275,000	\$ 149,985	\$ 125,015	\$ 46,670
Credit Facility	688,000	363,347	324,653	198,282
Total	\$ 963,000	\$ 513,332	\$ 449,668	\$ 244,952

	December 31, 2019			
	Total Facility	Borrowings Outstanding	Unused Portion ⁽¹⁾	Amount Available ⁽²⁾
SPV Credit Facility	\$ 275,000	\$ 232,469	\$ 42,531	\$ 4,225
Credit Facility	688,000	384,074	303,926	264,198
Total	\$ 963,000	\$ 616,543	\$ 346,457	\$ 268,423

(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.

For the three month and nine month periods ended September 30, 2020 and 2019, the components of interest expense and credit facility fees were as follows:

	For the three month periods ended		For the nine month periods ended	
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
Interest expense	\$ 2,985	\$ 8,510	\$ 13,564	\$ 22,916
Facility unused commitment fee	542	271	1,269	870
Amortization of deferred financing costs	159	244	754	746
Other fees	27	30	83	168
Total interest expense and credit facility fees	\$ 3,713	\$ 9,055	\$ 15,670	\$ 24,700
Cash paid for interest expense	\$ 3,287	\$ 8,036	\$ 14,959	\$ 22,496
Average principal debt outstanding	\$ 495,469	\$ 755,035	\$ 584,032	\$ 663,766
Weighted average interest rate	2.36 %	4.41 %	3.05 %	4.55 %

As of September 30, 2020 and December 31, 2019, the components of interest and credit facilities payable were as follows:

	As of	
	September 30, 2020	December 31, 2019
Interest expense payable	\$ 856	\$ 2,201
Unused commitment fees payable	222	187
Other credit facility fees payable	22	30
Interest and credit facilities payable	\$ 1,100	\$ 2,418
Weighted average interest rate (based on floating LIBOR rates)	2.34 %	3.88 %

7. NOTES PAYABLE

4.750% Senior Unsecured Notes

On December 30, 2019, the Company closed a private offering of the Senior Notes. Interest is payable quarterly, beginning March 31, 2020. This interest rate is subject to increase (up to 5.75%) in the event that, subject to certain exceptions, the Senior Notes cease to have an investment grade rating. The Company is obligated to offer to repay the notes at par if certain change in control events occur. The Senior Notes are general unsecured obligations of the Company that rank pari passu with all outstanding and future unsecured unsubordinated indebtedness issued by the Company. For the three month and nine month periods ended September 30, 2020, the Company incurred and paid \$1,366 and \$4,082, respectively, in interest expense on the Senior Notes.

The note purchase agreement for the Senior Notes contains customary terms and conditions for senior unsecured notes issued in a private placement, including, without limitation, affirmative and negative covenants such as information reporting, maintenance of the Company's status as a business development company within the meaning of the Investment Company Act and a regulated investment company under the Code, minimum asset coverage ratio and interest coverage ratio, and prohibitions on certain fundamental changes at the Company or any subsidiary guarantor, as well as customary events of default with customary cure and notice, including, without limitation, nonpayment, breach of covenant, material breach of representation or warranty under the note purchase agreement, cross-acceleration under other indebtedness of the Company or certain significant subsidiaries, certain judgments and orders, and certain events of bankruptcy. As of September 30, 2020, the Company was in compliance with these terms and conditions.

2015-1R Notes

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:

- 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%;
- 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;
- 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 and nine month periods ended September 30, 2020 and 2019. 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 September 30, 2020, 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 September 30, 2020, the 2015-1R Notes were secured by 59 first lien and second lien senior secured loans with a total fair value of approximately \$515,169 and cash of \$5,231. 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 nine month periods ended September 30, 2020 and 2019, the effective annualized weighted average interest rates, which include amortization of debt issuance costs on the 2015-1R Notes, were 2.56% and 4.59%, respectively, based on

floating LIBOR rates. As of September 30, 2020 and December 31, 2019 the weighted average interest rates were 2.38% and 4.75% respectively, based on floating LIBOR rates.

For the for the three and nine month periods ended September 30, 2020 and 2019, the components of interest expense on the 2015-1R Notes were as follows:

	For the three month periods ended		For the nine month periods ended	
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
Interest expense	\$ 2,878	\$ 4,966	\$ 11,081	\$ 15,460
Amortization of deferred financing costs	62	62	185	185
Total interest expense and credit facility fees	\$ 2,940	\$ 5,028	\$ 11,266	\$ 15,645
Cash paid for interest expense	\$ 3,708	\$ 5,348	\$ 12,667	\$ 15,748

As of September 30, 2020 and December 31, 2019, \$2,305 and \$3,891, respectively, of interest expense was included in interest and credit facility fees payable.

8. COMMITMENTS AND CONTINGENCIES

A summary of significant contractual payment obligations was as follows as of September 30, 2020 and December 31, 2019:

Payment Due by Period	September 30, 2020	December 31, 2019
Less than one year	\$ —	\$ —
1-3 years	149,985	—
3-5 years	478,347	731,543
More than 5 years	449,200	449,200
Total	<u>\$ 1,077,532</u>	<u>\$ 1,180,743</u>

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 September 30, 2020 and December 31, 2019 for any such exposure.

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

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	
	September 30, 2020	December 31, 2019
Unfunded delayed draw commitments	\$ 58,290	\$ 75,874
Unfunded revolving loan commitments	67,034	74,016
Total unfunded commitments	<u>\$ 125,324</u>	<u>\$ 149,890</u>

9. NET ASSETS

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

Cumulative Convertible Preferred Stock

On May 5, 2020, the Company issued and sold 2,000,000 shares of Preferred Stock to an affiliate of Carlyle in a private placement at a price of \$25 per share. The Preferred Stock has a liquidation preference equal to \$25 per share (the "Liquidation Preference") plus any accumulated but unpaid dividends up to but excluding the date of distribution. Dividends are payable on a quarterly basis in an initial amount equal to 7.00% per annum of the Liquidation Preference per share, payable in cash, or at the Company's option, 9.00% per annum of the Liquidation Preference payable in additional shares of Preferred Stock. After May 5, 2027, the dividend rate will increase annually, in each case by 1.00% per annum.

After November 5, 2020, the Preferred Stock will be convertible, in whole or in part, at the option of the holder of the Preferred Stock into the number of shares of common stock equal to the Liquidation Preference plus any accumulated but unpaid dividends, divided by an initial conversion price of \$9.50, subject to certain adjustments to prevent dilution as set forth in the Company's Articles Supplementary. At any time after May 5, 2023, the Company, with the approval of the Board of Directors, including a majority of the Independent Directors, will have the option to redeem all of the Preferred Stock for cash consideration equal to the Liquidation Preference plus any accumulated but unpaid dividends. The holders of the Preferred Stock will have the right to convert all or a portion of their shares of Preferred Stock prior to the date fixed for such redemption. At any time after May 5, 2027, the holders of the Preferred Stock will have the option to require the Company to redeem any or all of the then-outstanding Preferred Stock upon 90 days' notice. The form of consideration used in any such redemption is at the option of the Board of Directors, including a majority of the Independent Directors, and may be cash consideration equal to the Liquidation Preference plus any accumulated but unpaid dividends, or shares of common stock. Holders also have the right to redeem the Preferred Stock upon a Change in Control (as defined in the Article Supplementary).

The following table summarizes the Company's dividends declared on its preferred stock during the current fiscal year to-date. Unless otherwise noted, dividends were declared and paid, or are payable, in cash.

<u>Date Declared</u>	<u>Record Date</u>	<u>Payment Date</u>	<u>Per Share Amount</u>
June 30, 2020	June 30, 2020	September 30, 2020	\$ 0.277
September 30, 2020	September 30, 2020	September 30, 2020	0.423
Total			\$ 0.700

Company Stock Repurchase Program

On November 5, 2018, the Company's Board of Directors approved a \$100,000 common stock repurchase program (the "Company Stock Repurchase Program"). The Company Stock Repurchase Program was to be in effect until November 5, 2020, or until the approved dollar amount had been used to repurchase shares of common stock. On November 2, 2020, the Company's Board of Directors approved the continuation of the Company Stock Repurchase Program until November 5, 2021, or until the approved dollar amount has been used to repurchase shares of common stock, as well as the expansion of the repurchase authorization to \$150 million in the aggregate of the Company's outstanding common stock. This program may be suspended, extended, modified or discontinued by the Company at any time, subject to applicable law. Since the inception of the Company Stock Repurchase Program through September 30, 2020, the Company has repurchased 6,260,043 shares of the Company's common stock at an average cost of \$13.67 per share, or \$85,597 in the aggregate, resulting in accretion to net assets per share of \$0.34.

Changes in Net Assets

For the three and nine month periods ended September 30, 2020, the Company repurchased and extinguished 0 and 1,455,195 shares, respectively, for \$0 and \$16,003, respectively. The following tables summarize capital activity during the for the three and nine month periods ended September 30, 2020:

	Preferred Stock		Common Stock		Capital in Excess of Par Value	Offering Costs	Accumulated Net Investment Income (Loss)	Accumulated Net Realized Gain (Loss)	Accumulated Net Unrealized Appreciation (Depreciation)	Total Net Assets
	Shares	Amount	Shares	Amount						
Balance, July 1, 2020	2,000,000	\$ 50,000	56,308,616	\$ 563	\$ 1,093,250	\$ (1,633)	\$ 13,810	\$ (131,650)	\$ (141,036)	\$ 883,304
Issuance of Preferred Stock	—	—	—	—	—	—	—	—	—	—
Net investment income (loss)	—	—	—	—	—	—	21,234	—	—	21,234
Net realized gain (loss)	—	—	—	—	—	—	—	(220)	—	(220)
Net change in unrealized appreciation (depreciation)	—	—	—	—	—	—	—	—	12,594	12,594
Dividends declared on common stock and preferred stock	—	—	—	—	—	—	(21,690)	—	—	(21,690)
Balance, September 30, 2020	2,000,000	\$ 50,000	56,308,616	\$ 563	\$ 1,093,250	\$ (1,633)	\$ 13,354	\$ (131,870)	\$ (128,442)	\$ 895,222

	Preferred Stock		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)	Total Net Assets
	Shares	Amount	Shares	Amount						
Balance, January 1, 2020	—	\$ —	57,763,811	\$ 578	\$ 1,109,238	\$ (1,633)	\$ 10,368	\$ (82,654)	\$ (79,426)	\$ 956,471
Repurchase of common stock	—	—	(1,455,195)	(15)	(15,988)	—	—	—	—	(16,003)
Issuance of Preferred Stock	2,000,000	50,000	—	—	—	—	—	—	—	50,000
Net investment income (loss)	—	—	—	—	—	—	66,898	—	—	66,898
Net realized gain (loss)	—	—	—	—	—	—	—	(49,216)	—	(49,216)
Net change in unrealized appreciation (depreciation)	—	—	—	—	—	—	—	—	(49,016)	(49,016)
Dividends declared on common stock and preferred stock	—	—	—	—	—	—	(63,912)	—	—	(63,912)
Balance, September 30, 2020	2,000,000	\$ 50,000	56,308,616	\$ 563	\$ 1,093,250	\$ (1,633)	\$ 13,354	\$ (131,870)	\$ (128,442)	\$ 895,222

For the three and nine month periods ended September 30, 2019, the Company repurchased and extinguished 1,168,383 and 3,216,775 shares, respectively, for \$17,167 and \$47,521, respectively. The following tables summarize capital activity for the three and nine month periods ended September 30, 2019:

	Common Stock		Capital in Excess of Par Value	Offering Costs	Accumulated Net Investment Income (Loss)	Accumulated Net Realized Gain (Loss)	Accumulated Net Unrealized Appreciation (Depreciation)	Total Net Assets
	Shares	Amount						
Balance, July 1, 2019	60,181,859	\$ 602	\$ 1,144,000	\$ (1,633)	\$ 11,679	\$ (51,354)	\$ (76,702)	\$ 1,026,592
Repurchase of common stock	(1,168,383)	(12)	(17,155)	—	—	—	—	(17,167)
Net investment income (loss)	—	—	—	—	26,755	—	—	26,755
Net realized gain (loss)	—	—	—	—	—	(10,909)	—	(10,909)
Net change in unrealized appreciation (depreciation)	—	—	—	—	—	—	(24,835)	(24,835)
Dividends declared	—	—	—	—	(21,835)	—	—	(21,835)
Balance, September 30, 2019	<u>59,013,476</u>	<u>\$ 590</u>	<u>\$ 1,126,845</u>	<u>\$ (1,633)</u>	<u>\$ 16,599</u>	<u>\$ (62,263)</u>	<u>\$ (101,537)</u>	<u>\$ 978,601</u>

	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, January 1, 2019	62,230,251	\$ 622	\$ 1,174,334	\$ (1,633)	\$ 5,901	\$ (44,572)	\$ (71,434)	\$ 1,063,218
Repurchase of common stock	(3,216,775)	(32)	(47,489)	—	—	—	—	(47,521)
Net investment income (loss)	—	—	—	—	82,288	—	—	82,288
Net realized gain (loss) on investments	—	—	—	—	—	(17,691)	—	(17,691)
Net change in unrealized appreciation (depreciation) on investments	—	—	—	—	—	—	(30,103)	(30,103)
Dividends declared	—	—	—	—	(71,590)	—	—	(71,590)
Balance, September 30, 2019	<u>59,013,476</u>	<u>\$ 590</u>	<u>\$ 1,126,845</u>	<u>\$ (1,633)</u>	<u>\$ 16,599</u>	<u>\$ (62,263)</u>	<u>\$ (101,537)</u>	<u>\$ 978,601</u>

Earnings Per Share

The Company calculates earnings per share in accordance with ASC 260, "Earnings per Share." Basic earnings per share is calculated by dividing the net increase (decrease) in net assets resulting from operations, less preferred dividends, by the weighted average number of common shares outstanding. Diluted earnings per share gives effect to all dilutive potential common shares outstanding using the if-converted method for the convertible Preferred Stock. Diluted earnings per share excludes all dilutive potential common shares if their effect is anti-dilutive. Potential common shares for the nine months ended

September 30, 2020 would be antidilutive due to the net loss in the period. Basic and diluted earnings per common share were as follows:

	For the three month period ended September 30, 2020		For the nine month period ended September 30, 2020	
	Basic	Diluted	Basic	Diluted
Net increase (decrease) in net assets resulting from operations attributable to Common Stockholders	\$ 32,752	\$ 33,608	\$ (32,744)	\$ (32,744)
Weighted-average common shares outstanding	56,308,616	61,571,773	56,575,498	56,575,498
Basic and diluted earnings per share	\$ 0.58	\$ 0.55	\$ (0.58)	\$ (0.58)

	For the three month period ended September 30, 2019		For the nine month period ended September 30, 2019	
	Basic	Diluted	Basic	Diluted
Net increase (decrease) in net assets resulting from operations attributable to Common Stockholders	\$ (8,989)	\$ (8,989)	\$ 34,494	\$ 34,494
Weighted-average common shares outstanding	59,587,941	59,587,941	60,644,479	60,644,479
Basic and diluted earnings per share	\$ (0.15)	\$ (0.15)	\$ 0.57	\$ 0.57

Common Stock Dividends

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

Date Declared	Record Date	Payment Date	Per Common Share Amount
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
May 6, 2019	June 28, 2019	July 17, 2019	\$ 0.37
June 17, 2019	June 28, 2019	July 17, 2019	\$ 0.08 ⁽¹⁾
August 5, 2019	September 30, 2019	October 17, 2019	\$ 0.37
November 4, 2019	December 31, 2019	January 17, 2020	\$ 0.37
December 12, 2019	December 31, 2019	January 17, 2020	\$ 0.18 ⁽¹⁾
February 24, 2020	March 31, 2020	April 17, 2020	\$ 0.37
May 4, 2020	June 30, 2020	July 17, 2020	\$ 0.37
August 3, 2020	September 30, 2020	October 16, 2020	\$ 0.32 ⁽²⁾
August 3, 2020	September 30, 2020	October 16, 2020	\$ 0.05 ⁽¹⁾

(1) Represents a special dividend.

(2) The Company updated its dividend policy such that the regular dividend is \$0.32 per share of common stock, effective with the third quarter 2020 dividend.

10. CONSOLIDATED FINANCIAL HIGHLIGHTS

The following is a schedule of consolidated financial highlights for the nine month periods ended September 30, 2020 and 2019:

	For the nine month periods ended	
	September 30, 2020	September 30, 2019
Per Common Share Data:		
Net asset value per common share, beginning of period	\$ 16.56	\$ 17.09
Net investment income (loss) ⁽¹⁾	1.16	1.37
Net realized gain (loss) and net change in unrealized appreciation (depreciation) on investments and non-investment assets and liabilities	(1.74)	(0.81)
Net increase (decrease) in net assets resulting from operations	(0.58)	0.56
Dividends declared ⁽²⁾	(1.11)	(1.19)
Accretion due to share repurchases	0.14	0.12
Net asset value per common share, end of period	\$ 15.01	\$ 16.58
Market price per common share, end of period	\$ 8.91	\$ 14.40
Number of common shares outstanding, end of period	56,308,616	59,013,476
Total return based on net asset value ⁽³⁾	(2.66)%	3.98 %
Total return based on market price ⁽⁴⁾	(25.11)%	25.73 %
Net assets attributable to Common Stockholders, end of period	\$ 845,222	\$ 978,601
Ratio to average net assets attributable to Common Stockholders⁽⁵⁾:		
Expenses before incentive fees	6.87 %	6.50 %
Expenses after incentive fees	8.51 %	8.17 %
Net investment income (loss)	7.62 %	7.88 %
Interest expense and credit facility fees	3.61 %	3.86 %
Ratios/Supplemental Data:		
Asset coverage, end of period	174.96 %	181.16 %
Portfolio turnover	21.94 %	24.35 %
Weighted-average shares outstanding	56,575,498	60,644,479

- (1) Net investment income (loss) per common share was calculated as net investment income (loss) less the preferred dividend for the period divided by the weighted average number of common shares outstanding for the period.
- (2) Dividends declared per common share was calculated as the sum of dividends on common stock declared during the period divided by the number of common 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 common share during the period plus the declared dividends on common stock, 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 common share during the period plus the declared dividends on common stock, 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 attributable to Common Stockholders 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 September 30, 2020 and December 31, 2019, 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 September 30, 2020 and December 31, 2019.

In the normal course of business, the Company is subject to examination by federal and certain state, local and foreign tax regulators. As of September 30, 2020 and December 31, 2019, 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 on preferred stock and common stock for nine month periods ended September 30, 2020 and 2019 was as follows:

	For the nine month periods ended	
	September 30, 2020	September 30, 2019
Ordinary income	\$ 63,912	\$ 71,590
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 and elsewhere in the consolidated financial statements.

On November 2, 2020, the Board of Directors declared a regular quarterly common dividend of \$0.32 plus a special dividend of \$0.04, which are payable on January 15, 2021 to common stockholders of record on December 31, 2020.

On November 3, 2020 (the "Closing Date"), pursuant to a contribution agreement, dated as of the Closing Date, by and between the Company and Middle Market Credit Fund II, LLC, a Delaware limited liability company ("MMCF II"), the Company contributed certain senior secured debt investments with an aggregate principal balance of approximately \$250 million to MMCF II in exchange for approximately 84% of MMCF II's membership interests and gross cash proceeds of approximately \$170 million.

On the Closing Date, the Company and an unaffiliated private credit investment fund entered into a limited liability company agreement to co-manage MMCF II. The Company and the unaffiliated fund have approximately 84% and 16% economic ownership of MMCF II, respectively. MMCF II will be managed by a four-member board of managers, on which the Company and the unaffiliated fund will have equal representation. MMCF II is not consolidated in the Company's financial statements. MMCF II is expected to invest primarily in the senior secured loans of middle market companies. MMCF II's initial portfolio was funded on the Closing Date with existing senior secured debt investments contributed by the Company.

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 involve a number of risks and uncertainties, including statements concerning:

- our, or our portfolio companies’, future business, operations, operating results or prospects, including our and their ability to achieve our respective objectives as a result of the current COVID-19 pandemic;
- the return or impact of current and future investments;
- the general economy and its impact on the industries in which we invest and the impact of the COVID-19 pandemic thereon;
- the impact of any protracted decline in the liquidity of credit markets on our business and the impact of the COVID-19 pandemic thereon;
- the impact of fluctuations in interest rates on our business;
- our future operating results and the impact of the COVID-19 pandemic thereon;
- 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, and the impact of the COVID-19 pandemic thereon;
- our ability to recover unrealized losses;
- market conditions and our ability to access alternative debt markets and additional debt and equity capital, and the impact of the COVID-19 pandemic thereon;
- our contractual arrangements and relationships with third parties;
- uncertainty surrounding the financial stability of the United States, Europe and China;
- the social, geopolitical, financial, trade and legal implications of the exit of the United Kingdom from the European Union, or Brexit;
- the financial condition of and ability of our current and prospective portfolio companies to achieve their objectives and the impact of the COVID-19 pandemic thereon;
- 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 and the impact of the COVID-19 pandemic thereon;
- the ability to consummate acquisitions;
- the ability of our investment adviser to locate suitable investments for us and to monitor and administer our investments;
- the impact of currency fluctuations on 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-K, 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 “Risk Factors” in Part I, Item 1A of our annual report on Form 10-K for the year ended December 31, 2019 and Part II, Item 1A of our Form 10-Q for the quarter ended March 31, 2020. 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. Our core investment strategy focuses on lending to U.S. middle market companies, which we define as companies with approximately \$25 million to \$100 million of EBITDA, which we believe is a useful proxy for cash flow. We complement this core strategy with additive, diversifying assets including, but not limited to, specialty lending investments. We seek to achieve our investment objective primarily through direct origination 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 Advisor (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. Our Investment Adviser's five-person investment committee is responsible for reviewing and approving our investment opportunities. The members of the investment committee have experience investing through different credit cycles. As of September 30, 2020, our Investment Adviser's investment team included a team of more than 150 investment professionals across the Carlyle Global Credit segment. The five members of our Investment Adviser's investment committee have an average of over 25 years of industry experience. In addition, our Investment Adviser and its investment team are supported by a team of finance, operations and administrative professionals currently employed by Carlyle Employee Co., a wholly owned subsidiary of Carlyle.

In conducting our investment activities, we believe that we benefit from the significant scale, relationships 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;
- 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

Below is a summary of certain characteristics of our investment portfolio as of September 30, 2020 and December 31, 2019.

	As of	
	September 30, 2020	December 31, 2019
Fair value of investments	\$ 1,948,173	\$ 2,123,964
Count of investments	146	136
Count of portfolio companies / investment fund	114	112
Count of industries	28	28
Count of sponsors	63	63
Percentage of total investment fair value:		
First lien debt (excluding first lien/last out debt)	69.0 %	74.6 %
First lien/last out debt	4.0 %	3.7 %
Second lien debt	14.8 %	11.0 %
Total secured debt	87.8 %	89.3 %
Credit Fund	10.5 %	9.6 %
Equity investments	1.7 %	1.0 %
Percentage of debt investment fair value:		
Floating rate ⁽¹⁾	99.1 %	99.7 %
Fixed interest rate	0.9 %	0.3 %

⁽¹⁾ Primarily subject to interest rate floors.

