Table of Contents

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

FORM 10-K/A
(Amendment No. 1)

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

For the fiscal year ended December 31, 2020

OR

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

For the transition period from to

Commission File No. 000-54899

TCG BDC, INC.
(Exact name of Registrant as specified in its charter)

Maryland	**80-0789789**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification Number)**

One Vanderbilt Avenue, Suite 3400, New York, NY 10017
(Address of principal executive office) (Zip Code)
(212) 813-4900
(Registrant's telephone number, including area code)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value $0.01 per share	CGBD	The Nasdaq Global Select Market

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No x

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No x

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 x 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, or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

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

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period 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 has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its report. x

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

The aggregate market value of the registrant's common stock at June 30, 2020, based on the closing price of the common stock on that date of $8.57 on The Nasdaq Global Select Market, held by those persons deemed by the registrant to be non-affiliates was approximately $481,028,221.

The number of shares of the registrant's common stock, $0.01 par value per share, outstanding at February 22, 2021 was 55,048,840.

Documents Incorporated by Reference: Portions of the registrant's Proxy Statement for its 2021 Annual Meeting of Stockholders to be filed not later than 120 days after the end of the fiscal year covered by this Annual Report on Form 10-K are incorporated by reference into Part III of this Form 10-K.

EXPLANATORY NOTE

This Amendment No. 1 on Form 10-K/A (this "Amendment") amends the Annual Report on Form 10-K for TCG BDC, Inc. for the fiscal year ended December 31, 2020, which was filed with the Securities and Exchange Commission (the "SEC") on February 23, 2021 (the "Original Form 10-K"). Unless the context otherwise requires, all references to the "Company," "we," "our" or "us" and other similar terms means TCG BDC, Inc.

We are filing this Amendment solely to correct calculations included on pages 58 and 60 of the Original Form 10-K relating to the Company's weighted average yields for our total first and second lien debt based on the amortized cost and fair value as of December 31, 2020. In accordance with Rule 12b-15 under the Securities Exchange Act of 1934, as amended, this Amendment sets forth the complete text of Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations", as amended.

Pursuant to Rule 12b-15, this Amendment No. 1 also contains new certifications for our Chief Executive Officer and Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 and 18 U.S.C. Section 1350, which are attached as exhibits hereto. This Amendment does not include financial statements and accordingly, certifications pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 have been omitted.

Except for the amendment and restatement of Part IV, Item 15 of the Original Form 10-K to include the new certifications referred to above and the above-mentioned changes to Item 7 of the Original Form 10-K, no other changes are made to the Original Form 10-K. The Original Form 10-K continues to speak as of the date of the Original Form 10-K and except as described above this Amendment does not reflect events occurring after the filing of the Original Form 10-K, nor does it modify or update in any way the disclosures contained in the Original Form 10-K. Accordingly, this Amendment No. 1 should be read in conjunction with the Original Form 10-K.

PART II

Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations (dollar amounts in thousands, except per share data, unless otherwise indicated)

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our consolidated financial statements and related notes in Part II, Item 8 of this Form 10-K “Financial Statements and Supplementary Data.” This discussion contains forward-looking statements and involves numerous risks and uncertainties, including, but not limited to those described in Part I, Item 1A of this Form 10-K “Risk Factors.” Our actual results could differ materially from those anticipated by such forward-looking information due to factors discussed under “Risk Factors” and “Cautionary Statement Regarding Forward-Looking Statements” appearing elsewhere in this Form 10-K.

OVERVIEW

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, to a lesser extent, capital appreciation primarily through secured debt investments in U.S. middle market companies. Our core investment strategy focuses on lending to U.S. middle market companies supported by financial sponsors, which we define as companies with approximately $25 million to $100 million of EBITDA, which we believe is a useful proxy for cash flow. This core strategy is supplemented with complementary specialty lending and opportunistic investing strategies, which take advantage of the broad capabilities of Carlyle's Global Credit platform while offering risk-diversifying portfolio benefits. We seek to achieve our investment objective primarily through direct originations of Middle Market Senior Loans, with a minority 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 December 31, 2020, our Investment Adviser’s investment team included a team of 170 investment professionals across the Carlyle Global Credit segment. Our Investment Adviser’s investment committee comprises five of the most senior credit professionals within the Global Credit segment, with backgrounds and expertise across asset classes and over 26 years of average industry experience and 10 years of average tenure. 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 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 December 31, 2020, 2019 and 2018.

	As of December 31,		
	2020	**2019**	**2018**
Count of investments	160	136	119
Count of portfolio companies / investment funds	117	112	96
Count of industries	27	28	27
Count of sponsors	63	63	57
Percentage of total investment fair value:			
First lien debt (excluding first lien / last out debt)	63.6 %	74.6 %	68.1 %
First lien / last out debt	3.4 %	3.7 %	10.3 %
Second lien debt	15.6 %	11.0 %	9.1 %
Total secured debt	82.6 %	89.3 %	87.5 %
Investment Funds	15.5 %	9.6 %	11.3 %
Equity investments	1.9 %	1.0 %	1.3 %
Percentage of debt investment fair value:			
Floating rate (1)	99.1 %	99.7 %	99.2 %
Fixed interest rate	0.9 %	0.3 %	0.8 %

(1) Primarily subject to interest rate floors.

Our investment activity for the years ended December 31, 2020, 2019 and 2018 is presented below (information presented herein is at amortized cost unless otherwise indicated):

	For the years ended December 31,		
	2020	2019	2018
Investments:			
Total investments, beginning of year	$ 2,201,451	$ 2,043,591	$ 1,971,012
New investments purchased	705,743	1,000,467	950,255
Net accretion of discount on investments	8,186	12,955	12,814
Net realized gain (loss) on investments	(58,472)	(38,376)	(1,368)
Investments sold or repaid	(933,942)	(817,186)	(889,122)
Total investments, end of year	$ 1,922,966	$ 2,201,451	$ 2,043,591
Principal amount of investments funded:			
First Lien Debt (excluding First Lien/Last Out)	$ 314,373	$ 653,217	$ 648,034
First Lien/Last Out Debt	30,866	73,272	23,507
Second Lien Debt	117,106	144,217	135,587
Equity Investments	12,233	5,436	5,302
Investment Funds	234,122	131,699	151,650
Total	$ 708,700	$ 1,007,841	$ 964,080
Principal amount of investments sold or repaid:			
First Lien Debt (excluding First Lien/Last Out)	$ (694,027)	$ (419,151)	$ (566,490)
First Lien/Last Out Debt	(79,831)	(204,702)	(29,682)
Second Lien Debt	(57,207)	(88,695)	(200,465)
Equity Investments	(1,282)	(3,070)	(1,000)
Investment Funds	(156,500)	(145,200)	(93,900)
Total	$ (988,847)	$ (860,818)	$ (891,537)
Number of new funded investments	48	51	47
Average amount of new funded investments	$ 8,781	$ 19,617	$ 20,218
Percentage of new funded debt investments at floating interest rates	99 %	99 %	100 %
Percentage of new funded debt investments at fixed interest rates	1 %	1 %	— %

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

	December 31, 2020		December 31, 2019	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
First Lien Debt (excluding First Lien/Last Out)	$ 1,234,579	$ 1,161,881	$ 1,649,721	$ 1,585,042
First Lien/Last Out Debt	63,575	62,182	78,951	78,096
Second Lien Debt	297,962	284,523	234,006	234,532
Equity Investments	32,754	33,877	22,272	21,698
Investment Funds	294,096	283,286	216,501	204,596
Total	$ 1,922,966	$ 1,825,749	$ 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 December 31, 2020 and 2019, were as follows:

	December 31, 2020		December 31, 2019	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
First Lien Debt (excluding First Lien/Last Out)	7.08 %	7.53 %	8.00 %	8.17 %
First Lien/Last Out Debt	9.65 %	9.87 %	6.63 %	9.53 %
First Lien Debt Total	7.21 %	7.65 %	7.91 %	8.23 %
Second Lien Debt	9.15 %	9.59 %	10.44 %	10.42 %
First and Second Lien Debt Total	7.57 %	8.01 %	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 December 31, 2020 and 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.

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 7.57% from December 31, 2019 to December 31, 2020. The decrease in weighted average yields was primarily due to a decrease in the effective LIBOR rate applicable to loans in the portfolio, partially offset by a higher percentage of second lien debt in the portfolio.

The following table summarizes the fair value of our performing and non-accrual/non-performing investments as of December 31, 2020 and 2019:

	December 31, 2020		December 31, 2019	
	Fair Value	Percentage	Fair Value	Percentage
Performing	$ 1,767,613	96.82 %	$ 2,071,535	97.53 %
Non-accrual [(1)]	58,136	3.18	52,429	2.47
Total	$ 1,825,749	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 II, Item 8 of this Form 10-K.

See the Consolidated Schedules of Investments as of December 31, 2020 and 2019 in our consolidated financial statements in Part II, Item 8 of this Form 10-K *"Financial Statements and Supplementary Data"* 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 assessment 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

Rating	Definition
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 December 31, 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.

	December 31, 2020	
(dollar amounts in millions)	Fair Value	% of Fair Value
Internal Risk Rating 1	$ 19.1	1.27 %
Internal Risk Rating 2	1,047.5	69.44
Internal Risk Rating 3	361.1	23.93
Internal Risk Rating 4	48.1	3.19
Internal Risk Rating 5	32.8	2.17
Total	$ 1,508.6	100.00 %

As of December 31, 2020, the weighted average Internal Risk Rating of our debt investment portfolio was 2.4. As of December 31, 2020, 6 of our debt investments, with an aggregate fair value of $80.9 million, were assigned an Internal Risk Rating of 4-5. As of December 31, 2020 and 2019, five and five first lien debt investments in the portfolio with a fair value of $58.1 million and $52.4 million, respectively, were on non-accrual status, which represented approximately 3.18% 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 December 31, 2020 and 2019.

CONSOLIDATED RESULTS OF OPERATIONS

For the years ended December 31, 2020, 2019 and 2018

The net increase or decrease in net assets from operations may vary substantially from period to period as a result of various factors, including the recognition of realized gains and losses and net change in unrealized appreciation and depreciation. As a result, quarterly comparisons may not be meaningful.

Investment Income

Investment income for the years ended December 31, 2020, 2019 and 2018, was as follows:

	For the years ended December 31,					
	2020		2019		2018	
Investment income:						
First Lien Debt	$	125,958	$	168,750	$	151,000
Second Lien Debt		29,851		24,203		27,678
Equity Investments		1,978		63		63
Investment Funds		24,277		27,931		28,490
Cash		54		351		295
Total investment income	$	182,118	$	221,298	$	207,526

The decrease in investment income for the year ended December 31, 2020 from the comparable period in 2019 was primarily driven by the impact of average LIBOR, lower weighted average loan balance, and the impact of loans on non-accrual status. As of December 31, 2020, the size of our portfolio decreased to $1,922,966 from $2,201,451 as of December 31, 2019 at amortized cost, and total principal amount of investments outstanding decreased to $1,930,782 from $2,207,949 as of December 31, 2019. As of December 31, 2020, the weighted average yield of our first and second lien debt decreased to 7.57% from 8.22% as of December 31, 2019, on amortized cost, primarily due to the decrease in LIBOR.

The increase in investment income for the year ended December 31, 2019 from the comparable period in 2018 was primarily driven by our increasing invested balance. The size of our portfolio increased to $2,201,451 as of December 31, 2019 from $2,043,591 as of December 31, 2018, at amortized cost, and total principal amount of investments outstanding increased to $2,207,949 as of December 31, 2019 from $2,073,835 as of December 31, 2018. As of December 31, 2019, the weighted average yield of our first and second lien debt decreased to 8.22% from 9.54% as of December 31, 2018, on amortized cost, primarily due to the decrease in LIBOR and loans placed on non-accrual status.

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 December 31, 2020 and 2019, five and five first lien debt investments in the portfolio were on non-accrual with the fair value of $58,136 and $52,429, which represents approximately 3.18% and 2.47% 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 December 31, 2020 and 2019. As of December 31, 2018, two first lien debt investments in the portfolio were non-performing. The fair value of the loans in the portfolio on non-accrual status was $14,327, which represented approximately 0.73% of total investments at fair value. The remaining first and second lien debt investments were performing and current on their interest payments as of December 31, 2018 and for the year then ended.

Net investment income (loss) for the years ended December 31, 2020, 2019 and 2018 was as follows:

	For the years ended December 31,					
	2020		2019		2018	
Total investment income	$	182,118	$	221,298	$	207,526
Net expenses (including Excise tax expense)		(93,311)		(113,633)		(99,090)
Net investment income (loss)	$	88,807	$	107,665	$	108,436

Expenses

	For the years ended December 31,		
	2020	2019	2018
Base management fees	$ 28,648	$ 31,316	$ 29,626
Incentive fees	18,555	22,872	23,002
Professional fees	3,082	2,745	3,404
Administrative service fees	679	539	701
Interest expense	35,820	50,587	37,801
Credit facility fees	3,761	3,079	2,295
Directors' fees and expenses	398	353	370
Other general and administrative	1,795	1,738	1,661
Excise tax expense	573	404	230
Net expenses	$ 93,311	$ 113,633	$ 99,090

Interest expense and credit facility fees for the years ended December 31, 2020, 2019 and 2018 were comprised of the following:

	For the years ended December 31,		
	2020	2019	2018
Interest expense	$ 35,820	$ 50,587	$ 37,801
Facility unused commitment fee	1,766	1,263	1,260
Amortization of deferred financing costs	1,886	1,618	901
Other fees	109	198	134
Total interest expense and credit facility fees	$ 39,581	$ 53,666	$ 40,096
Cash paid for interest expense	$ 33,149	$ 49,981	$ 34,676
Average principal debt outstanding	$ 1,111,397	$ 1,125.547	$ 864.734
Weighted average interest rate	3.15 %	4.41 %	4.32 %

The decrease in interest expense for the year ended December 31, 2020 compared to the comparable period in 2019 was primarily driven by lower LIBOR.

The increase in interest expense for the year ended December 31, 2019 compared to the comparable period in 2018 was driven by increased drawings under the Facilities related to increased deployment of capital for investments.

Below is a summary of the base management fees and incentive fees incurred during the years ended December 31, 2020, 2019 and 2018:

	For the years ended December 31,		
	2020	2019	2018
Base management fees	$ 28,648	$ 31,316	$ 29,626
Incentive fees on pre-incentive fee net investment income	18,555	22,872	23,002
Realized capital gains incentive fees	—	—	—
Accrued capital gains incentive fees	—	—	—
Total capital gains incentive fees	—	—	—
Total incentive fees	18,555	22,872	23,002
Total base management fees and incentive fees	$ 47,203	$ 54,188	$ 52,628

The decrease in base management fees for the year ended December 31, 2020 from the comparable period in 2019 was driven by lower weighted average loan balance. The decrease in incentive fees for the year ended December 31, 2020 from the comparable period in 2019 was driven by lower pre-incentive fee net investment income. The increase in base management fees for the year ended December 31, 2019 from the comparable period in 2018 was driven by our deployment of capital.

For the years ended December 31, 2020, 2019 and 2018, we recorded no accrued capital gains incentive fees based upon our cumulative net realized and unrealized appreciation (depreciation) as of December 31, 2020, 2019 and 2018, respectively. 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 II, Item 8 of this Form 10-K for more information on our 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 us. 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 years ended December 31, 2020, 2019 and 2018, we had realized gains on 9, 15, and 4 investments, respectively, totaling approximately $1,473, $14,719, and $3,534, respectively, which was offset by realized losses on 20, 13, and 6 investments, respectively, totaling approximately $59,946, $53,062, and $4,902, respectively. During the years ended December 31, 2020, 2019 and 2018, we had a change in unrealized appreciation on 78, 91, and 40 investments, respectively, totaling approximately $65,851, $70,167, and $14,680, respectively, which was offset by a change in unrealized depreciation on 97, 71, and 105 investments, respectively, totaling approximately $85,507, $76,220, and $82,633, respectively.

During October 2020, Direct Travel, Inc. ("Direct Travel") completed a restructuring whereby the lenders received the majority of the equity in Direct Travel, but maintained the principal balance in the existing debt. As part of the transaction, the lenders also provided a delayed draw term loan facility to support ongoing liquidity of the business. As part of the restructuring, we received an approximate 9% ownership stake in Direct Travel.

During October 2020, Central Security Group, Inc. completed a restructuring whereby a portion of the first lien debt held by us was exchanged into common equity. As a result, $8,566 of unrealized depreciation was reversed and we realized a loss of $8,562 during the year ended December 31, 2020.

During April 2019, SolAero Technologies Corp. ("SolAero") completed a restructuring whereby a portion of the first lien debt held by us was exchanged into common equity. As a result, $9,460 of unrealized depreciation was reversed and we realized a loss of $9,102 during the year ended December 31, 2019. On December 31, 2019, we wrote off our remaining balance in the Product Quest Manufacturing, LLC ("Product Quest") first lien/last out, given our expectation of zero recovery. As a result, $32,270 of unrealized depreciation was reversed and we realized a loss of $32,270 during the year ended December 31, 2019. Additionally, during October 2019, we exited our equity investment in Twenty-Eighty, Inc. ("Twenty-Eighty"). As a result, $4,391 of unrealized appreciation was reversed and we realized a gain of $7,990 during the year ended December 31, 2019.

During September 2018, Tweddle Group, Inc. completed a restructuring whereby a portion of the first lien debt held by us was exchanged into common equity. As a result, $3,832 of unrealized depreciation was reversed and we realized a loss of $4,087 during the year ended December 31, 2018.

Net realized gain (loss) and net change in unrealized appreciation (depreciation) for the years ended December 31, 2020, 2019 and 2018 were as follows:

	For the years ended December 31,		
	2020	2019	2018
Net realized gain (loss) on investments	$ (58,473)	$ (38,376)	$ (1,368)
Net change in unrealized appreciation (depreciation) on investments	(19,656)	(6,053)	(67,953)
Net realized gain (loss) and net change in unrealized appreciation (depreciation) on investments	$ (78,129)	$ (44,429)	$ (69,321)

Net realized gain (loss) and net change in unrealized appreciation (depreciation) by the type of investments for the years ended December 31, 2020, 2019 and 2018 were as follows:

	For the years ended December 31,					
	2020		2019		2018	
Type	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	$ (58,766)	$ (8,557)	$ (52,633)	$ 4,894	$ (4,903)	$ (59,374)
Second Lien Debt	(228)	(13,965)	—	1,003	2	(3,822)
Equity Investments	522	1,697	14,257	(7,751)	3,533	3,214
Investment Funds	—	(3,104)	—	(4,199)	—	(7,971)
Total	$ (58,472)	$ (23,929)	$ (38,376)	$ (6,053)	$ (1,368)	$ (67,953)

Net change in unrealized depreciation in our investments for the year ended December 31, 2020 compared to the comparable period in 2019 was primarily driven by unrealized depreciation related to investments more heavily impacted by the COVID-19 pandemic, combined with higher market yields. Net change in unrealized depreciation in our investments for the year ended December 31, 2019 compared to the comparable period in 2018 was primarily due to the unrealized depreciation in Dimensional Dental Management, LLC and Dermatology Associates, offset by the reversal of prior period unrealized depreciation on Product Quest Manufacturing, LLC and SolAero Technologies Corp. Net change in unrealized appreciation (depreciation) is also driven by changes in other inputs utilized under our valuation methodology, including, but not limited to, market spreads, enterprise value multiples, borrower leverage multiples and borrower ratings, and the impact of exits.