Our investment activity for the three month periods ended September 30, 2020 and 2019 is presented below (information presented herein is at amortized cost unless otherwise indicated):

	For the three month periods ended	
	September 30, 2020	September 30, 2019
Investments:		
Total investments, beginning of period	\$ 2,048,349	\$ 2,152,317
New investments purchased	59,887	235,812
Net accretion of discount on investments	1,451	2,867
Net realized gain (loss) on investments	(209)	(10,909)
Investments sold or repaid	(35,551)	(151,456)
Total Investments, end of period	\$ 2,073,927	\$ 2,228,631
Principal amount of investments funded:		
First Lien Debt (excluding First Lien/Last Out Debt)	\$ 60,468	\$ 139,276
First Lien/Last Out Debt	—	25,045
Second Lien Debt	—	39,500
Equity Investments	358	683
Investment Fund	—	32,500
Total	\$ 60,826	\$ 237,004
Principal amount of investments sold or repaid:		
First Lien Debt (excluding First Lien/Last Out Debt)	\$ (36,191)	\$ (137,674)
First Lien/Last Out Debt	(246)	—
Second Lien Debt	(4)	(9,498)
Equity Investments	—	—
Investment Fund	—	(18,500)
Total	\$ (36,441)	\$ (165,672)
Number of new funded investments	7	11
Average amount of new funded investments	\$ 5,877	\$ 21,437
Percentage of new funded debt investments at floating interest rates	100 %	97 %
Percentage of new funded debt investments at fixed interest rates	— %	3 %

As of September 30, 2020 and December 31, 2019, investments consisted of the following:

	September 30, 2020		December 31, 2019	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
First Lien Debt (excluding First Lien/Last Out Debt)	\$ 1,438,903	\$ 1,344,575	\$ 1,649,721	\$ 1,585,042
First Lien/Last Out Debt	80,033	78,616	78,951	78,096
Second Lien Debt	306,295	287,659	234,006	234,532
Equity Investments	32,695	32,987	22,272	21,698
Investment Fund	216,001	204,336	216,501	204,596
Total	\$ 2,073,927	\$ 1,948,173	\$ 2,201,451	\$ 2,123,964

The weighted average yields ⁽¹⁾ for our first and second lien debt, based on the amortized cost and fair value as of September 30, 2020 and December 31, 2019, were as follows:

	September 30, 2020		December 31, 2019	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
First Lien Debt (excluding First Lien/Last Out Debt)	6.98 %	7.47 %	8.00 %	8.17 %
First Lien/Last Out Debt	8.93 %	9.09 %	6.63 %	9.53 %
First Lien Debt Total	7.08 %	7.56 %	7.91 %	8.23 %
Second Lien Debt	9.23 %	9.82 %	10.44 %	10.42 %
First and Second Lien Debt Total	7.44 %	7.94 %	8.22 %	8.50 %

(1) Weighted average yields include the effect of accretion of discounts and amortization of premiums and are based on interest rates as of September 30, 2020 and December 31, 2019. 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 original issue discount "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 8.22% to 7.44% from December 31, 2019 to September 30, 2020. 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-accrual/non-performing investments as of September 30, 2020 and December 31, 2019:

	September 30, 2020		December 31, 2019	
	Fair Value	Percentage	Fair Value	Percentage
Performing	\$ 1,880,802	96.54 %	\$ 2,071,535	97.53 %
Non-accrual ⁽¹⁾	67,371	3.46	52,429	2.47
Total	\$ 1,948,173	100.00 %	\$ 2,123,964	100.00 %

⁽¹⁾ For information regarding our non-accrual policy, see Note 2 to the consolidated financial statements included in Part I, Item 1 of this Form 10-Q.

See the Consolidated Schedules of Investments as of September 30, 2020 and December 31, 2019 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 categories, which we refer to as “Internal Risk Ratings”. During the second quarter of 2020, our Investment Advisor reevaluated and revised its Internal Risk Ratings and policies across the Carlyle Direct Lending platform to more appropriately assess portfolio risk across all market conditions, including the current COVID-19 environment. The revised methodology incorporates greater focus on expectations for future company performance and industry outlook, and creates greater consistency in risk rating assignment across all investments by removing from the ratings methodology the direct tie of historical financial results to the “base case” projections derived at the time of our initial investment. Under the revised methodology, an Internal Risk Rating of 1 – 5, which are defined below, is assigned to each debt investment in our portfolio, compared to Internal Risk Ratings of 1 – 6 under the legacy methodology. Key drivers of internal risk rating used in the revised methodology are substantially the same as the legacy methodology, including financial metrics, financial covenants, liquidity and enterprise value coverage.

Internal Risk Ratings Definitions

<u>Rating</u>	<u>Definition</u>
1	Borrower is operating above expectations, and the trends and risk factors are generally favorable.
2	Borrower is operating generally as expected or at an acceptable level of performance. The level of risk to our initial cost bases is similar to the risk to our initial cost basis at the time of origination. This is the initial risk rating assigned to all new borrowers.
3	Borrower is operating below expectations and level of risk to our cost basis has increased since the time of origination. The borrower may be out of compliance with debt covenants. Payments are generally current although there may be higher risk of payment default.
4	Borrower is operating materially below expectations and the loan’s risk has increased materially since origination. In addition to the borrower being generally out of compliance with debt covenants, loan payments may be past due, but generally not by more than 120 days. It is anticipated that we may not recoup our initial cost basis and may realize a loss of our initial cost basis upon exit.
5	Borrower is operating substantially below expectations and the loan’s risk has increased substantially since origination. Most or all of the debt covenants are out of compliance and payments are substantially delinquent. It is anticipated that we will not recoup our initial cost basis and may realize a substantial loss of our initial cost basis upon exit.

Our Investment Adviser monitors and, when appropriate, changes the investment ratings assigned to each debt investment in our portfolio. Our Investment Adviser reviews our investment ratings in connection with our quarterly valuation process. The below table summarizes the Internal Risk Ratings as of September 30, 2020. Given the forward-looking nature of certain elements of the revised methodology, it is impracticable to recast the risk ratings for the portfolio using the revised methodology as of December 31, 2019.

	September 30, 2020	
	Fair Value	% of Fair Value
(dollar amounts in millions)		
Internal Risk Rating 1	\$ 38.8	2.27 %
Internal Risk Rating 2	1,201.4	70.22
Internal Risk Rating 3	380.8	22.26
Internal Risk Rating 4	48.9	2.86
Internal Risk Rating 5	40.9	2.39
Total	\$ 1,710.9	100.00 %

As of September 30, 2020, the weighted average Internal Risk Rating of our debt investment portfolio was 2.3. As of September 30, 2020, seven of our debt investments, with an aggregate fair value of \$89.9 million were assigned an Internal Risk Rating of 4-5. As of September 30, 2020 and December 31, 2019, six and five debt investments were on non-accrual status. The fair values of debt investments in the portfolio on non-accrual status were \$67.4 million and \$52.4 million, respectively, which represented approximately 3.46% and 2.47%, 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 September 30, 2020 and December 31, 2019.

CONSOLIDATED RESULTS OF OPERATIONS

For the three month and nine month periods ended September 30, 2020 and 2019

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 and nine month periods ended September 30, 2020 and 2019 was as follows:

	For the three month periods ended		For the nine month periods ended	
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
Investment income				
First Lien Debt	\$ 29,587	\$ 41,696	\$ 97,058	\$ 126,816
Second Lien Debt	7,084	7,542	22,814	19,534
Equity Investments	362	—	880	247
Investment Fund	5,750	6,459	17,799	20,990
Cash	1	82	53	246
Total investment income	\$ 42,784	\$ 55,779	\$ 138,604	\$ 167,833

The decrease in investment income for the three month period ended September 30, 2020 from the comparable period in 2019 was primarily driven by the decrease in LIBOR, a lower average principal outstanding, loans placed on non-accrual, and lower total income from Credit Fund. As of September 30, 2020, the size of our portfolio decreased to \$2,073,927 from \$2,228,631 as of September 30, 2019, at amortized cost. As of September 30, 2020, the weighted average yield of our first and second lien debt investments decreased to 7.44% from 8.88% as of September 30, 2019 on amortized cost, primarily due to the decrease 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 September 30, 2020 and 2019, six and five first lien debt investments, respectively, were on non-accrual status. Non-accrual investments had a fair value of \$67,371 and \$13,713 respectively, which represented approximately 3.5% and 0.6% 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 September 30, 2020 and 2019.

For the three month periods ended September 30, 2020 and 2019, the Company earned \$2,110 and \$1,756, respectively, in other income. For the nine month periods ended September 30, 2020 and 2019, the Company earned \$8,001 and \$6,050, respectively, in other income. The increase in other income for the three month period ended September 30, 2020 from the comparable period in 2019 was primarily driven by higher amendment fees, offset partially by lower underwriting fees. The increase in other income for the nine month period ended September 30, 2020 from the comparable period in 2019 was primarily driven by higher amendment fees, offset partially by lower prepayment fees.

For the three month periods ended September 30, 2020 and 2019, the Company earned \$5,750 and \$6,459, respectively, in dividend and interest income from Credit Fund. For the nine month periods ended September 30, 2020 and 2019, the Company earned \$17,799 and \$20,990, respectively, in dividend and interest income from Credit Fund. The decrease for the three month and nine month periods ended September 30, 2020 from the comparable periods in 2019 was driven by the lower interest income on the Mezzanine Loan due to a decrease in the invested balance, offset by a higher dividend from the Credit Fund.

Net investment income (loss) for the three month and nine month periods ended September 30, 2020 and 2019 was as follows:

	For the three month periods ended		For the nine month periods ended	
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
Total investment income	\$ 42,784	\$ 55,779	\$ 138,604	\$ 167,833
Net expenses (including excise tax expense)	(21,550)	(29,024)	(71,706)	(85,545)
Net investment income (loss)	\$ 21,234	\$ 26,755	\$ 66,898	\$ 82,288

Expenses

	For the three month periods ended		For the nine month periods ended	
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
Base management fees	\$ 7,134	\$ 8,016	\$ 21,585	\$ 23,614
Incentive fees	4,322	5,710	14,075	17,489
Professional fees	937	534	2,282	1,879
Administrative service fees	167	61	539	442
Interest expense	7,291	13,538	28,913	38,561
Credit facility fees	728	545	2,106	1,784
Directors' fees and expenses	86	88	303	269
Other general and administrative	498	483	1,364	1,338
Excise tax expense	387	49	539	169
Net expenses	\$ 21,550	\$ 29,024	\$ 71,706	\$ 85,545

Interest expense and credit facility fees for the three month and nine month periods ended September 30, 2020 and 2019 were comprised of the following:

	For the three month periods ended		For the nine month periods ended	
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
Interest expense	\$ 7,291	\$ 13,538	\$ 28,913	\$ 38,561
Facility unused commitment fee	542	271	1,269	870
Amortization of deferred financing costs	159	243	754	745
Other fees	27	31	83	169
Total interest expense and credit facility fees	\$ 8,019	\$ 14,083	\$ 31,019	\$ 40,345
Cash paid for interest expense	\$ 8,361	\$ 13,384	\$ 31,708	\$ 38,244
Average principal debt outstanding	\$ 1,059,669	\$ 1,204,235	\$ 1,148,232	\$ 1,112,966
Weighted average interest rate	2.70 %	4.40 %	3.30 %	4.55 %

The decrease in interest expense for the three month period ended September 30, 2020 compared to the comparable period in 2019 was primarily driven by lower LIBOR and lower average principal balances outstanding. The decrease in interest expense for the nine month period ended September 30, 2020 compared to the comparable period in 2019 was primarily driven by lower LIBOR, partially offset by higher average principal balances outstanding.

Below is a summary of the base management fees and incentive fees incurred during the three month and nine month periods ended September 30, 2020 and 2019.

	For the three month periods ended		For the nine month periods ended	
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
Base management fees	\$ 7,134	\$ 8,016	\$ 21,585	\$ 23,614
Incentive fees on pre-incentive fee net investment income	4,322	5,710	14,075	17,489
Realized capital gains incentive fees	—	—	—	—
Accrued capital gains incentive fees	—	—	—	—
Total capital gains incentive fees	—	—	—	—
Total incentive fees	4,322	5,710	14,075	17,489
Total base management fees and incentive fees	\$ 11,456	\$ 13,726	\$ 35,660	\$ 41,103

The decrease in base management fees and incentive fees related to pre-incentive fee net investment income for the three month and nine month periods ended September 30, 2020 from the comparable periods in 2019 was driven by lower investment fair value and lower pre-incentive fee net investment income, respectively.

For the three month and nine month periods ended September 30, 2020 and 2019, there were no accrued capital gains incentive fees based upon the cumulative net realized and unrealized appreciation (depreciation) as of September 30, 2020 and 2019. The accrual for any capital gains incentive fee under accounting principles generally accepted in the United States (“U.S. 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.