MIDDLE MARKET CREDIT FUND, LLC

Overview

On February 29, 2016, the Company and Credit Partners entered into an amended and restated limited liability company agreement, which was subsequently amended and restated on June 24, 2016 and February 22, 2021 (as amended, the “Limited Liability Company Agreement”) to co-manage Credit Fund, a Delaware limited liability company that is not consolidated in the Company’s consolidated financial statements. Credit Fund primarily invests in first lien loans of middle market companies. Credit Fund is managed by a six-member board of managers, on which the Company and Credit Partners each have equal representation. Establishing a quorum for Credit Fund’s board of managers requires at least four members to be present at a meeting, including at least two of the Company’s representatives and two of Credit Partners’ representatives. The Company and Credit Partners each have 50% economic ownership of Credit Fund and have commitments to fund, from time to time, capital of up to $250,000 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 and October 6, 2017, November 26, 2018 and August 16, 2019, respectively. Credit Fund Sub, 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. In December 2020, the 2017-1 Issuer was redeemed in full and notes outstanding were repaid in full. Credit Fund Sub, 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 “Credit Fund Administrative Agent”), pursuant to which the Credit Fund 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 Credit Fund Administrative Agent in performing its obligations thereunder.

Selected Financial Data

Since inception of Credit Fund and through December 31, 2020 and 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 information for Credit Fund as of December 31, 2020 and 2019.

	As of December 31,	
	2020	2019
ASSETS		
Investments, at fair value (amortized cost of $1,080,538 and $1,258,157,respectively)	$ 1,056,381	$ 1,246,839
Cash and cash equivalents	119,796	64,787
Other assets	7,553	9,369
Total assets	$ 1,183,730	$ 1,320,995
LIABILITIES AND MEMBERS' EQUITY		
Secured borrowings	$ 514,261	$ 441,077
Notes payable, net of unamortized debt issuance costs of $1,559 and $3,441, respectively)	253,933	528,407
Mezzanine loans (1)	—	93,000
Other liabilities	15,543	32,383
Subordinated loans and members' equity (1)	399,993	226,128
Total liabilities and members' equity	$ 1,183,730	$ 1,320,995

(1) As of December 31, 2020 and 2019, the fair value of the Company's ownership interest in the subordinated loans and members' equity was $205,891 and $111,596, respectively, and $0 and $93,000, respectively in the mezzanine loans.

	For the Years Ended December 31,	
	2020	2019
Total investment income	$ 83,476	$ 94,092
Expenses		
Interest and credit facility expenses	40,238	59,228
Other expenses	2,034	2,230
Total expenses	42,272	61,458
Net investment income (loss)	41,204	32,634
Net realized gain (loss) on investments	—	(8,285)
Net change in unrealized appreciation (depreciation) on investments	(12,839)	13,711
Net increase (decrease) resulting from operations	$ 28,365	$ 38,060

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

	As of December 31,	
	2020	2019
Senior secured loans [1]	$ 1,084,491	$ 1,260,582
Weighted average yields of senior secured loans based on amortized cost [2]	6.03 %	6.51 %
Weighted average yields of senior secured loans based on fair value [2]	6.15 %	6.55 %
Number of portfolio companies in Credit Fund	54	61
Average amount per portfolio company [1]	$ 20,083	$ 20,665
Number of loans on non-accrual status	—	1
Fair value of loans on non-accrual status	$ —	$ 21,150
Percentage of loans at floating interest rates [3] [4]	97.7 %	98.3 %
Percentage of loans at fixed interest rates [4]	2.3 %	1.7 %
Fair value of loans with PIK provisions	$ 24,113	$ 21,150
Percentage of portfolio with PIK provisions [4]	2.3 %	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 December 31, 2020 and 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 generally subject to interest rate floors.

(4) Percentages based on fair value.

Consolidated Schedule of Investments as of December 31, 2020

Investments [1]		Footnotes	Industry	Reference Rate & Spread (2)	Interest Rate (2)	Maturity Date	Par/ Principal Amount	Amortized Cost [4]	Fair Value [55]
First Lien Debt (97.47% of fair value)									
Acrisure, LLC	\#	(2)(3)	Banking, Finance, Insurance & Real Estate	L + 3.50%	3.65%	2/15/2027	$ 25,634	$ 25,606	$ 25,104
Alku, LLC	+#	(2)(3)	Business Services	L + 5.50%	5.75%	7/29/2026	23,666	23,466	23,512
Alpha Packaging Holdings, Inc.	+\	(2)(3)	Containers, Packaging & Glass	L + 6.00%	7.00%	11/12/2021	16,378	16,378	16,378
AmeriLife Holdings LLC	#	(2)(3)	Banking, Finance, Insurance & Real Estate	L + 4.00%	4.15%	3/18/2027	9,951	9,929	9,802
Analogic Corporation	^+	(2)(3)(6)	Capital Equipment	L + 5.25%	6.25%	6/22/2024	18,857	18,837	18,857
Anchor Packaging, Inc.	+#	(2)(3)	Containers, Packaging & Glass	L + 4.00%	4.15%	7/18/2026	24,723	24,617	24,656
API Technologies Corp.	+\	(2)(3)	Aerospace & Defense	L + 4.25%	4.49%	5/9/2026	14,775	14,713	13,999
Aptean, Inc.	+\	(2)(3)	Software	L + 4.25%	4.40%	4/23/2026	12,281	12,227	12,077
AQA Acquisition Holding, Inc.	+\	(2)(3)(6)	High Tech Industries	L + 4.25%	5.25%	5/24/2023	18,759	18,752	18,757
Astra Acquisition Corp.	+#	(2)(3)	Software	L + 5.50%	6.50%	3/1/2027	28,783	28,392	28,783
Avalign Technologies, Inc.	+\	(2)(3)	Healthcare & Pharmaceuticals	L + 4.50%	4.73%	12/22/2025	14,592	14,481	14,334
Big Ass Fans, LLC	+\#	(2)(3)	Capital Equipment	L + 3.75%	4.75%	5/21/2024	13,766	13,714	13,766
BK Medical Holding Company, Inc.	^+	(2)(3)(6)	Healthcare & Pharmaceuticals	L + 5.25%	6.25%	6/22/2024	24,165	23,951	22,363
Chemical Computing Group ULC (Canada)	^+	(2)(3)(6)	Software	L + 5.00%	6.00%	8/30/2023	14,055	13,378	14,055
Clarity Telecom LLC.	+	(2)(3)	Media: Broadcasting & Subscription	L + 4.25%	4.40%	8/30/2026	14,813	14,773	14,813
Clearent Newco, LLC	^	(2)(3)(6)	High Tech Industries	L + 6.50%	7.50%	3/20/2025	4,079	4,079	3,907
Clearent Newco, LLC	^+\	(2)(3)	High Tech Industries	L + 5.50%	7.50%	3/20/2025	29,486	29,236	28,722
DecoPac, Inc.	^+\	(2)(3)(6)	Non-durable Consumer Goods	L + 4.25%	5.25%	9/29/2024	12,336	12,253	12,318
Diligent Corporation	^+	(2)(3)(6)	Telecommunications	L + 6.25%	7.25%	8/4/2025	8,683	8,411	8,819
DTI Holdco, Inc.	^+\	(2)(3)	High Tech Industries	L + 4.75%	5.75%	9/30/2023	18,690	18,642	16,655
Eliassen Group, LLC	+\	(2)(3)	Business Services	L + 4.25%	4.40%	11/5/2024	7,543	7,516	7,483
EvolveIP, LLC	^+	(2)(3)(6)	Telecommunications	L + 5.75%	6.75%	6/7/2023	19,800	19,759	19,775
Exactech, Inc.	+\#	(2)(3)	Healthcare & Pharmaceuticals	L + 3.75%	4.75%	2/14/2025	21,528	21,416	20,422
Excel Fitness Holdings, Inc.	+#	(2)(3)	Hotel, Gaming & Leisure	L + 5.25%	6.25%	10/7/2025	24,750	24,546	22,780
Frontline Technologies Holdings, LLC	+	(2)(3)	Software	L + 5.75%	6.75%	9/18/2023	14,886	14,198	14,589
Golden West Packaging Group LLC	+\	(2)(3)	Containers, Packaging & Glass	L + 5.25%	6.25%	6/20/2023	29,012	28,896	28,974
HMT Holding Inc.	+\	(2)(3)(6)	Energy: Oil & Gas	L + 5.00%	6.00%	11/17/2023	32,821	32,458	30,984
Integrity Marketing Acquisition, LLC	^+	(2)(3)(6)	Banking, Finance, Insurance & Real Estate	L + 6.25%	7.25%	8/27/2025	7,836	7,701	7,956
Jensen Hughes, Inc.	+\	(2)(3)(6)	Utilities: Electric	L + 4.50%	5.50%	3/22/2024	34,584	34,489	33,424
KAMC Holdings, Inc.	+#	(2)(3)	Energy: Electricity	L + 4.00%	4.23%	8/14/2026	13,825	13,768	12,531
KBP Investments, LLC	^+	(2)(3)(6)	Beverage, Food & Tobacco	L + 5.00%	6.00%	5/15/2023	9,292	9,059	9,350
Marco Technologies, LLC	^+\	(2)(3)(6)	Media: Advertising, Printing & Publishing	L + 4.00%	5.00%	10/30/2023	7,332	7,293	7,332
Mold-Rite Plastics, LLC	+\	(2)(3)	Chemicals, Plastics & Rubber	L + 4.25%	5.25%	12/14/2021	14,520	14,501	14,520

[Table of Contents](#)

Consolidated Schedule of Investments as of December 31, 2020

Investments [1]		Footnotes	Industry	Reference Rate & Spread (2)	Interest Rate (2)	Maturity Date	Par/ Principal Amount	Amortized Cost [4]	Fair Value [55]
Newport Group Holdings II, Inc.	+\#	(2)(3)	Banking, Finance, Insurance & Real Estate	L + 3.50%	3.75%	9/13/2025	23,475	23,285	23,405
Odyssey Logistics & Technology Corp.	+\#	(2)(3)	Transportation: Cargo	L + 4.00%	5.00%	10/12/2024	$ 38,897	$ 38,773	$ 37,766
Output Services Group	^+\	(2)(3)	Media: Advertising, Printing & Publishing	L + 4.50%	5.50%	3/27/2024	19,421	19,382	14,178
Pasternack Enterprises, Inc.	+\	(2)(3)	Capital Equipment	L + 4.00%	5.00%	7/2/2025	22,524	22,513	22,218
Pharmalogic Holdings Corp.	+\	(2)(3)	Healthcare & Pharmaceuticals	L + 4.00%	5.00%	6/11/2023	11,205	11,189	11,158
Premise Health Holding Corp.	+\#	(2)(3)	Healthcare & Pharmaceuticals	L + 3.50%	3.75%	7/10/2025	13,584	13,538	13,503
Propel Insurance Agency, LLC	^+\	(2)(3)(6)	Banking, Finance, Insurance & Real Estate	L + 5.00%	6.00%	6/1/2024	38,134	37,662	37,716
Q Holding Company	+\#	(2)(3)	Automotive	L + 5.00%	6.00%	12/31/2023	21,735	21,604	20,229
QW Holding Corporation	+	(2)(3)(6)	Environmental Industries	L + 6.25%	7.25%	8/31/2022	11,566	11,465	10,727
Radiology Partners, Inc.	+\#	(2)(3)	Healthcare & Pharmaceuticals	L + 4.25%	4.81%	7/9/2025	27,686	27,581	27,193
RevSpring Inc.	+\#	(2)(3)	Media: Advertising, Printing & Publishing	L + 4.25%	4.40%	10/11/2025	29,449	29,265	29,199
Situs Group Holdings Corporation	+\	(2)(3)	Banking, Finance, Insurance & Real Estate	L + 4.75%	5.75%	6/28/2025	14,781	14,689	14,636
T2 Systems, Inc.	^+	(2)(3)(6)	Transportation: Consumer	L + 6.75%	7.75%	9/28/2022	29,119	28,743	29,118
The Original Cakerie, Ltd. (Canada)	+\	(2)(3)(6)	Beverage, Food & Tobacco	L + 4.50%	5.50%	7/20/2022	6,295	6,281	6,289
The Original Cakerie, Ltd. (Canada)	+	(2)(3)	Beverage, Food & Tobacco	L + 5.00%	6.00%	7/20/2022	8,837	8,815	8,829
Thoughtworks, Inc.	\#	(2)(3)	Business Services	L + 3.75%	4.75%	10/11/2024	11,704	11,683	11,704
U.S. Acute Care Solutions, LLC	+\	(2)(3)	Healthcare & Pharmaceuticals	L + 6.00%	7.00%	5/15/2021	31,211	31,184	29,104
U.S. TelePacific Holdings Corp.	+\	(2)(3)	Telecommunications	L + 5.50%	6.50%	5/2/2023	26,660	26,585	23,984
VRC Companies, LLC	+	(2)(3)(6)	Business Services	L + 6.50%	7.50%	3/31/2023	30,582	29,464	30,582
Water Holdings Acquisition LLC	^+	(2)(3)(6)	Utilities: Water	L + 5.25%	6.25%	12/18/2026	26,316	25,520	25,516
Welocalize, Inc.	+	(2)(3)(6)	Business Services	L + 4.50%	5.50%	12/23/2023	22,629	22,414	22,584
WRE Holding Corp.	^+	(2)(3)(6)	Environmental Industries	L + 5.25%	6.25%	1/3/2023	8,367	8,336	8,252
First Lien Debt Total								$ 1,051,406	$ 1,029,687
Second Lien Debt (2.28% of fair value)									
DBI Holding, LLC	^	(2)	Transportation: Cargo	9.00% PIK	9.00%	2/1/2026	$ 24,113	$ 23,768	$ 24,113
Second Lien Debt Total								$ 23,768	$ 24,113
Equity Investments (0.24% of fair value)									
DBI Holding, LLC	^		Transportation: Cargo				2,961	$ —	$ —
DBI Holding, LLC	^		Transportation: Cargo				13,996	5,364	2,581
Equity Investments Total								$ 5,364	$ 2,581
Total Investments								$ 1,080,538	$ 1,056,381

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

(1) Unless otherwise indicated, issuers of investments held by Credit Fund are domiciled in the United States. As of December 31, 2020, the geographical composition of investments as a percentage of fair value was 2.76% in Canada and 97.24% 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, 2020. As of December 31, 2020, the reference rates for Credit Fund's variable rate loans were the 30-day LIBOR at 0.15%, the 90-day LIBOR at 0.25% 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 II, Item 8 of this Form 10-K.
(6) As of December 31, 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**
Analogic Corporation	Revolver	0.50 %	$ 1,975	$ —
AQA Acquisition Holding, Inc.	Revolver	0.50	2,459	—
BK Medical Holding Company, Inc.	Revolver	0.50	2,609	(176)
Chemical Computing Group ULC (Canada)	Revolver	0.50	873	—
Clearent Newco, LLC	Delayed Draw	1.00	2,549	(66)
DecoPac, Inc.	Revolver	0.50	2,143	(3)
Diligent Corporation	Delayed Draw	1.00	2,109	25
Diligent Corporation	Revolver	0.50	703	8
EvolveIP, LLC	Delayed Draw	1.00	1,904	(2)
EvolveIP, LLC	Revolver	0.50	1,680	(2)
HMT Holding Inc.	Revolver	0.50	6,173	(291)
Integrity Marketing Acquistion, LLC	Delayed Draw	1.00	4,144	41
Jensen Hughes, Inc.	Delayed Draw	1.00	1,127	(35)
Jensen Hughes, Inc.	Revolver	0.50	1,364	(43)
KBP Investments, LLC	Delayed Draw	1.00	503	1
KBP Investments, LLC	Delayed Draw	1.00	10,190	30
Marco Technologies, LLC	Delayed Draw	1.00	7,500	—
Propel Insurance Agency, LLC	Revolver	0.50	1,905	(19)
Propel Insurance Agency, LLC	Delayed Draw	1.00	1,733	(17)
QW Holding Corporation	Revolver	0.50	5,498	(268)
QW Holding Corporation	Delayed Draw	1.00	161	(8)
T2 Systems, Inc.	Revolver	0.50	1,955	—
The Original Cakerie, Ltd. (Canada)	Revolver	0.50	1,665	(1)
VRC Companies, LLC	Revolver	0.50	858	—
Water Holdings Acquisition LLC	Delayed Draw	1.00	8,421	(168)
Water Holdings Acquisition LLC	Revolver	0.50	5,263	(105)
Welocalize, Inc.	Revolver	0.50	2,250	(4)
WRE Holding Corp.	Revolver	0.50	852	(10)
WRE Holding Corp.	Delayed Draw	1.00	563	(7)
Total unfunded commitments			$ 81,129	$ (1,120)

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
Acrisure, LLC	+\	(2) (3)	Banking, Finance, Insurance & Real Estate	L + 3.75%	5.85%	11/22/2023	11,820	11,810	11,805
Acrisure, 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	*	(2) (3)	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

[Table of Contents](#)

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]
Mold-Rite Plastics, LLC	+\	(2) (3)	Chemicals, Plastics & Rubber	L + 4.25%	5.95%	12/14/2021	$ 14,557	$ 14,519	$ 14,524
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

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 (1.75% of fair value)									
DBI Holding, LLC	^*	(2) (3) (8)	Transportation: Cargo	8.00% 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)									
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 a revolving credit facility (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"). 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, 2017-1 Issuer or 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 98.60% 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 may be 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 provided the interest rate in effect as of December 31, 2019. As of December 31, 2019, all of Credit Fund’s LIBOR loans were indexed to 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: EIP Merger Sub, LLC (Evolve IP) (3.75%) and Surgical Information Systems, LLC (0.89%). 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.

Table of Contents

(7) As of December 31, 2019, Credit Fund 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

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 December 31, 2020 and 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 respective periods.

	Credit Fund Facility	Credit Fund Sub Facility	Credit Fund Warehouse Facility	Credit Fund Warehouse II Facility
Outstanding balance as of December 31, 2018	$ 112,000	$ 471,134	$ 101,044	$ —
Borrowings	126,200	223,870	34,544	97,571
Repayments	(145,200)	(351,498)	(135,588)	—
Outstanding balance as of December 31, 2019	93,000	343,506	—	97,571
Borrowings	63,500	269,313	—	54,373
Repayments	(156,500)	(191,960)	—	(58,542)
Outstanding balance as of December 31, 2020	$ —	$ 420,859	$ —	$ 93,402

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, March 20, 2020 and February 22, 2021, 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 (May 21, 2022 following the February 22, 2021 amendment). 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 1.15% until August 2021. Amounts borrowed under the Credit Fund Warehouse II Facility during the first 12 months bore interest at a rate of LIBOR plus 1.05%, and amounts borrowed in the final 12 months will bear interest at LIBOR plus 1.50%.

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 were 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.

The 2017-1 Notes were fully redeemed during the year ended December 31, 2020.

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

MIDDLE MARKET CREDIT FUND II, LLC

Overview

On November 3, 2020, the Company and CCLF entered into a limited liability company agreement to co-manage Credit Fund II, a Delaware limited liability company that is not consolidated in the Company's consolidated financial statements. Credit Fund II primarily invests in senior secured loans of middle market companies. Credit Fund II is managed by a four-member board, on which the Company and CCLF have equal representation. Establishing a quorum for Credit Fund II's board requires at least one of the Company's representatives and one of CCLF's representatives. The Company and CCLF have 84.13% and 15.87% economic ownership of Credit Fund II, respectively. By virtue of its membership interest, each of the Company and CCLF indirectly bears an allocable share of all expenses and other obligations of Credit Fund II.

Credit Fund II's initial portfolio consists of 45 senior secured loans of middle market companies with an aggregate principal balance of approximately $250 million. Credit Fund II's initial portfolio was funded on November 3, 2020 with existing senior secured debt investments contributed by the Company and as part of the transaction, the Company determined that the contribution met the requirements under ASC 860, *Transfers and Servicing*.