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 and nine month periods ended September 30, 2020, we had realized gains on 2 and 8 investments, respectively, totaling approximately \$1,018 and \$1,775, respectively, which was offset by realized losses on 1 and 18 investments, respectively, totaling approximately \$1,227 and \$51,465, respectively. During the three month and nine month periods ended September 30, 2019, we had realized gains on 1 and 5 investments, respectively, totaling approximately \$208 and \$2,899, respectively, which was offset by realized losses on 3 and 6 investments, respectively, totaling approximately \$11,117 and \$20,590, respectively. During the three month and nine month periods ended September 30, 2020, we had unrealized appreciation on 104 and 59 investments, respectively, totaling approximately \$26,841 and \$51,354, respectively, which was offset by unrealized depreciation on 35 and 95 investments, respectively, totaling approximately \$11,801 and \$99,621, respectively. During the three month and nine month periods ended September 30, 2019, we had unrealized appreciation on 76 and 99 investments, respectively, totaling approximately \$20,081 and \$40,426, respectively, which was offset by unrealized depreciation on 56 and 53 investments, respectively, totaling approximately \$45,322 and \$70,935, respectively.

Net realized gain (loss) and net change in unrealized appreciation (depreciation) by the type of investments for the three month and nine month periods ended September 30, 2020 and 2019 were as follows:

	For the three month periods ended		For the nine month periods ended	
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
Net realized gain (loss) on investments	\$ (209)	\$ (10,909)	\$ (49,690)	\$ (17,725)
Net change in unrealized appreciation (depreciation) on investments	15,040	(25,241)	(48,267)	(30,509)
Net realized gain (loss) and net change in unrealized appreciation (depreciation) on investments	\$ 14,831	\$ (36,150)	\$ (97,957)	\$ (48,234)

Net realized gain (loss) and net change in unrealized appreciation (depreciation) by the type of investments for the three month and nine month periods ended September 30, 2020 and 2019 were as follows:

Type	For the three month periods ended				For the nine month periods ended			
	September 30, 2020		September 30, 2019		September 30, 2020		September 30, 2019	
	Net realized gain (loss)	Net change in unrealized appreciation (depreciation)	Net realized gain (loss)	Net change in unrealized appreciation (depreciation)	Net realized gain (loss)	Net change in unrealized appreciation (depreciation)	Net realized gain (loss)	Net change in unrealized appreciation (depreciation)
First Lien Debt	\$ (677)	\$ 3,236	\$ (10,909)	\$ (23,196)	\$ (50,302)	\$ (30,211)	\$ (20,382)	\$ (26,507)
Second Lien Debt	—	8,864	—	(593)	(213)	(19,162)	—	1,059
Equity Investments	468	867	—	833	825	866	2,657	1,633
Investment Fund	—	2,073	—	(2,285)	—	240	—	(6,694)
Total	\$ (209)	\$ 15,040	\$ (10,909)	\$ (25,241)	\$ (49,690)	\$ (48,267)	\$ (17,725)	\$ (30,509)

Net change in unrealized appreciation in our investments for the three month period ended September 30, 2020 compared to the comparable period in 2019 was primarily due to lower market yields and unrealized losses reflected on certain positions in 2019. Net change in unrealized depreciation in our investments for the nine month period ended September 30, 2020 compared to the comparable period in 2019 was primarily due to unrealized losses reflected on certain positions in 2020, combined with higher market yields, primarily related to the COVID-19 pandemic. Net change in unrealized appreciation (depreciation) is also driven by changes in other inputs utilized under our valuation methodology, including, but not limited to, enterprise value multiples, 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 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"), MMCF CLO 2019-2, LLC (the "2019-2 Issuer", formerly known as MMCF Credit Warehouse, LLC (the "Credit Fund Warehouse")) and MMCF Warehouse II, LLC (the "Credit Fund Warehouse II"), each a Delaware limited liability company, were formed on April 5, 2016, October 6, 2017 November 26, 2018 and August 16, 2019, respectively. Credit Fund Sub, the 2017-1 Issuer, the 2019-2 Issuer, and Credit Fund Warehouse II 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, the 2019-2 Issuer and Credit Fund Warehouse II 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. Refer to "Debt" below for discussions regarding the credit facilities entered into and the notes issued by such wholly-owned subsidiaries.

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 September 30, 2020 and December 31, 2019, the Company and Credit Partners each made capital contributions of \$1 and \$1 in members' equity, respectively, and \$216,000 and \$123,500 in subordinated loans, respectively, to Credit Fund. Below is certain summarized consolidated financial information for Credit Fund as of September 30, 2020 and December 31, 2019.

	September 30, 2020 (unaudited)	December 31, 2019
Selected Consolidated Balance Sheet Information		
ASSETS		
Investments, at fair value (amortized cost of \$1,325,843 and \$1,258,157, respectively)	\$ 1,291,412	\$ 1,246,839
Cash and cash equivalents	36,122	64,787
Other assets	10,298	9,369
Total assets	<u>\$ 1,337,832</u>	<u>\$ 1,320,995</u>
LIABILITIES AND MEMBERS' EQUITY		
Secured borrowings	\$ 485,410	\$ 441,077
Notes payable, net of unamortized debt issuance costs of \$3,097 and \$3,441, respectively	444,113	528,407
Mezzanine loans ⁽¹⁾	—	93,000
Other Short-Term Borrowings	—	—
Other liabilities	18,389	32,383
Subordinated loans and members' equity ⁽¹⁾	389,920	226,128
Liabilities and members' equity	<u>\$ 1,337,832</u>	<u>\$ 1,320,995</u>

⁽¹⁾ As of September 30, 2020 and December 31, 2019, the Company's ownership interest in the subordinated loans and members' equity was \$204,336 and \$111,596, respectively, and \$0 and \$93,000, respectively, in the mezzanine loans.

	For the three month periods ended		For the nine month periods ended	
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
	(unaudited)			
Selected Consolidated Statement of Operations Information:				
Total investment income	\$ 22,863	\$ 24,659	\$ 64,276	\$ 70,999
Expenses				
Interest and credit facility expenses	7,696	15,094	31,175	45,495
Other expenses	602	496	1,695	1,409
Total expenses	8,298	15,590	32,870	46,904
Net investment income (loss)	14,565	9,069	31,406	24,095
Net realized gain (loss) on investments	—	—	—	(8,353)
Net change in unrealized appreciation (depreciation) on investments	18,351	3,107	(23,114)	13,333
Net increase (decrease) resulting from operations	<u>\$ 32,916</u>	<u>\$ 12,176</u>	<u>\$ 8,292</u>	<u>\$ 29,075</u>

Below is a summary of Credit Fund's portfolio, followed by a listing of the loans in Credit Fund's portfolio, as of September 30, 2020 and December 31, 2019:

	As of	
	September 30, 2020	December 31, 2019
Senior secured loans ⁽¹⁾	\$ 1,330,670	\$ 1,260,582
Weighted average yields of senior secured loans based on amortized cost ⁽²⁾	5.95 %	6.51 %
Weighted average yields of senior secured loans based on fair value ⁽²⁾	6.11 %	6.55 %
Number of portfolio companies in Credit Fund	65	61
Average amount per portfolio company ⁽¹⁾	\$ 20,472	\$ 20,665
Number of loans on non-accrual status	—	1
Fair value of loans on non-accrual status	\$ —	\$ 21,150
Percentage of portfolio at floating interest rates ⁽³⁾⁽⁴⁾	98.3 %	98.3 %
Percentage of portfolio at fixed interest rates ⁽⁴⁾	1.7 %	1.7 %
Fair value of loans with PIK provisions	\$ 22,180	\$ 21,150
Percentage of portfolio with PIK provisions ⁽⁴⁾	1.7 %	1.7 %

(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 September 30, 2020 and December 31, 2019. 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.

(3) Floating rate debt investments are primarily subject to interest rate floors.

(4) Percentages based on fair value.

Consolidated Schedule of Investments as of September 30, 2020

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 (97.67% of fair value)									
Achilles Acquisition, LLC	+ #	(2)(3)	Banking, Finance, Insurance & Real Estate	L + 4.00%	4.19%	10/13/2025	\$ 29,640	\$ 29,535	\$ 29,047
Acisure, LLC	\ #	(2)(3)	Banking, Finance, Insurance & Real Estate	L + 3.50%	3.65%	2/15/2027	25,699	25,669	24,769
Advanced Instruments, LLC	+ * \	(2)(3)(7)	Healthcare & Pharmaceuticals	L + 5.25%	6.25%	10/31/2022	33,416	33,362	33,150
Alku, LLC	+ #	(2)(3)	Business Services	L + 5.50%	5.81%	7/29/2026	24,875	24,657	24,723
Alpha Packaging Holdings, Inc.	+ * \	(2)(3)	Containers, Packaging & Glass	L + 6.00%	7.00%	11/12/2021	16,487	16,487	16,471
AmeriLife Holdings LLC	#	(2)(3)(7)	Banking, Finance, Insurance & Real Estate	L + 4.00%	4.16%	3/18/2027	9,446	9,423	9,389
Analogic Corporation	^ +	(2)(3)(7)	Capital Equipment	L + 5.25%	6.25%	6/22/2024	18,905	18,883	18,870
Anchor Packaging, Inc.		(2)(3)	Containers, Packaging & Glass	L + 3.75%	3.90%	7/18/2026	24,786	24,675	24,657
API Technologies Corp.	+ \	(2)(3)	Aerospace & Defense	L + 4.25%	4.40%	5/9/2026	14,813	14,748	13,734
Aptean, Inc.	+ \	(2)(3)	Software	L + 4.25%	4.40%	4/23/2026	12,313	12,256	12,070
AQA Acquisition Holding, Inc.	+ * \	(2)(3)(7)	High Tech Industries	L + 4.25%	5.25%	5/24/2023	18,808	18,800	18,765
Astra Acquisition Corp.	+ #	(2)(3)	Software	L + 5.50%	6.50%	3/1/2027	28,855	28,450	28,933
Avalign Technologies, Inc.	+ \	(2)(3)	Healthcare & Pharmaceuticals	L + 4.50%	4.65%	12/22/2025	14,629	14,513	13,759
Big Ass Fans, LLC	+ * \	(2)(3)	Capital Equipment	L + 3.75%	4.75%	5/21/2024	13,801	13,744	13,401
BK Medical Holding Company, Inc.	^ +	(2)(3)(7)	Healthcare & Pharmaceuticals	L + 5.25%	6.25%	6/22/2024	24,226	23,997	22,347
Brooks Equipment Company, LLC	+ *	(2)(3)	Construction & Building	L + 5.00%	6.00%	5/1/2021	4,582	4,581	4,579
Chemical Computing Group ULC (Canada)	^ +	(2)(3)(7)	Software	L + 5.00%	6.00%	8/30/2023	14,091	13,354	13,971
Clarity Telecom LLC.	+	(2)(3)	Media: Broadcasting & Subscription	L + 4.25%	4.40%	8/30/2026	14,850	14,809	14,711
Clearent Newco, LLC	^ + \	(2)(3)(7)	High Tech Industries	L + 5.50%	6.50%	3/20/2025	33,632	33,370	31,819
Datto, Inc.	+ \	(2)(3)	High Tech Industries	L + 4.25%	4.40%	4/2/2026	12,344	12,287	12,244
DecoPac, Inc.	^ + * \	(2)(3)(7)	Non-durable Consumer Goods	L + 4.25%	5.25%	9/29/2024	12,336	12,248	12,287
Diligent Corporation	^ +	(2)(3)(7)	Telecommunications	L + 6.25%	7.25%	8/4/2025	8,705	8,423	8,634
DTI Holdco, Inc.	+ * \	(2)(3)	High Tech Industries	L + 4.75%	5.75%	9/30/2023	18,739	18,646	15,975
Eliassen Group, LLC	+ \	(2)(3)	Business Services	L + 4.25%	4.40%	11/5/2024	7,552	7,524	7,466
EvolveIP, LLC	^ +	(2)(3)(7)	Telecommunications	L + 5.75%	6.75%	6/7/2023	19,850	19,805	19,691
Exactech, Inc.	+ \ #	(2)(3)	Healthcare & Pharmaceuticals	L + 3.75%	4.75%	2/14/2025	21,584	21,465	18,994
Excel Fitness Holdings, Inc.	+ #	(2)(3)	Hotel, Gaming & Leisure	L + 5.25%	6.25%	10/7/2025	24,813	24,599	22,145
Frontline Technologies Holdings, LLC	+	(2)(3)	Software	L + 5.75%	6.75%	9/18/2023	14,925	14,181	15,027
Golden West Packaging Group LLC	+ * \	(2)(3)	Containers, Packaging & Glass	L + 5.75%	6.75%	6/20/2023	29,092	28,965	28,969
HMT Holding Inc.		(2)(3)(7)	Energy: Oil & Gas	L + 4.75%	5.75%	11/17/2023	35,727	35,335	35,531
Integrity Marketing Acquisition, LLC	^	(2)(3)(7)	Banking, Finance, Insurance & Real Estate	L + 6.25%	7.25%	8/27/2025	—	(162)	240
Jensen Hughes, Inc.	+ * \	(2)(3)(7)	Utilities: Electric	L + 4.50%	5.50%	3/22/2024	33,093	32,974	32,469
KAMC Holdings, Inc.	+ #	(2)(3)	Energy: Electricity	L + 4.00%	4.26%	8/14/2026	13,860	13,801	12,197
KBP Investments, LLC	^ +	(2)(3)(7)	Beverage, Food & Tobacco	L + 5.25%	6.25%	5/15/2023	8,512	8,264	8,263
Lionbridge Technologies, Inc.	+	(2)(3)	Business Services	L + 6.25%	7.25%	12/29/2025	\$ 24,813	\$ 24,812	\$ 25,172
Maravai Intermediate Holdings, LLC	+ \ #	(2)(3)	Healthcare & Pharmaceuticals	L + 4.25%	5.25%	8/2/2025	29,400	29,184	29,271