Credit Fund II is expected to make only limited new investments in senior secured loans of middle market companies. Portfolio and investment decisions with respect to Credit Fund II must be unanimously approved by a quorum of Credit Fund II's board members consisting of at least one of the Company's representatives and one of CCLF's representatives. Therefore, although the Company owns more than 25% of the voting securities of Credit Fund II, 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 II SPV, LLC ("Credit Fund II Sub"), a Delaware limited liability company, was formed on September 4, 2020. Credit Fund II Sub is a wholly owned subsidiary of Credit Fund II and is consolidated in Credit Fund II's consolidated financial statements commencing from the date of its formation. Credit Fund II Sub primarily holds investments in first lien loans of middle market companies, which are pledged as security for the Credit Fund II Senior Notes (see below).

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

Credit Fund II Senior Notes

On November 3, 2020, Credit Fund II Sub closed on the Credit Fund II Senior Notes (the "Credit Fund II Senior Notes") with lenders. The Credit Fund II Senior Notes provides for secured borrowings totaling $157,500 with two tranches, A-1 and A-2 outstanding. The facility is secured by a first lien security interest in substantially all of the portfolio investments held by Credit Fund II Sub. The maturity date of the Credit Fund II Senior Notes Sub Facility is November 3, 2030. Amounts issued for the Class A-1 notes totaled $147,500 and bear interest at a rate of LIBOR plus 2.70%, and amounts issued for the Class A-2 notes totaled $10,000 and bear interest at LIBOR plus 3.20%. The A-1 Notes were rated AAA, and the A-2 Notes were rated AA by DBRS Morningstar. The terms of the Credit Fund II Senior Notes provide that as loans pay down, up to $50,000 is available from principal proceeds for reinvestment, and then the investment principal proceeds are used to directly pay down the principal balance on the Credit Fund II Senior Notes. As of December 31, 2020, Credit Fund II Sub was in compliance with all covenants and other requirements of its respective credit agreements.

Selected Financial Data

Since inception of Credit Fund II and through December 31, 2020, the Company and CCLF each made capital contributions of $78,096 and $12,709 in members’ equity, respectively, to Credit Fund II. Below is certain summarized consolidated information for Credit Fund II as of December 31, 2020.

		As of December 31, 2020
ASSETS		
Investments, at fair value (amortized cost of $245,312)	$	246,421
Cash and cash equivalents		1,385
Other assets		3,436
Total assets	$	251,242
LIABILITIES AND MEMBERS’ EQUITY		
Liabilities		
Notes payable, net of unamortized debt issuance costs of $875	$	156,625
Other liabilities		2,675
Total liabilities		159,300
Members’ equity		
Members’ contributions		90,805
Members’ distributions		(1,718)
Accumulated income from operations		2,855
Total members' equity (1)		91,942
Total liabilities and members’ equity	$	251,242

(1) As of December 31, 2020, the fair value of the Company's ownership interest in the members' equity was $77,395.

		For the Year Ended December 31, 2020
Total investment income	$	3,005
Expenses		
Interest and credit facility expenses		766
Other expenses		498
Total expenses		1,264
Net investment income (loss)		1,741
Net change in unrealized appreciation (depreciation) on investments		1,114
Net increase (decrease) resulting from operations	$	2,855

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

	As of December 31, 2020
Senior secured loans [1]	$ 248,172
Weighted average yields of senior secured loans based on amortized cost [2]	7.32 %
Weighted average yields of senior secured loans based on fair value [2]	7.29 %
Number of portfolio companies in Credit Fund II	44
Average amount per portfolio company [1]	$ 5,640
Percentage of portfolio at floating interest rates [3] [4]	99.1 %
Percentage of portfolio at fixed interest rates [4]	0.9 %
Fair value of loans with PIK provisions	$ 8,856
Percentage of portfolio with PIK provisions [4]	3.6 %

(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 December 31, 2020. 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 generally subject to interest rate floors.

(4) Percentages based on fair value.

Consolidated Schedule of Investments as of December 31, 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 (90.10%) of fair value)									
Airnov, Inc.	^	(2)(3)	Containers, Packaging & Glass	L + 5.25%	6.25%	12/19/2025	$ 1,500	$ 1,481	$ 1,501
Alpine SG, LLC	^	(2)(3)	High Tech Industries	L + 5.75%	6.75%	11/16/2022	4,411	4,390	4,378
American Physician Partners, LLC	^	(2)(3)	Healthcare & Pharmaceuticals	L + 6.75%	7.75%	12/21/2021	8,725	8,679	8,265
AMS Group HoldCo, LLC	^	(2)(3)	Transportation: Cargo	L + 6.50%	7.50%	9/29/2023	8,182	8,096	8,079
Apptio, Inc.	^	(2)(3)	Software	L + 7.25%	8.25%	1/10/2025	5,357	5,278	5,437
Aurora Lux FinCo S.Á.R.L. (Luxembourg)	^	(2)(3)	Software	L + 5.75%	6.75%	12/24/2026	4,400	4,303	4,018
Avenu Holdings, LLC	^	(2)(3)	Sovereign & Public Finance	L + 5.25%	6.25%	9/28/2024	997	987	997
BMS Holdings III Corp.	^	(2)(3)	Construction & Building	L + 5.25%	6.25%	9/30/2026	3,308	3,239	3,270
Captive Resources Midco, LLC	^	(2)(3)	Banking, Finance, Insurance & Real Estate	L + 5.75%	6.75%	5/31/2025	8,406	8,297	8,463
Chartis Holding, LLC	^	(2)(3)	Business Services	L + 5.50%	6.50%	5/1/2025	1,496	1,474	1,497
Comar Holding Company, LLC	^	(2)(3)	Containers, Packaging & Glass	L + 5.50%	6.50%	6/18/2024	8,799	8,692	8,832
Cority Software Inc. (Canada)	^	(2)(3)	Software	L + 5.25%	6.25%	7/2/2026	8,800	8,655	8,862
Ensono, LP	^	(2)(3)	Telecommunications	L + 5.25%	5.40%	6/27/2025	6,292	6,246	6,245
Ethos Veterinary Health LLC	^	(2)(3)	Consumer Services	L + 4.75%	4.90%	5/15/2026	8,182	8,117	8,070
EvolveIP, LLC	^	(2)(3)	Telecommunications	L + 5.75%	6.75%	6/7/2023	8,799	8,784	8,790
Innovative Business Services, LLC	^	(2)(3)	High Tech Industries	L + 5.50%	6.50%	4/5/2023	2,200	2,162	2,159
K2 Insurance Services, LLC	^	(2)(3)	Banking, Finance, Insurance & Real Estate	L + 5.00%	6.00%	7/1/2024	6,927	6,827	6,928
Kaseya, Inc.	^	(2)(3)	High Tech Industries	L + 4.00%, 3.00% PIK	8.00%	5/2/2025	8,822	8,688	8,856
Mailgun Technologies, Inc.	^	(2)(3)	High Tech Industries	L + 5.00%	6.00%	3/26/2025	8,478	8,347	8,330
National Technical Systems, Inc.	^	(2)(3)	Aerospace & Defense	L + 5.50%	6.50%	6/12/2023	8,800	8,778	8,733
NMI AcquisitionCo, Inc.	^	(2)(3)	High Tech Industries	L + 5.00%	6.00%	9/6/2022	8,799	8,732	8,711
Paramit Corporation	^	(2)(3)	Capital Equipment	L + 4.50%	5.50%	5/3/2025	1,000	992	980
PPC Flexible Packaging, LLC	^	(2)(3)	Containers, Packaging & Glass	L + 6.00%	7.00%	11/23/2024	4,400	4,358	4,386
Redwood Services Group, LLC	^	(2)(3)	High Tech Industries	L + 6.00%	7.00%	6/6/2023	3,300	3,279	3,291
Reladyne, Inc.	^	(2)(3)	Wholesale	L + 5.00%	6.00%	7/22/2022	6,484	6,431	6,514
Riveron Acquisition Holdings, Inc.	^	(2)(3)	Banking, Finance, Insurance & Real Estate	L + 5.75%	6.75%	5/22/2025	8,257	8,131	8,312
RSC Acquisition, Inc.	^	(2)(3)	Banking, Finance, Insurance & Real Estate	L + 5.50%	6.50%	11/1/2026	8,487	8,341	8,572
Smile Doctors, LLC	^	(2)(3)	Healthcare & Pharmaceuticals	L + 6.00%	7.00%	10/6/2022	6,509	6,507	6,379
Sovos Brands Intermediate, Inc.	^	(2)(3)	Beverage, Food & Tobacco	L + 4.75%	4.96%	11/20/2025	2,200	2,182	2,181
Superior Health Linens, LLC	^	(2)(3)	Business Services	L + 6.50%	7.50%	9/30/2021	7,199	7,178	7,162
T2 Systems, Inc.	^	(2)(3)	Transportation: Consumer	L + 6.75%	7.75%	9/28/2022	8,799	8,713	8,799
TCFI Aevex LLC	^	(2)(3)	Aerospace & Defense	L + 6.00%	7.00%	3/18/2026	1,718	1,688	1,712
TSB Purchaser, Inc.	^	(2)(3)	Media: Advertising, Printing & Publishing	L + 6.00%	7.00%	5/14/2024	8,799	8,663	8,729
Turbo Buyer, Inc.	^	(2)(3)	Automotive	L + 5.25%	6.25%	12/2/2025	8,174	8,001	8,249

Consolidated Schedule of Investments as of December 31, 2020

Investments (1)		Footnotes	Industry	Reference Rate & Spread (2)	Interest Rate (2)	Maturity Date	Par/ Principal Amount	Amortized Cost (4)	Fair Value (5)
US INFRA SVCS Buyer, LLC	^	(2)(3)	Environmental Industries	L + 6.00%	7.00%	4/13/2026	$ 3,300	$ 3,240	$ 3,292
VRC Companies, LLC	^	(2)(3)	Business Services	L + 6.50%	7.50%	3/31/2023	4,311	4,271	4,311
Zemax Software Holdings, LLC	^	(2)(3)	Software	L + 5.75%	6.75%	6/25/2024	4,400	4,363	4,294
Zenith Merger Sub, Inc.	^	(2)(3)	Business Services	L + 5.25%	6.25%	12/13/2023	4,399	4,370	4,367
First Lien Debt Total								$ 220,960	$ 221,951
Second Lien Debt (9.90%) of fair value									
AI Convoy S.A.R.L (United Kingdom)	^	(2)(3)	Aerospace & Defense	L + 8.25%	9.25%	1/17/2028	$ 5,514	$ 5,401	$ 5,676
AQA Acquisition Holding, Inc.	^	(2)(3)	High Tech Industries	L + 8.00%	9.00%	5/24/2024	1,000	993	1,000
Quartz Holding Company	^	(2)(3)	Software	L + 8.00%	8.15%	4/2/2027	4,852	4,771	4,815
Tank Holding Corp.	^	(2)(3)	Capital Equipment	L + 8.25%	8.40%	3/26/2027	5,514	5,436	5,394
Ultimate Baked Goods MIDCO, LLC	^	(2)(3)	Beverage, Food & Tobacco	L + 8.00%	9.00%	8/9/2026	5,514	5,428	5,257
World 50, Inc.		(6)	Business Services	11.50%	11.50%	1/9/2027	2,365	2,323	2,328
Second Lien Debt Total								$ 24,352	$ 24,470
Total Investments								$ 245,312	$ 246,421

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

(1) Unless otherwise indicated, issuers of investments held by Credit Fund are domiciled in the United States. As of December 31, 2020, the geographical composition of investments as a percentage of fair value was 3.6% in Canada, 1.6% in Luxembourg, 2.3% in the United Kingdom and 92.5% 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 II has indicated the reference rate used and provided the spread and the interest rate in effect as of December 31, 2020. As of December 31, 2020, the reference rates for Credit Fund II's variable rate loans were the 30-day LIBOR at 0.15%, the 90-day LIBOR at 0.25% 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 II, pursuant to Credit Fund II'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.

(6) Represents a corporate mezzanine loan, which is subordinated to senior secured term loans of the portfolio company.

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 Credit Facility, as defined below, the issuance of debt, and 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 fourth quarter of 2020, the dispersion in performance across industries and geographies has been substantial. The slower than anticipated global vaccination rollout, combined with uncertainties regarding new variants of the virus, will prolong the risk of continued disruption deeper into the year, and we expect that the pace and magnitude of economic recovery will be uneven. This continued market and business disruption 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 Credit Facility. 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, in December 2020, we issued an additional $75.0 million aggregate principal amount of senior unsecured notes, and used the proceeds for the repayment of our secured debt, which provides enhanced balance sheet flexibility. We believe our current cash position, available capacity under the Credit Facility – 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 that may arise at our portfolio companies.

On May 24, 2013, the SPV closed on a senior secured credit facility (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. On December 11, 2020, the SPV repaid all outstanding amounts under the SPV Credit Facility and the facility was terminated. The SPV Credit Facility provided for secured borrowings during the applicable revolving period up to $275,000, 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 March 21, 2014, we closed on a senior secured revolving credit facility (the "Credit Facility", and together with the SPV Credit Facility, the "Facilities"), 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 will remain in compliance, there are no assurances that we will continue to comply with the covenants in the Credit Facility. Failure to comply with these covenants could result in a default under the Credit Facility that, if we 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 thereby have a material adverse impact on our business, financial condition and results of operations.

For more information on the SPV Credit Facility and the Credit Facility, see Note 7 to the consolidated financial statements in Part II, Item 8 of this Form 10-K.

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 "2019 Notes"). Interest is payable quarterly, beginning March 31, 2020. On December 11, 2020, the Company issued an additional $75.0 million aggregate principal amount of senior unsecured notes due December 31, 2024 (the "2020 Notes", together with the 2019 Notes, the "Senior Notes"). The 2020 Notes bear interest at an interest rate of 4.500%. The interest rates of the Senior Notes are subject to increase (up to an additional 1.00% over the stated rate of such notes) in the event that, subject to certain exceptions, the Senior Notes cease to have an investment grade rating. 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.

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;

Table of Contents

(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 II, Item 8 of this Form 10-K. The 2015-1 Issuer Preferred Interests were eliminated in consolidation.

For more information on the Senior Notes and the 2015-1R Notes, see Note 8 to the consolidated financial statements in Part II, Item 8 of this Form 10-K.

As of December 31, 2020 and 2019, we had $68,419 and $36,751, respectively, in cash and cash equivalents. The Facilities consisted of the following as of December 31, 2020 and 2019:

	December 31, 2020			
	Total Facility	Borrowings Outstanding	Unused Portion [(1)]	Amounts Available [(2)]
Credit Facility	$ 688,000	$ 347,949	$ 340,051	$ 207,365
Total	$ 688,000	$ 347,949	$ 340,051	$ 207,365

	December 31, 2019			
	Total Facility	Borrowings Outstanding	Unused Portion [(1)]	Amounts 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.

Table of Contents

The following were the carrying values (before debt issuance costs) and fair values for the Senior Notes disclosed but not carried at fair value as of December 31, 2020 and 2019:

	December 31, 2020		December 31, 2019	
	Carrying Value	Fair Value	Carrying Value	Fair Value
2019 Notes	$ 115,000	$ 116,250	$ 115,000	$ 115,000
2020 Notes	75,000	75,000	—	—
Total	$ 190,000	$ 191,250	$ 115,000	$ 115,000

The following were 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 December 31, 2020 and 2019:

	December 31, 2020		December 31, 2019	
2015-1R Notes	Carrying Value	Fair Value	Carrying Value	Fair Value
Aaa/AAA Class A-1-1-R Notes	$ 234,800	$ 230,996	$ 234,800	$ 233,053
Aaa/AAA Class A-1-2-R Notes	50,000	49,645	50,000	49,908
Aaa/AAA Class A-1-3-R Notes	25,000	25,017	25,000	25,163
AA Class A-2-R Notes	66,000	64,895	66,000	66,000
A Class B Notes	46,400	45,291	46,400	46,400
BBB- Class C Notes	27,000	24,592	27,000	27,000
Total	$ 449,200	$ 440,436	$ 449,200	$ 447,524

As of December 31, 2020 and 2019, we had a combined $987,149 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 December 31, 2020 and 2019, was 2.89% and 4.01%, excluding fees (such as fees on undrawn amounts and amortization of upfront fees). For the years ended December 31, 2020, 2019 and 2018, we incurred $35,820, $50,587 and $37,801, respectively, of interest expense and $1,766, $1,263 and $1,260, respectively, of unused commitment fees.

Equity Activity

Common stock issued and outstanding as of December 31, 2020 and 2019 was 55,320,309 and 57,763,811, respectively.

The following table summarizes activity in the number of shares of our common stock outstanding during the years ended December 31, 2020, 2019 and 2018:

	For the years ended December 31,		
	2020	2019	2018
Common stock outstanding, beginning of year	57,763,811	62,230,251	62,207,603
Reinvestment of dividends on common stock	—	—	361,056
Repurchase of common stock	(2,443,502)	(4,466,440)	(338,408)
Common stock outstanding, end of year	55,320,309	57,763,811	62,230,251

On May 5, 2020, we 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. Shares of Preferred Stock issued and outstanding as of December 31, 2020 and 2019 were 2,000,000 and 0, respectively.

Contractual Obligations

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

	As of December 31,	
Payment Due by Period	**2020**	**2019**
Less than 1 Year	$ —	$ —
1-3 Years	—	—
3-5 Years (1)	537,949	731,543
More than 5 Years (2)	449,200	449,200
Total	$ 987,149	$ 1,180,743

(1) Includes amounts outstanding under the Facilities and the 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 December 31, 2020 and 2019, in Part II, Item 8 of this Form 10-K, for any such exposure.

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

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

	Principal Amount as of December 31,	
	2020	**2019**
Unfunded delayed draw commitments	$ 73,292	$ 75,874
Unfunded revolving term loan commitments	76,216	74,016
Total unfunded commitments	$ 149,508	$ 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 December 31, 2020 and 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, 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 shares of common stock. 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 common share is equal to or greater than the net asset value per share of common stock on the relevant valuation date. If the market value per share is less than the net asset value per share of common stock 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 three most recent fiscal years:

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)
November 2, 2020	December 31, 2020	January 15, 2021	0.32	
November 2, 2020	December 31, 2020	January 15, 2021	0.04	(1)
Total			**$ 1.47**	

(1) Represents a special/supplemental 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.

The Preferred Stock has a 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.

The following table summarizes the Company's dividends declared on its Preferred Stock during 2020. Unless otherwise noted, dividends were declared and paid, or are payable, in cash.

Date Declared	Record Date	Payment Date	Per Share Amount
June 30, 2020	June 30, 2020	September 30, 2020	$ 0.277
September 30, 2020	September 30, 2020	September 30, 2020	0.423
December 31, 2020	December 31, 2020	December 31, 2020	0.438
Total			$ 1.138

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 1940 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 1940 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 did not utilize this relief.

As of December 31, 2020 and 2019, the Company had total senior securities of $1,037,149 and $1,180,743, respectively, consisting of secured borrowings under the Facilities, the Senior Notes, the 2015-1R Notes and the Preferred Stock, and had asset coverage ratios of 182.09% and 181.01%, respectively. For a discussion of the principal risk factors associated with these senior securities, see Part I, Item 1A of this Form 10-K. For purposes of the asset coverage ratio, the Preferred Stock is classified as a senior security.

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 "*Risk Factors*" in Part I, Item 1A of this Form 10-K.

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 and Credit Fund II 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 December 31, 2020 and 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 II, Item 8 of this Form 10-K for further information on fair value measurements.