Consolidated Schedule of Investments as of September 30, 2020

Investments ⁽¹⁾	Footnotes	Industry	Reference Rate & Spread ⁽²⁾	Interest Rate ⁽²⁾	Maturity Date	Par/Principal Amount	Amortized Cost ⁽⁵⁾	Fair Value ⁽⁶⁾
Marco Technologies, LLC	^+\ (2)(3)(7)	Media: Advertising, Printing & Publishing	L + 4.00%	5.00%	10/30/2023	7,332	7,290	7,332
Mold-Rite Plastics, LLC	+ \ (2)(3)	Chemicals, Plastics & Rubber	L + 4.25%	5.25%	12/14/2021	14,557	14,533	14,557
MSHC, Inc.	^+* \ (2)(3)(7)	Construction & Building	L + 4.25%	5.25%	12/31/2024	44,202	44,084	43,748
Newport Group Holdings II, Inc.	+ \ # (2)(3)	Banking, Finance, Insurance & Real Estate	L + 3.50%	3.72%	9/13/2025	23,535	23,335	22,330
Odyssey Logistics & Technology Corp.	+* \ # (2)(3)	Transportation: Cargo	L + 4.00%	5.00%	10/12/2024	38,955	38,823	36,559
Output Services Group	^+ \ (2)(3)	Media: Advertising, Printing & Publishing	L + 4.50%	5.50%	3/27/2024	19,471	19,429	13,955
PAI Holdco, Inc.	+* \ (2)(3)	Automotive	L + 4.00%	5.00%	1/5/2025	19,393	19,328	19,393
Park Place Technologies, Inc.	+ \ # (2)(3)	High Tech Industries	L + 4.00%	5.00%	3/28/2025	22,387	22,321	22,387
Pasternack Enterprises, Inc.	+ \ (2)(3)	Capital Equipment	L + 4.00%	5.00%	7/2/2025	22,582	22,570	22,200
Pharmalogic Holdings Corp.	+ \ (2)(3)	Healthcare & Pharmaceuticals	L + 4.00%	5.00%	6/11/2023	11,234	11,215	11,105
Premise Health Holding Corp.	+ \ # (2)(3)	Healthcare & Pharmaceuticals	L + 3.50%	3.72%	7/10/2025	13,619	13,570	13,509
Propel Insurance Agency, LLC	^+ \ (2)(3)(7)	Banking, Finance, Insurance & Real Estate	L + 4.25%	5.25%	6/1/2024	30,498	30,098	30,173
Q Holding Company	+* \ # (2)(3)	Automotive	L + 5.00%	6.00%	12/31/2023	21,790	21,643	21,328
QW Holding Corporation (Quala)	+* (2)(3)(7)	Environmental Industries	L + 6.25%	7.25%	8/31/2022	12,421	12,299	11,418
Radiology Partners, Inc.	+ \ # (2)(3)	Healthcare & Pharmaceuticals	L + 4.25%	5.29%	7/9/2025	27,686	27,576	26,614
RevSpring Inc.	* \ # (2)(3)	Media: Advertising, Printing & Publishing	L + 4.25%	4.47%	10/11/2025	29,525	29,331	29,209
Situs Group Holdings Corporation	+ \ (2)(3)	Banking, Finance, Insurance & Real Estate	L + 4.75%	5.75%	6/28/2025	14,827	14,730	14,566
Surgical Information Systems, LLC	+* \ (2)(3)(6)	High Tech Industries	L + 5.00%	6.00%	4/24/2023	26,168	26,039	25,906
Systems Maintenance Services Holding, Inc.	^* (2)(3)(9)	High Tech Industries	L + 5.00%	6.00%	10/30/2023	23,581	23,505	18,389
T2 Systems, Inc.	^+* (2)(3)(7)	Transportation: Consumer	L + 6.75%	7.75%	9/28/2022	29,193	28,771	28,570
The Original Cakerie, Ltd. (Canada)	+* \ (2)(3)	Beverage, Food & Tobacco	L + 5.00%	6.00%	7/20/2022	8,860	8,834	8,838
The Original Cakerie, Ltd. (Canada)	+* \ (2)(3)(7)	Beverage, Food & Tobacco	L + 4.50%	5.50%	7/20/2022	6,311	6,292	6,294
Thoughtworks, Inc.	* \ # (2)(3)	Business Services	L + 3.75%	4.75%	10/11/2024	11,734	11,712	11,544
U.S. Acute Care Solutions, LLC	+* \ (2)(3)	Healthcare & Pharmaceuticals	L + 6.00%	7.00%	5/15/2021	31,293	31,246	28,257
U.S. TelePacific Holdings Corp.	+* \ (2)(3)	Telecommunications	L + 5.50%	6.50%	5/2/2023	26,660	26,533	22,867
VRC Companies, LLC	^+ (2)(3)(7)	Business Services	L + 6.50%	7.50%	3/31/2023	28,307	27,069	28,307
Welocalize, Inc.	+ (2)(3)(7)	Business Services	L + 4.50%	5.50%	12/2/2024	21,558	21,334	21,349
WRE Holding Corp.	^+* (2)(3)(7)	Environmental Industries	L + 5.25%	6.25	1/3/2023	8,384	8,350	8,250
Zywave, Inc.	+* \ (2)(3)(7)	High Tech Industries	L + 5.00%	6.00	11/17/2022	18,581	18,490	18,581
First Lien Debt Total							\$ 1,298,014	\$ 1,261,275
Second Lien Debt (1.77% of fair value)								
DBI Holding, LLC	^* (2)(3)	Transportation: Cargo	9.00% PIK	9.00%	2/1/2026	\$ 22,180	\$ 21,823	\$ 22,180
Zywave, Inc.	+* \ (2)(3)	High Tech Industries	L + 9.00%	10%	11/17/2023	647	642	647
Second Lien Debt Total							\$ 22,465	\$ 22,827

Investments ⁽¹⁾	Footnotes	Industry	Type	Shares/Units	Cost	Fair Value ⁽⁶⁾
Equity Investments (0.57% of fair value)						
DBI Holding, LLC	^*	Transportation: Cargo	Common Stock	2,961	\$ —	\$ —
DBI Holding, LLC	^*	Transportation: Cargo	Preferred Equity	13,996	5,364	7,310
Equity Investments Total					\$ 5,364	\$ 7,310
Total Investments					\$ 1,325,843	\$ 1,291,412

^ Denotes that all or a portion of the assets are owned by Credit Fund. Credit Fund has entered into a revolving credit facility with the Company (the "Credit Fund Facility"). Accordingly, such assets are not available to creditors of Credit Fund Sub, the 2017-1 Issuer, the 2019-2 Issuer or Credit Fund Warehouse II.

+ 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, the 2019-2 Issuer or Credit Fund Warehouse II.

* 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, the 2019-2 Issuer or Credit Fund Warehouse II.

\ Denotes that all or a portion of the assets are owned by the 2019-2 Issuer and secure the notes issued in connection with a \$399,900 term debt securitization completed by Credit Fund on May 21, 2019 (the "2019-2 Debt Securitization"). Accordingly, such assets are not available to creditors of Credit Fund, Credit Fund Sub, the 2017-1 Issuer or Credit Fund Warehouse II.

Denotes that all or a portion of the assets are owned by the Credit Fund Warehouse II. Credit Fund Warehouse II has entered into a revolving credit facility (the "Credit Fund Warehouse II Facility"). The lenders of the Credit Fund Warehouse II Facility have a first lien security interest in substantially all of the assets of the Credit Fund Warehouse II. Accordingly, such assets are not available to creditors of Credit Fund, Credit Fund Sub, the 2017-1 Issuer or the 2019-2 Issuer.

- (1) Unless otherwise indicated, issuers of investments held by Credit Fund are domiciled in the United States. As of September 30, 2020, the geographical composition of investments as a percentage of fair value was 2.26% in Canada and 97.73% in the United States. 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 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 September 30, 2020. As of September 30, 2020, the reference rates for Credit Fund's variable rate loans were the 30-day LIBOR at 0.15%, the 90-day LIBOR at 0.23% and the 180-day LIBOR at 0.26%.
- (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 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.
- (6) 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: Surgical Information Systems, LLC (1.01%). 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.

(7) As of September 30, 2020, 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%	\$ 2,500	\$ (19)
AmeriLife Holdings LLC	Delayed Draw	1.00	530	(3)
Analogic Corporation	Revolver	0.50	1,975	(3)
AQA Acquisition Holding, Inc.	Revolver	0.50	2,459	(5)
BK Medical Holding Company, Inc.	Revolver	0.50	2,609	(183)
Chemical Computing Group ULC (Canada)	Revolver	0.50	873	(7)
Clearent Newco, LLC	Delayed Draw	1.00	2,549	(128)
DecoPac, Inc.	Revolver	0.50	2,143	(7)
Diligent Corporation	Revolver	0.50	703	(4)
Diligent Corporation	Delayed Draw	1.00	2,109	(13)
EvolveIP, LLC	Delayed Draw	1.00	2,240	(15)
EvolveIP, LLC	Revolver	0.50	1,345	(10)
HMT Holding Inc.	Revolver	0.50	3,351	(17)
Integrity Marketing Acquisition, LLC	Delayed Draw	1.00	12,000	240
Jensen Hughes, Inc.	Revolver	0.50	2,000	(35)
Jensen Hughes, Inc.	Delayed Draw	1.00	2,068	(36)
KBP Investments, LLC	Delayed Draw	1.00	10,190	(127)
KBP Investments, LLC	Delayed Draw	1.00	1,297	(16)
Marco Technologies, LLC	Delayed Draw	1.00	7,500	—
MSHC, Inc.	Delayed Draw	1.00	5,130	(47)
Propel Insurance Agency, LLC	Revolver	0.50	1,369	(14)
QW Holding Corporation (Quala)	Revolver	0.50	4,674	(272)
QW Holding Corporation (Quala)	Delayed Draw	1.00	161	(9)
T2 Systems, Inc.	Revolver	0.50	1,955	(39)
The Original Cakerie, Ltd. (Canada)	Revolver	0.50	1,665	(4)
VRC Companies, LLC	Delayed Draw	0.75	2,347	—
VRC Companies, LLC	Revolver	0.50	858	—
Welocalize, Inc.	Revolver	0.50	3,375	(28)
WRE Holding Corp.	Delayed Draw	1.00	563	(8)
WRE Holding Corp.	Revolver	0.50	852	(12)
Zywave, Inc.	Revolver	0.50	1,500	—
Total unfunded commitments			\$ 84,890	\$ (821)