Use of Estimates

The preparation of consolidated financial statements in Part II, Item 8 of this Form 10-K in conformity with US GAAP requires management to make assumptions and estimates that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Management's estimates are based on historical experiences and other factors, including expectations of future events that management believes to be reasonable under the circumstances. It also requires management to exercise judgment in the process of applying the Company's accounting policies. Assumptions and estimates regarding the valuation of investments and their resulting impact on base management and incentive fees involve a higher degree of judgment and complexity and these assumptions and estimates may be significant to the consolidated financial statements in Part II, Item 8 of this Form 10-K. 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 II, Item 8 of this Form 10-K 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 may have loans in its portfolio that contain 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 II, Item 8 of this Form 10-K.

Dividend Income

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

Other Income

Other income may include income such as consent, waiver, amendment, unused, syndication 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 II, Item 8 of this Form 10-K.

Non-Accrual Income

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

Income Taxes

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

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

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

The Company 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 SPV 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.

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 and August 6, 2018 (as amended, the "Investment Advisory Agreement"). Unless terminated earlier, the Investment Advisory Agreement renews automatically for successive annual periods, provided that such continuance is specifically approved at least annually by the vote of the Board of Directors and by the vote of a majority of the Independent Directors. 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. The Investment Advisory Agreement will automatically terminate in the event of an assignment and may be terminated by either party without penalty upon at least 60 days' written notice to the other party. Subject to the overall supervision of the Board of Directors, the Investment Adviser provides investment advisory services to the Company. For providing these services, the Investment Adviser receives fees from the Company consisting of two components—a base management fee and an incentive fee.

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 (see Note 7, Borrowings, and Note 8, Notes Payable, to the consolidated financial statements in Part II, Item 8 of this Form 10-K). For purposes of this calculation, cash and cash equivalents include any temporary investments in cash-equivalents, U.S. government securities and other high quality investment grade debt investments that mature in 12 months or less from the date of investment.

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.

Pre-incentive fee net investment income, expressed as a rate of return on the value of our net assets at the end of the immediately preceding calendar quarter, is compared to a "hurdle rate" of 1.50% per quarter (6% annualized) or a "catch-up rate" of 1.82% per quarter (7.28% annualized), as applicable.

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

- no incentive fee based on pre-incentive fee net investment income in any calendar quarter in which its pre-incentive fee net investment income does not exceed the hurdle rate of 1.50%;
- 100% of pre-incentive fee net investment income with respect to that portion of such pre-incentive fee net investment income, if any, that exceeds the hurdle rate but is less than 1.82% in any calendar quarter (7.28% annualized). The Company refers to this portion of the pre-incentive fee net investment income (which exceeds the hurdle rate but is less than 1.82%) as the "catch-up." The "catch-up" is meant to provide the Investment Adviser with approximately 17.5% of the Company's pre-incentive fee net investment income as if a hurdle rate did not apply if this net investment income exceeds 1.82% in any calendar quarter; and
- 17.5% of the amount of pre-incentive fee net investment income, if any, that exceeds 1.82% in any calendar quarter (7.28% annualized) will be payable to the Investment Adviser. This reflects that once the hurdle rate is reached and the catch-up is achieved, 17.5% of all pre-incentive fee investment income thereafter is allocated to the Investment Adviser.

The second part of the incentive fee is determined and payable in arrears as of the end of each calendar year (or upon termination of the Investment Advisory Agreement, as of the termination date), and equals 17.5% of realized capital gains, if any, on a cumulative basis from inception through the date of determination, computed net of all realized capital losses on a cumulative basis and unrealized capital depreciation, less the aggregate amount of any previously paid capital gain incentive fees, provided that, the incentive fee determined at the end of the first calendar year of operations may be calculated for a period of shorter than twelve calendar months to take into account any realized capital gains computed net of all realized capital losses on a cumulative basis and unrealized capital depreciation.

Administration Agreement

On April 3, 2013, the Company's Board of Directors approved an administration agreement (the "Administration Agreement") between the Company and the Administrator. 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 Chief Financial Officer) 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 internal control assessment. Reimbursement under the Administration Agreement occurs quarterly in arrears.

Unless terminated earlier, the Administration Agreement renews 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.

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"), which was amended on March 11, 2015 (as amended, the "State Street Sub-Administration Agreement" and, together with the Carlyle Sub-Administration Agreement, the "Sub-Administration Agreements"). Unless terminated earlier, the State Street Sub-Administration Agreement renews 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.

License Agreement

The Company has entered into a royalty free license agreement with Carlyle Investment Management L.L.C. ("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 six members, four of whom are Independent Directors. The Board of Directors has established an Audit Committee, a Nominating and Governance Committee of the Board of Directors and a Compensation Committee, and may establish additional committees in the future.

Transactions with Investment Funds

During the years ended December 31, 2020, 2019 and 2018, the Company sold 4, 2 and 4 investments, respectively, to Credit Fund for proceeds of $62,754, $34,728 and $85,002, respectively, and realized gains (losses) of $(2,289), $208 and $0, respectively. See Note 5, Middle Market Credit Fund, LLC, to the consolidated financial statements in Part II, Item 8 of this Form 10-K.

On November 3, 2020, pursuant to a contribution agreement by and between the Company and Credit Fund II, the Company contributed 45 senior secured debt investments with an aggregate principal balance of approximately $250 million to

Credit Fund II in exchange for approximately 84.13% of Credit Fund II's membership interests and gross cash proceeds of approximately $170 million. There were no subsequent transfers through December 31, 2020. See Note 6, Middle Market Credit Fund II, LLC, to the consolidated financial statements in Part II, Item 8 of this Form 10-K for further information about Credit Fund II.

Transactions with Carlyle

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 10, Net Assets, to the consolidated financial statements in Part II, Item 8 of this Form 10-K for further information about the Preferred Stock.

In December 2020, the Company paid an affiliate of Carlyle a fee of $562 for underwriting services rendered in connection with the issuance of the 2020 Notes in the amount of 0.75% of the aggregate principal amount of the 2020 Notes. See Note 8, Notes Payable, to the consolidated financial statements in Part II, Item 8 of this Form 10-K for further information about the 2020 Notes.

13. TAX

The Company has not recorded a liability for any uncertain tax positions pursuant to the provisions of ASC 740, *Income Taxes*, as of December 31, 2020 and 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 December 31, 2020 and 2019, the Company had filed tax returns and therefore is subject to examination.

Book and tax basis differences relating to stockholder dividends and distributions and other permanent book and tax differences are reclassified among the Company's capital accounts. In addition, the character of income and gains to be distributed is determined in accordance with income tax regulations that may differ from U.S. GAAP. As of December 31, 2020 and 2019, permanent differences primarily due to non-deductible excise tax resulted in a net increase in distributable earnings (loss) by $573 and $423, respectively, and net decrease in additional paid-in capital in excess of par by $573 and $423, respectively, on the Consolidated Statements of Assets and Liabilities. Total earnings and NAV were not affected.

The tax character of the distributions paid for the fiscal years ended December 31, 2020, 2019 and 2018 was as follows:

	For the years ended December 31,		
	2020	2019	2018
Ordinary income	$ 84,683	$ 103,360	$ 104,948
Tax return of capital	$ —	$ —	$ —

Income Tax Information and Distributions to Stockholders

As of December 31, 2020 and 2019, the components of accumulated earnings (deficit) on a tax basis were as follows:

	2020	2019
Undistributed ordinary income	$ 16,475	$ 11,639
Other book/tax temporary differences[(1)]	(539)	(1,271)
Capital loss carryforwards	(141,850)	(83,433)
Net unrealized appreciation (depreciation) on investments[(2)]	(103,078)	(78,646)
Total accumulated earnings (deficit)	$ (228,992)	$ (151,711)

(1) Consists of the unamortized portion of organization costs as of December 31, 2020 and 2019, respectively.
(2) The difference between the book-basis and tax-basis unrealized appreciation (depreciation) on investments is attributable primarily to the tax treatment of partnership investments and material modifications of investments.

As of December 31, 2020 and 2019, the cost of investments for federal income tax purposes and gross unrealized appreciation and depreciation on investments were as follows:

	2020	2019
Cost of investments	$ 1,922,617	$ 2,200,671
Gross unrealized appreciation on investments	21,522	17,094
Gross unrealized depreciation on investments	(124,600)	(95,740)
Net unrealized appreciation (depreciation) on investments	$ (103,078)	$ (78,646)

For tax purposes, net realized capital losses may be carried over to offset future capital gains, if any. Funds are permitted to carry forward capital losses for an indefinite period, and such losses will retain their character as either short-term or long-term capital losses. As of December 31, 2020 and 2019, the Company had $141,850 and $83,433, of capital loss carryforwards, respectively, of which $21,448 and $11,142 were short-term capital loss carryforwards, respectively, and $120,402 and $72,291 were long-term capital loss carryforwards, respectively.