Consolidated Schedule of Investments as of December 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 (98.11% of fair value)								
Achilles Acquisition, LLC	+ # (2) (3)	Banking, Finance, Insurance & Real Estate	L + 4.00%	5.75%	10/13/2025	\$ 17,865	\$ 17,776	\$ 17,763
Acisure, LLC	+ \ (2) (3)	Banking, Finance, Insurance & Real Estate	L + 3.75%	5.85%	11/22/2023	11,820	11,810	11,805
Acisure, LLC	+ # (2) (3)	Banking, Finance, Insurance & Real Estate	L + 4.25%	6.35%	11/22/2023	20,674	20,639	20,674
Advanced Instruments, LLC	^+ * \ (2) (3) (7)	Healthcare & Pharmaceuticals	L + 5.25%	6.99%	10/31/2022	35,610	35,536	35,466
Alku, LLC	+ # (2) (3)	Business Services	L + 5.50%	7.44%	7/29/2026	25,000	24,754	24,624
Alpha Packaging Holdings, Inc.	+ * \ (2) (3)	Containers, Packaging & Glass	L + 4.25%	6.35%	5/12/2020	16,684	16,676	16,601
AmeriLife Group, LLC	^ # (2) (3) (7)	Banking, Finance, Insurance & Real Estate	L + 4.50%	6.20%	6/5/2026	16,627	16,557	16,558
Anchor Packaging, Inc.	^ # (2) (3) (7)	Containers, Packaging & Glass	L + 4.00%	5.70%	7/18/2026	20,462	20,363	20,457
API Technologies Corp.	+ \ (2) (3)	Aerospace & Defense	L + 4.25%	5.95%	5/9/2026	14,925	14,853	14,807
Aptean, Inc.	+ \ (2) (3)	Software	L + 4.25%	6.34%	4/23/2026	12,406	12,344	12,385
AQA Acquisition Holding, Inc.	^ * \ (2) (3) (7)	High Tech Industries	L + 4.25%	6.16%	5/24/2023	18,954	18,922	18,860
Avalign Technologies, Inc.	+ \ (2) (3)	Healthcare & Pharmaceuticals	L + 4.50%	6.70%	12/22/2025	14,741	14,610	14,626
Big Ass Fans, LLC	+ * \ (2) (3)	Capital Equipment	L + 3.75%	5.85%	5/21/2024	13,909	13,841	13,903
Borchers, Inc.	+ * \ (2) (3) (7)	Chemicals, Plastics & Rubber	L + 4.50%	6.60%	11/1/2024	15,116	15,072	15,085
Brooks Equipment Company, LLC	*	Construction & Building	L + 5.00%	6.91%	8/29/2020	5,144	5,141	5,141
Clarity Telecom LLC.	+ (2) (3)	Media: Broadcasting & Subscription	L + 4.50%	6.20%	8/30/2026	14,963	14,915	14,902
Clearent Newco, LLC	^+ \ (2) (3) (7)	High Tech Industries	L + 5.50%	7.44%	3/20/2025	29,738	29,436	29,134
Datto, Inc.	+ \ (2) (3)	High Tech Industries	L + 4.25%	5.95%	4/2/2026	12,438	12,375	12,420
DecoPac, Inc.	+ * \ (2) (3) (7)	Non-durable Consumer Goods	L + 4.25%	6.01%	9/29/2024	12,336	12,233	12,292
Dent Wizard International Corporation	+ \ (2) (3)	Automotive	L + 4.00%	5.70%	4/7/2020	36,880	36,843	36,717
DTI Holdco, Inc.	+ * \ (2) (3)	High Tech Industries	L + 4.75%	6.68%	9/30/2023	18,885	18,771	17,611
Eliassen Group, LLC	+ \ (2) (3)	Business Services	L + 4.50%	6.20%	11/5/2024	7,581	7,548	7,579
EIP Merger Sub, LLC (Evolve IP)	^+ (2) (3) (7)	Telecommunications	L + 5.75%	7.45%	6/7/2023	19,661	19,605	19,661
Exactech, Inc.	+ # (2) (3)	Healthcare & Pharmaceuticals	L + 3.75%	5.45%	2/14/2025	21,772	21,634	21,751
Excel Fitness Holdings, Inc.	+ # (2) (3)	Hotel, Gaming & Leisure	L + 5.25%	6.95%	10/7/2025	25,000	24,758	24,875
Golden West Packaging Group LLC	+ * \ (2) (3)	Containers, Packaging & Glass	L + 5.75%	7.45%	6/20/2023	29,464	29,303	29,072
HMT Holding Inc.	^+ * \ (2) (3) (7)	Energy: Oil & Gas	L + 5.00%	6.74%	11/17/2023	33,157	32,678	32,972
Jensen Hughes, Inc.	^+ * \ (2) (3) (7)	Utilities: Electric	L + 4.50%	6.24%	3/22/2024	33,909	33,757	33,550
KAMC Holdings, Inc.	+ # (2) (3)	Energy: Electricity	L + 4.00%	5.91%	8/14/2026	13,965	13,899	13,881
MAG DS Corp.	^+ \ (2) (3) (7)	Aerospace & Defense	L + 4.75%	6.46%	6/6/2025	28,471	28,242	28,286
Maravai Intermediate Holdings, LLC	+ # (2) (3)	Healthcare & Pharmaceuticals	L + 4.25%	6.00%	8/2/2025	29,625	29,378	29,400
Marco Technologies, LLC	^+ \ (2) (3) (7)	Media: Advertising, Printing & Publishing	L + 4.25%	6.16%	10/30/2023	7,463	7,410	7,463
Mold-Rite Plastics, LLC	+ \ (2) (3)	Chemicals, Plastics & Rubber	L + 4.25%	5.95%	12/14/2021	\$ 14,557	\$ 14,519	\$ 14,524

Consolidated Schedule of Investments as of December 31, 2019

Investments ⁽¹⁾		Footnotes	Industry	Reference Rate & Spread ⁽²⁾	Interest Rate ⁽²⁾	Maturity Date	Par/Principal Amount	Amortized Cost ⁽⁵⁾	Fair Value ⁽⁶⁾
MSHC, Inc.	^+*\	(2) (3) (7)	Construction & Building	L + 4.25%	5.95%	12/31/2024	38,251	38,138	38,166
Newport Group Holdings II, Inc.	+/#	(2) (3)	Banking, Finance, Insurance & Real Estate	L + 3.75%	5.65%	9/13/2025	23,715	23,487	23,663
Odyssey Logistics & Technology Corp.	+*#\#	(2) (3)	Transportation: Cargo	L + 4.00%	5.70%	10/12/2024	39,013	38,859	38,763
Output Services Group	^+\	(2) (3) (7)	Media: Advertising, Printing & Publishing	L + 4.50%	6.20%	3/27/2024	19,621	19,570	19,469
PAI Holdco, Inc.	+*\	(2) (3)	Automotive	L + 4.25%	6.35%	1/5/2025	19,532	19,458	19,532
Park Place Technologies, Inc.	+/#	(2) (3)	High Tech Industries	L + 4.00%	5.70%	3/28/2025	22,566	22,489	22,566
Pasternack Enterprises, Inc.	+\	(2) (3)	Capital Equipment	L + 4.00%	5.70%	7/2/2025	22,755	22,742	22,653
Pathway Vet Alliance LLC	+\	(2) (3) (7)	Consumer Services	L + 4.50%	6.21%	12/20/2024	19,085	18,708	19,217
Pharmalogic Holdings Corp.	+\	(2) (3)	Healthcare & Pharmaceuticals	L + 4.00%	5.70%	6/11/2023	11,320	11,296	11,302
Premise Health Holding Corp.	^+/#	(2) (3) (7)	Healthcare & Pharmaceuticals	L + 3.50%	5.60%	7/10/2025	13,723	13,665	13,501
Propel Insurance Agency, LLC	^+\	(2) (3) (7)	Banking, Finance, Insurance & Real Estate	L + 4.25%	6.35%	6/1/2024	22,532	22,056	22,395
Q Holding Company	+*\#	(2) (3)	Automotive	L + 5.00%	6.70%	12/31/2023	21,955	21,777	21,922
QW Holding Corporation (Quala)	^+*	(2) (3) (7)	Environmental Industries	L + 5.75%	7.73%	8/31/2022	11,630	11,449	11,531
Radiology Partners, Inc.	+/#	(2) (3)	Healthcare & Pharmaceuticals	L + 4.75%	6.66%	7/9/2025	28,719	28,590	28,768
RevSpring Inc.	+*\#	(2) (3)	Media: Advertising, Printing & Publishing	L + 4.00%	5.95%	10/11/2025	24,750	24,631	24,608
Situs Group Holdings Corporation	^+\	(2) (3) (7)	Banking, Finance, Insurance & Real Estate	L + 4.75%	6.45%	6/28/2025	13,715	13,621	13,697
Systems Maintenance Services Holding, Inc.	+*	(2) (3)	High Tech Industries	L + 5.00%	6.70%	10/30/2023	23,765	23,672	18,180
Surgical Information Systems, LLC	+*\	(2) (3) (6)	High Tech Industries	L + 4.75%	7.47%	4/24/2023	26,168	26,005	25,715
T2 Systems, Inc.	^+*	(2) (3) (7)	Transportation: Consumer	L + 6.75%	8.85%	9/28/2022	18,045	17,789	18,045
The Original Cakerie, Ltd. (Canada)	+*	(2) (3) (7)	Beverage, Food & Tobacco	L + 5.00%	6.84%	7/20/2022	8,928	8,897	8,887
The Original Cakerie, Ltd. (Canada)	^*	(2) (3) (7)	Beverage, Food & Tobacco	L + 4.50%	6.34%	7/20/2022	6,826	6,801	6,790
ThoughtWorks, Inc.	+*\	(2) (3)	Business Services	L + 4.00%	5.70%	10/11/2024	11,824	11,794	11,824
U.S. Acute Care Solutions, LLC	+*\	(2) (3)	Healthcare & Pharmaceuticals	L + 5.00%	6.91%	5/15/2021	31,431	31,331	29,869
U.S. TelePacific Holdings Corp.	+*\	(2) (3)	Telecommunications	L + 5.00%	7.10%	5/2/2023	26,660	26,499	25,430
Valet Waste Holdings, Inc.	+\	(2) (3)	Construction & Building	L + 3.75%	5.70%	9/28/2025	11,850	11,825	11,688
Welocalize, Inc.	^^\	(2) (3) (7)	Business Services	L + 4.50%	6.21%	12/2/2024	23,038	22,788	22,787
WIRB - Copernicus Group, Inc.	+*\	(2) (3) (7)	Healthcare & Pharmaceuticals	L + 4.25%	5.95%	8/15/2022	20,888	20,822	20,887
WRE Holding Corp.	^+*	(2) (3) (7)	Environmental Industries	L + 5.00%	6.91%	1/3/2023	7,431	7,372	7,304
Zywave, Inc.	+*\	(2) (3) (7)	High Tech Industries	L + 5.00%	6.93%	11/17/2022	19,228	19,107	19,211
First Lien Debt Total								\$ 1,231,436	\$ 1,223,215
Second Lien Debt (1.75% of fair value)									
DBI Holding, LLC	^*	(2) (3) (8)	Transportation: Cargo	9.00% PIK	8.00%	2/1/2026	\$ 21,150	\$ 20,697	\$ 21,150
Zywave, Inc.	*	(2) (3)	High Tech Industries	L + 9.00%	10.94%	11/17/2023	666	660	664

Consolidated Schedule of Investments as of December 31, 2019

Investments ⁽¹⁾	Footnotes	Industry	Reference Rate & Spread ⁽²⁾	Interest Rate ⁽²⁾	Maturity Date	Par/Principal Amount	Amortized Cost ⁽⁵⁾	Fair Value ⁽⁶⁾
Second Lien Debt Total							\$ 21,357	\$ 21,814
Equity Investments (0.15% of fair value)								
DBI Holding, LLC	^	Transportation: Cargo				\$ 16,957	\$ 5,364	\$ 1,810
Equity Investments Total							\$ 5,364	\$ 1,810
Total Investments							\$ 1,258,157	\$ 1,246,839

^ Denotes that all or a portion of the assets are owned by Credit Fund. Credit Fund has entered into the Credit Fund Facility. Accordingly, such assets are not available to creditors of Credit Fund Sub, the 2017-1 Issuer, the 2019-2 Issuer or Credit Fund Warehouse II.

+ 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, the 2019-2 Issuer or Credit Fund Warehouse II.

* Denotes that all or a portion of the assets are owned by the 2017-1 Issuer and secure the notes issued in connection with the 2017-1 Debt Securitization. Accordingly, such assets are not available to creditors of Credit Fund, Credit Fund Sub, the 2019-2 Issuer or Credit Fund Warehouse II.

\ Denotes that all or a portion of the assets are owned by the 2019-2 Issuer and secure the notes issued in connection with the 2019-2 Debt Securitization. Accordingly, such assets are not available to creditors of Credit Fund, Credit Fund Sub, the 2017-1 Issuer or Credit Fund Warehouse II.

Denotes that all or a portion of the assets are owned by the Credit Fund Warehouse II. Credit Fund Warehouse II has entered into the Credit Fund Warehouse II Facility. The lenders of the Credit Fund Warehouse II Facility have a first lien security interest in substantially all of the assets of the Credit Fund Warehouse II. Accordingly, such assets are not available to creditors of Credit Fund, Credit Fund Sub, the 2017-1 Issuer or the 2019-2 Issuer.

- (1) Unless otherwise indicated, issuers of investments held by Credit Fund are domiciled in the United States. As of December 31, 2019, the geographical composition of investments as a percentage of fair value was 1.26% in Canada and 98.74% in the United States. 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 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, 2019. As of December 31, 2019, the reference rates for Credit Fund's variable rate loans were the 30-day LIBOR at 1.75%, the 90-day LIBOR at 1.91% and the 180-day LIBOR at 1.91%.
- (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 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.
- (6) 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: 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.

(7) As of December 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 %	\$ 563	\$ (2)
AmeriLife Group, LLC	Delayed Draw	1.00	298	(1)
Anchor Packaging, Inc.	Delayed Draw	1.00	4,487	(1)
AQA Acquisition Holding, Inc.	Revolver	0.50	2,459	(11)
Borchers, Inc.	Revolver	0.50	1,935	(3)
Clearent Newco, LLC	Delayed Draw	1.00	6,636	(110)
DecoPac, Inc.	Revolver	0.50	2,143	(7)
EIP Merger Sub, LLC (Evolve IP)	Revolver	0.50	1,680	—
EIP Merger Sub, LLC (Evolve IP)	Delayed Draw	1.00	2,240	—
HMT Holding Inc.	Revolver	0.50	6,173	(29)
Jensen Hughes, Inc.	Revolver	0.50	1,136	(11)
Jensen Hughes, Inc.	Delayed Draw	1.00	2,365	(23)
MAG DS Corp.	Revolver	0.50	2,188	(13)
Marco Technologies, LLC	Delayed Draw	1.00	7,500	—
MSHC, Inc.	Delayed Draw	1.00	1,913	(4)
Output Services Group	Delayed Draw	4.25	116	(1)
Pathway Vet Alliance LLC	Delayed Draw	1.00	19,867	68
Premise Health Holding Corp.	Delayed Draw	1.00	1,103	(17)
Propel Insurance Agency, LLC	Revolver	0.50	2,381	(10)
Propel Insurance Agency, LLC	Delayed Draw	0.50	7,143	(31)
QW Holding Corporation (Quala)	Revolver	0.50	5,498	(31)
QW Holding Corporation (Quala)	Delayed Draw	1.00	217	(1)
Situs Group Holdings Corporation	Delayed Draw	1.00	1,216	(1)
T2 Systems, Inc.	Revolver	0.50	1,369	—
The Original Cakerie, Ltd. (Canada)	Revolver	0.50	1,199	(5)
Welocalize, Inc.	Revolver	0.50	2,057	(21)
WIRB - Copernicus Group, Inc.	Revolver	0.50	1,000	—
WIRB - Copernicus Group, Inc.	Delayed Draw	1.00	2,592	—
WRE Holding Corp.	Revolver	0.50	441	(6)
WRE Holding Corp.	Delayed Draw	1.00	1,981	(25)
Zywave, Inc.	Revolver	0.50	998	(1)
Total unfunded commitments			\$ 92,894	\$ (297)

(8) Loan was on non-accrual status as of December 31, 2019.

Debt

Credit Fund, Credit Fund Sub and Credit Fund Warehouse II are party to separate credit facilities as described below. In addition, until May 15, 2019, the 2019-2 Issuer (formerly known as Credit Fund Warehouse) was a party to the Credit Warehouse Facility. As of September 30, 2020 and December 31, 2019, Credit Fund, Credit Fund Sub and Credit Fund Warehouse II were in compliance with all covenants and other requirements of their respective credit facility agreements. Below is a summary of the borrowings and repayments under the credit facilities for the three month and nine month periods ended 2020 and 2019, and the outstanding balances under the credit facilities for the respective periods.

	Credit Fund Facility		Credit Fund Sub Facility		Credit Fund Warehouse Facility		Credit Fund Warehouse II Facility	
	2020	2019	2020	2019	2020	2019	2020	2019
Three Month Periods Ended September 30,								
Outstanding balance, beginning of period	\$ —	\$ 80,000	\$ 353,006	\$ 384,493	\$—	\$ —	\$ 108,994	\$ —
Borrowings	—	32,500	25,000	35,500	—	—	5,000	77,935
Repayments	—	(18,500)	—	(76,987)	—	—	(6,590)	—
Outstanding balance, end of period	\$ —	\$ 94,000	\$ 378,006	\$ 343,006	\$—	\$ —	\$ 107,404	\$ 77,935
Nine Month Periods Ended September 30,								
Outstanding Borrowing, beginning of period	\$ 93,000	\$ 112,000	\$ 343,506	\$ 471,134	\$—	\$ 101,045	\$ 97,571	\$ —
Borrowings	63,500	83,200	125,000	144,370	—	34,544	38,373	77,935
Repayments	(156,500)	(101,200)	(90,500)	(272,498)	—	(135,589)	(28,540)	—
Outstanding balance, end of period	\$ —	\$ 94,000	\$ 378,006	\$ 343,006	\$—	\$ —	\$ 107,404	\$ 77,935

Credit Fund Facility. On June 24, 2016, Credit Fund entered into the Credit Fund Facility with the Company, which was subsequently amended on June 5, 2017, October 2, 2017, November 3, 2017, June 22, 2018, June 29, 2018, February 21, 2019 and March 20, 2020, pursuant to which Credit Fund may from time to time request mezzanine loans from the Company. The maximum principal amount of the Credit Fund Facility is \$175,000. The maturity date of the Credit Fund Facility is March 22, 2021. Amounts borrowed under the Credit Fund Facility bear interest at a rate of LIBOR plus 9.00%.

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, August 24, 2018, December 12, 2019 and March 11, 2020. 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%.

Credit Fund Warehouse Facility. On November 26, 2018, Credit Fund Warehouse closed on the Credit Fund Warehouse Facility with lenders. The Credit Fund Warehouse Facility provided for secured borrowings during the applicable revolving period up to an amount equal to \$150,000. The Credit Fund Warehouse Facility was 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 was November 26, 2019. Amounts borrowed under the Credit Fund Warehouse Facility bore interest at a rate of LIBOR plus 1.05%. Effective May 15, 2019, the Warehouse Facility changed its name from “MMCF Warehouse, LLC” to “MMCF CLO 2019-2, LLC” and secured borrowings outstanding were repaid in connection with the 2019-2 Debt Securitization.

Credit Fund Warehouse II Facility. On August 16, 2019, Credit Fund Warehouse II closed on a revolving credit facility (the “Credit Fund Warehouse II Facility”) with lenders. The Credit Fund Warehouse II Facility provides for secured borrowings during the applicable revolving period up to an amount equal to \$150,000. The Credit Fund Warehouse II Facility is secured by a first lien security interest in substantially all of the portfolio investments held by the Credit Fund Warehouse II Facility. The maturity date of the Credit Fund Warehouse II Facility is August 16, 2022. Amounts borrowed under the Credit Fund Warehouse II Facility bear interest at a rate of LIBOR plus 1.05% for the first 12 months, LIBOR plus 1.15% for the next 12 months, and LIBOR plus 1.50% in the final 12 months.

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 September 30, 2020 and December 31, 2019, the 2017-1 Issuer was in compliance with all covenants and other requirements of the indenture.

2019-2 Notes

On May 21, 2019, Credit Fund completed the 2019-2 Debt Securitization. The notes offered in the 2019-2 Debt Securitization (the "2019-2 Notes") were issued by the 2019-2 Issuer, a wholly owned and consolidated subsidiary of Credit Fund, and are secured by a diversified portfolio of the 2019-2 Issuer consisting primarily of first and second lien senior secured loans. The 2019-2 Debt Securitization was executed through a private placement of the 2019-2 Notes, consisting of:

- \$233,000 of Aaa/AAA Class A-1 Notes, which bear interest at the three-month LIBOR plus 1.50%;
- \$48,000 of Aa2/AA Class A-2 Notes, which bear interest at the three-month LIBOR plus 2.40%;
- \$23,000 of A2/A Class B Notes, which bear interest at the three-month LIBOR plus 3.45%;
- \$27,000 of Baa2/BBB- Class C Notes which bear interest at the three-month LIBOR plus 4.55%; and
- \$21,000 of Ba2/BB- Class D Notes which bear interest at the three-month LIBOR plus 8.03%.

The 2019-2 Notes are scheduled to mature on April 15, 2029. Credit Fund received 100% of the preferred interests issued by the 2019-2 Issuer (the "2019-2 Issuer Preferred Interests") on the closing date of the 2019-2 Debt Securitization in exchange for Credit Fund's contribution to the 2019-2 Issuer of the initial closing date loan portfolio. The 2019-2 Issuer Preferred Interests do not bear interest and had a nominal value of \$48,300 at closing.

As of September 30, 2020 and December 31, 2019, the 2019-2 Issuer was in compliance with all covenants and other requirements of the indenture.

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 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.

While aggregate economic activity continued to improve through the third quarter of 2020, the dispersion in performance across industries and geographies has been substantial. However, anxiety over second and third coronavirus infection "waves", seesawing stimulus negotiations, continued pressure from heightened unemployment, and increasing political divisiveness and unrest leading up to the November 2020 elections have created significant uncertainty around the direction of future economic growth. Therefore, we expect that the pace and magnitude of economic recovery will be uneven, and continued market and business disruption created by the COVID-19 pandemic may impact certain aspects of our liquidity. Depreciation in the valuations of our investments may adversely impact collateral eligibility, which would reduce the availability under the Facilities. We are therefore continuously and critically monitoring our operating results, liquidity and anticipated capital requirements, and taking action to fortify our balance sheet and provide capital flexibility. For example, on October 28, 2020, the Company received stockholder approval to sell shares of its common stock below the net asset value per share. In addition, on November 3, 2020, we formed a joint venture with an unaffiliated private credit investment fund to create Middle Market Credit Fund II, LLC ("MMCF II"), as described in Note 13 to the consolidated financial statements. As part of the transaction, we contributed certain senior secured debt investments with an aggregate principal balance of \$250 million, in exchange for equity ownership in MMCF II of approximately 84% and gross cash proceeds of \$170 million. We expect to use the cash proceeds for repayment of debt, working capital and general corporate purposes, which will provide enhanced balance sheet flexibility and additional capital to deploy into an active origination environment. We believe our current cash position, available capacity on our revolving credit facilities – which is well in excess of our unfunded commitments – and net cash

provided by operating activities will provide us with sufficient resources to meet our obligations and continue to support our investment objectives, including reserving for the capital needs which may arise at our portfolio companies.

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 \$275,000 (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. On December 31, 2019, the Company irrevocably reduced its commitments under the SPV Credit Facility to \$275,000. 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 the Credit Facility on March 21, 2014, which was subsequently amended on January 8, 2015, May 25, 2016, March 22, 2017, September 25, 2018, June 14, 2019 and October 28, 2020. The maximum principal amount of the Credit Facility is \$688,000, 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 \$900,000 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 \$50,000 limit for swingline loans and a \$20,000 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. Moreover, to the extent that we cannot meet our financing obligations, we risk the loss of some or all of our assets to liquidation or sale to satisfy the obligations. In such an event, we may be forced to sell assets at significantly depressed prices due to market conditions or otherwise, which may result in losses.

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.

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 September 30, 2020 and December 31, 2019, we had \$37,088 and \$36,751, respectively, in cash and cash equivalents. The Facilities consisted of the following as of September 30, 2020 and December 31, 2019:

	September 30, 2020			
	Total Facility	Borrowings Outstanding	Unused Portion ⁽¹⁾	Amount Available ⁽²⁾
SPV Credit Facility	\$ 275,000	\$ 149,985	\$ 125,015	\$ 46,670
Credit Facility	688,000	363,347	324,653	198,282
Total	\$ 963,000	\$ 513,332	\$ 449,668	\$ 244,952

	December 31, 2019			
	Total Facility	Borrowings Outstanding	Unused Portion ⁽¹⁾	Amount Available ⁽²⁾
SPV Credit Facility	\$ 275,000	\$ 232,469	\$ 42,531	\$ 4,225
Credit Facility	688,000	384,074	303,926	264,198
Total	\$ 963,000	\$ 616,543	\$ 346,457	\$ 268,423

(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 September 30, 2020 and December 31, 2019:

	September 30, 2020		December 31, 2019	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Aaa/AAA Class A-1-1-R Notes	\$ 234,800	\$ 227,026	\$ 234,800	\$ 233,053
Aaa/AAA Class A-1-2-R Notes	50,000	48,814	50,000	49,908
Aaa/AAA Class A-1-3-R Notes	25,000	25,020	25,000	25,163
AA Class A-2-R Notes	66,000	66,000	66,000	66,000
A Class B Notes	46,400	44,153	46,400	46,400
BBB- Class C Notes	27,000	23,031	27,000	27,000
Total	\$ 449,200	\$ 434,044	\$ 449,200	\$ 447,524

As of September 30, 2020 and December 31, 2019, we had a combined \$1,077,532 and \$1,180,743, respectively, of outstanding consolidated indebtedness under our Facilities, the 2015-1R Notes and the Senior Notes. Our annualized interest cost as of September 30, 2020 and December 31, 2019, was 2.61% and 4.01%, excluding fees (such as fees on undrawn amounts and amortization of upfront fees). For the three months ended September 30, 2020 and 2019, we incurred \$7,291 and \$13,538, respectively, of interest expense and \$728 and \$545, respectively, of unused commitment fees. For the nine month periods ended September 30, 2020 and 2019, we incurred \$28,913 and \$38,561, respectively, of interest expense and \$2,106 and \$1,784, respectively, of unused commitment fees.

Equity Activity

Common shares issued and outstanding as of September 30, 2020 and December 31, 2019 were 56,308,616 and 57,763,811, respectively.

The following table summarizes activity in the number of shares of our common stock outstanding during the nine month periods ended September 30, 2020 and 2019:

	For the nine month periods ended	
	September 30, 2020	September 30, 2019
Common shares outstanding, beginning of period	57,763,811	62,230,251
Repurchase of common stock ⁽¹⁾	(1,455,195)	(3,216,775)
Common shares outstanding, end of period	56,308,616	59,013,476

(1) See Note 9 to the consolidated financial statements in Part I, Item 1 of this Form 10-Q for additional information regarding the Company Stock Repurchase Program.

On May 5, 2020, we issued and sold 2,000,000 shares of Preferred Stock, par value \$0.01, to an affiliate of Carlyle in a private placement at a price of \$25 per share. Shares of Preferred Stock issued and outstanding as of September 30, 2020 and December 31, 2019 were 2,000,000 and 0, respectively.

Contractual Obligations

A summary of our significant contractual payment obligations was as follows as of September 30, 2020 and December 31, 2019:

Payment Due by Period	As of	
	September 30, 2020	December 31, 2019
Less than 1 Year	\$ —	\$ —
1-3 Years ⁽¹⁾	149,985	—
3-5 Years ⁽¹⁾	478,347	731,543
More than 5 Years ⁽²⁾	449,200	449,200
Total	\$ 1,077,532	\$ 1,180,743

(1) Includes amounts outstanding under the Facilities and Senior Notes.

(2) Includes amounts outstanding under the 2015-1R Notes.

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 September 30, 2020 and December 31, 2019 in Part I, Item 1 of this Form 10-Q for any such exposure.

We have in the past, currently are 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	
	September 30, 2020	December 31, 2019
Unfunded delayed draw commitments	\$ 58,290	\$ 75,874
Unfunded revolving commitments	67,034	74,016
Total unfunded commitments	\$ 125,324	\$ 149,890

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 September 30, 2020 and December 31, 2019, we were in compliance with this undertaking.

DIVIDENDS AND DISTRIBUTIONS

Prior to July 5, 2017, we had an “opt in” dividend reinvestment plan in respect of our common stock. 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 common stockholders, other than those common 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 on our common stock, our common 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 common stockholder may elect to have such common stockholder’s dividends and distributions distributed in cash rather than participate in the plan. For any registered common stockholder that does not so elect, distributions on such common stockholder’s shares will be reinvested by State Street Bank and Trust Company, our plan administrator, in additional common shares. The number of common shares to be issued to the common 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 common 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 per share of common stock during the two most recent fiscal years and the current fiscal year to date:

Date Declared	Record Date	Payment Date	Per Share Amount
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
June 17, 2019	June 28, 2019	July 17, 2019	0.08 ⁽¹⁾
August 5, 2019	September 30, 2019	October 17, 2019	0.37
November 4, 2019	December 31, 2019	January 17, 2020	0.37
December 12, 2019	December 31, 2019	January 17, 2020	0.18 ⁽¹⁾
Total			\$ 1.74
2020			
February 24, 2020	March 31, 2020	April 17, 2020	\$ 0.37
May 4, 2020	June 30, 2020	July 17, 2020	\$ 0.37
August 3, 2020	September 30, 2020	October 16, 2020	\$ 0.32 ⁽²⁾
August 3, 2020	September 30, 2020	October 16, 2020	\$ 0.05 ⁽¹⁾
Total			\$ 0.74

(1) Represents a special dividend.

(2) The Company updated its dividend policy such that the regular dividend is \$0.32 per share of common stock, effective with the third quarter 2020 dividend.

Our Preferred Stock has a liquidation preference equal to \$25 per share (the "Liquidation Preference") plus any accumulated but unpaid dividends up to but excluding the date of distribution. Dividends on our Preferred Stock are payable on a quarterly basis in an initial amount equal to 7.00% per annum of the Liquidation Preference per share, payable in cash, or at our option, 9.00% per annum of the Liquidation Preference payable in additional shares of Preferred Stock.

The following table summarizes the Company's dividends declared per share of preferred stock during the current fiscal year to date. Unless otherwise noted, dividends declared were paid in cash.

Date Declared	Record Date	Payment Date	Per Share Amount
2020			
June 30, 2020	June 30, 2020	September 30, 2020	\$ 0.277
September 30, 2020	September 30, 2020	September 30, 2020	\$ 0.423
Total			\$ 0.700

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.

On April 8, 2020, the SEC issued an order (Release No. 33837) providing temporary, conditional exemptive relief from certain Investment Company Act provisions for BDCs, including relief permitting BDCs to issue additional senior securities to meet liquidity needs subject to compliance with a reduced asset coverage ratio. The relief is subject to investor protection conditions, including specific requirements for obtaining an independent evaluation of the terms of the senior securities, limits on new investments and approval by a majority of a BDC's independent board members as well as public disclosure in the case of the issuance of senior securities pursuant to the reduced asset coverage ratio. These exemptions are in effect through the earlier of December 31, 2020 or the date by which a BDC ceases to rely on the order. The Company does not currently anticipate utilizing this relief.

As of September 30, 2020 and December 31, 2019, the Company had total senior securities of \$1,127,532 and \$1,180,743, respectively, consisting of secured borrowings under the Facilities, the Notes Payable, and, only as of September 30, 2020, the Preferred Stock, and had asset coverage ratios of 174.96% and 181.01%, respectively.

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, 2019.

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 U.S. 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 September 30, 2020 and December 31, 2019.

U.S. 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.

For further information on the fair value hierarchies, our framework for determining fair value and the composition of our portfolio, see Note 3 to the consolidated financial statements in Part I, Item 1 of this Form 10-Q.

Use of Estimates

The preparation of consolidated financial statements in Part I, Item 1 of this Form 10-Q in conformity with U.S. 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, Credit 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, underwriting, 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 determine not to 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 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 generally do 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. In addition, 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 September 30, 2020, on a fair value basis, approximately 0.9% of our debt investments bear interest at a fixed rate and approximately 99.1% of our debt investments bear interest at a floating rate, which primarily are subject to interest rate floors. 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. These hypothetical interest income calculations are based on a model of the settled debt investments in our portfolio, excluding our investment in Credit Fund, held as of September 30, 2020 and December 31, 2019, 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 September 30, 2020 and December 31, 2019 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 September 30, 2020 and December 31, 2019, 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 September 30, 2020 and December 31, 2019, 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	September 30, 2020			December 31, 2019		
	Interest Income	Interest Expense	Net Investment Income	Interest Income	Interest Expense	Net Investment Income
Up 300 basis points	\$ 39,791	\$ (28,126)	\$ 11,665	\$ 57,441	\$ (31,167)	\$ 26,274
Up 200 basis points	\$ 22,693	\$ (18,751)	\$ 3,942	\$ 38,294	\$ (20,778)	\$ 17,516
Up 100 basis points	\$ 5,618	\$ (9,375)	\$ (3,757)	\$ 19,147	\$ (10,389)	\$ 8,758
Down 100 basis points	\$ (366)	\$ 2,005	\$ 1,639	\$ (16,433)	\$ 10,389	\$ (6,044)
Down 200 basis points	\$ (366)	\$ 2,005	\$ 1,639	\$ (18,678)	\$ 20,225	\$ 1,547
Down 300 basis points	\$ (366)	\$ 2,005	\$ 1,639	\$ (19,053)	\$ 20,823	\$ 1,770

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 September 30, 2020 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.

In addition to the other information set forth within this Form 10-Q, consideration should be given to the information disclosed in “*Risk Factors*” in Part I, Item 1A of our annual report on Form 10-K for the year ended December 31, 2019 and our quarterly report on Form 10-Q for the period ended March 31, 2020.

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

Except as previously reported, 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

We did not repurchase any shares of our common stock during the three months ended September 30, 2020.

The Company entered into the Company Stock Repurchase Program 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. On November 2, 2020, the Company’s Board of Directors approved the continuation of the Company Stock Repurchase Program until November 5, 2021, or until the date the approved dollar amount has been used to repurchase shares, as well as the expansion of the repurchase authorization to \$150 million in the aggregate of the Company’s outstanding common stock. 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. This Program may be suspended, extended, modified or discontinued by the Company at any time, subject to applicable law.

Item 3. Defaults Upon Senior Securities.

Not applicable.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

None.

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: November 4, 2020

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

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER

CERTIFICATION

I, Linda Pace, 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: November 4, 2020

/s/ Linda Pace

Linda Pace
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: November 4, 2020

/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, Linda Pace, 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 September 30, 2020 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: November 4, 2020

/s/ Linda Pace

Linda Pace
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 September 30, 2020 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: November 4, 2020

/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.