PART IV

Item 15. Exhibits and Financial Statement Schedules

(a) Documents filed as part of this annual report

The following reports and consolidated financial statements are set forth in Part II, Item 8 of the Original Form 10-K:

Report of Independent Registered Public Accounting Firm
Report of Independent Registered Public Accounting Firm on Internal Control Over Financial Reporting
Consolidated Statements of Assets and Liabilities as of December 31, 2020 and 2019
Consolidated Statements of Operations for the years ended December 31, 2020, 2019 and 2018
Consolidated Statements of Changes in Net Assets for the years ended December 31, 2020, 2019 and 2018
Consolidated Statements of Cash Flows for the years ended December 31, 2020, 2019 and 2018
Consolidated Schedules of Investments as of December 31, 2020 and 2019
Notes to Consolidated Financial Statements

(b) Exhibits

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

2.1	Contribution Agreement, dated November 3, 2020, by and between TCG BDC, Inc. and Middle Market Credit Fund II, LLC.(27)
3.1	Articles of Amendment and Restatement(1)
3.2	Articles of Amendment(2)
3.3	Articles Supplementary of TCG BDC, Inc. (28)
3.4	Amended and Restated Bylaws(3)
3.5	First Amendment to the Amended and Restated Bylaws(4)
4.1	Form of Subscription Agreement for Private Offerings(5)
4.2	Description of Registered Securities (31)
4.3	Registration Rights Agreement, dated as of May 5, 2020, by and between TCG BDC, Inc. and Carlyle Investment Management L.L.C. (29)
10.1	Indenture, dated as of June 26, 2015, between Carlyle GMS Finance MM CLO 2015-1 LLC, as issuer, and State Street Bank and Trust Company, as trustee(6)
10.2	Dividend Reinvestment Plan for TCG BDC, Inc.(7)
10.3	Second Amended and Restated Investment Advisory Agreement, dated August 6, 2018, by and between the Company and Carlyle Global Credit Investment Management L.L.C.(8)
10.4	Custodian Agreement, dated March 21, 2012, between Carlyle GMS Finance, Inc. and State Street Bank and Trust Company, as custodian(9)
10.5	Administration Agreement, dated as of April 3, 2013 by and between Carlyle GMS Finance, Inc. and Carlyle GMS Finance Administration L.L.C., as administrator(10)
10.6	Form of Indemnification Agreement(11)

10.7	Loan and Servicing Agreement, dated as of May 24, 2013, among Carlyle GMS Finance SPV LLC, as borrower, Carlyle GMS Finance, Inc., as servicer and transferor, each of the Conduit Lenders, Liquidity Banks, Lender Agent and Institutional Lenders party thereto, Citibank, N.A. as collateral and administrative agent, Wells Fargo Bank, National Association, as account bank, backup servicer and collateral administrator, and Citibank, N.A. and Suntrust Robinson Humphrey, Inc., as joint lead arrangers(12)
10.8	Senior Secured Revolving Credit Agreement, dated as of March 21, 2014 and Conformed through Amendment No. 5 dated as of June 14, 2019, among Carlyle GMS Finance, Inc., as borrower, the Lenders party thereto, Suntrust Bank, as administrative agent, and JPMorgan Chase Bank, N.A., as syndication agent(13)
10.9	First Amendment to the Loan and Servicing Agreement, dated as of June 30, 2014, among Carlyle GMS Finance SPV LLC, as borrower, Carlyle GMS Finance, Inc., as servicer and transferor, each of the Conduit Lenders, Liquidity Banks, Lender Agent and Institutional Lenders party thereto, Citibank, N.A. as collateral and administrative agent, Wells Fargo Bank, National Association, as account bank, backup servicer and collateral administrator, and Citibank, N.A. and Suntrust Robinson Humphrey, Inc., as joint lead arrangers(14)
10.10	Second Amendment to the Loan and Servicing Agreement, dated as of June 19, 2015, among Carlyle GMS Finance SPV LLC, as borrower, Carlyle GMS Finance, Inc., as servicer and transferor, each of the Conduit Lenders, Liquidity Banks, Lender Agent and Institutional Lenders party thereto, Citibank, N.A. as collateral and administrative agent, Wells Fargo Bank, National Association, as account bank, backup servicer and collateral administrator, and Citibank, N.A. and Suntrust Robinson Humphrey, Inc., as joint lead arrangers(15)
10.11	Collateral Management Agreement, dated as of June 26, 2015, by and between Carlyle GMS Finance MM CLO 2015-1 LLC, as issuer, and Carlyle GMS Investment Management L.L.C., as collateral manager(16)
10.12	Contribution Agreement, dated as of June 26, 2015, by and between Carlyle GMS Finance, Inc., as the contributor, and Carlyle GMS Finance MM CLO 2015-1 LLC, as the contributee(17)
10.13	Third Amendment to the Loan and Servicing Agreement, dated as of June 9, 2016, among Carlyle GMS Finance SPV LLC, as borrower, Carlyle GMS Finance, Inc., as servicer and transferor, each of the Conduit Lenders, Liquidity Banks, Lender Agent and Institutional Lenders party thereto, Citibank, N.A. as collateral and administrative agent, Wells Fargo Bank, National Association, as account bank, backup servicer and collateral administrator, and Citibank, N.A., as lead arranger(18)
10.14	Fourth Amendment to the Loan and Servicing Agreement, dated as of May 26, 2017, among TCG BDC SPV LLC, as borrower, TCG BDC, Inc., as servicer and transferor, each of the Conduit Lenders, Liquidity Banks, Lender Agents and Institutional Lenders party thereto, Citibank, N.A. as collateral and administrative agent, Wells Fargo Bank, National Association, as account bank, backup servicer and collateral administrator, and Citibank, N.A., as lead arranger(19)
10.15	Second Amended and Restated Limited Liability Company Agreement, dated as of June 24, 2016, between Carlyle GMS Finance, Inc. and Credit Partners USA LLC, as members(20)
10.16	Agreement and Plan of Merger, dated as of May 3, 2017, between TCG BDC, Inc. and NF Investment Corp.(21)
10.17	Fifth Amendment to the Loan and Servicing Agreement, dated as of August 9, 2018, among TCG BDC SPV LLC, as borrower, TCG BDC, Inc., as servicer and transferor, each of the Conduit Lenders, Liquidity Banks, Lender Agents and Institutional Lenders party thereto, Citibank, N.A. as collateral and administrative agent, Wells Fargo Bank, National Association, as account bank, backup servicer and collateral administrator, and Citibank, N.A., as lead arranger(22)
10.18	First Supplemental Indenture, dated as of August 30, 2018, between Carlyle Direct Lending CLO 2015-1R LLC, as issuer, and State Street Bank and Trust Company, as trustee(23)
10.19	Note Purchase Agreement, dated December 30, 2019, by and between TCG BDC, Inc. and the purchasers party thereto(24)
10.20	First Supplement to Master Note Purchase Agreement dated as of December 8, 2020, by and between TCG BDC, Inc. and the purchasers party thereto (30)
14.1	Code of Ethics for TCG BDC, Inc.(25)
14.2	Code of Ethics for Carlyle Global Credit Investment Management L.L.C. (26)
21.1	List of Subsidiaries(31)
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 with respect to the Original Form 10-K.(31)

31.2	Certification of Chief Financial Officer (Principal Financial Officer) Pursuant to Rule 13a-14 of the Securities Exchange Act of 1934, as amended with respect to the Original Form 10-K.(31)
31.3	Certification of Chief Executive Officer (Principal Executive Officer) Pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934, as amended.*
31.4	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 with respect to the Original Form 10-K.(31)
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 with respect to the Original Form 10-K.(31)
99.1	Consolidated Financial Statements of Middle Market Credit Fund, LLC for the years ended December 31, 2020 and 2019.(31)

* Filed herewith.

(1) Incorporated by reference to Exhibit 3.1 to the Company's Form 10-12G/A filed by the Company on April 11, 2013 (File No. 000-54899)
(2) Incorporated by reference to Exhibit 3.2 to the Company's Form 10-K filed by the Company on March 22, 2017 (File No. 000-54899)
(3) Incorporated by reference to Exhibit 3.2 to the Company's Form 10-12G/A filed by the Company on April 11, 2013 (File No. 000-54899)
(4) Incorporated by reference to Exhibit 3.4 to the Company's Form 10-K filed by the Company on March 22, 2017 (File No. 000-54899)
(5) Incorporated by reference to Exhibit 4.1 to the Company's Form 10-12G/A filed by the Company on April 11, 2013 (File No. 000-54899)
(6) Incorporated by reference to Exhibit 10.2 to the Company's Form 10-Q filed by the Company on August 12, 2015 (File No. 814-00995)
(7) Incorporated by reference to Exhibit (e)(1) to the Company's Form N-2 filed by the Company on June 5, 2017 (File No. 333-218114)
(7) Incorporated by reference to Exhibit (e)(2) to the Company's Form N-2 filed by the Company on June 5, 2017 (File No. 333-218114)
(8) Incorporated by reference to Exhibit 10.1 to the Company's Form 10-Q filed by the Company on November 6, 2018 (File No. 814-00995)
(9) Incorporated by reference to Exhibit (j) to the Company's Registration Statement on Form N-2 filed by the Company on May 19, 2017 (File No. 333-218114)
(10) Incorporated by reference to Exhibit 10.2 to the Company's Form 10-12G/A filed by the Company on April 11, 2013 (File No. 000-54899)
(11) Incorporated by reference to Exhibit 10.3 to the Company's Form 10-12G/A filed by the Company on April 11, 2013 (File No. 000-54899)
(12) Incorporated by reference to Exhibit 10.1 to the Company's Form 10-Q filed by the Company on July 31, 2013 (File No. 814-00995)
(13) Incorporated by reference to Exhibit 10.2 to the Company's Form 10-Q filed by the Company on August 6, 2019 (File No. 814-00995)
(14) Incorporated by reference to Exhibit 10.1 to the Company's Form 10-Q filed by the Company on August 13, 2014 (File No. 814-00995)
(15) Incorporated by reference to Exhibit 10.1 to the Company's Form 10-Q filed by the Company on August 12, 2015 (File No. 814-00995)
(16) Incorporated by reference to Exhibit 10.3 to the Company's Form 10-Q filed by the Company on August 12, 2015 (File No. 814-00995)
(17) Incorporated by reference to Exhibit 10.4 to the Company's Form 10-Q filed by the Company on August 12, 2015 (File No. 814-00995)
(18) Incorporated by reference to Exhibit 10.2 to the Company's Form 10-Q filed by the Company on August 8, 2016 (File No. 814-00995)
(19) Incorporated by reference to Exhibit (k)(13) to the Company's Form N-2 filed by the Company on June 5, 2017 (File No. 333-218114)
(20) Incorporated by reference to Exhibit 10.1 to the Company's Form 10-Q filed by the Company on November 10, 2016 (File No. 814-00995)

(21) Incorporated by reference to Exhibit 2.1 to the Company's Form 8-K filed by the Company on May 9, 2017 (File No. 814-00995)
(22) Incorporated by reference to Exhibit 10.2 to the Company's Form 10-Q filed by the Company on November 6, 2018 (File No. 814-00995)
(23) Incorporated by reference to Exhibit 10.3 to the Company's Form 10-Q filed by the Company on November 6, 2018 (File No. 814-00995)
(24) Incorporated by reference to Exhibit 10.1 to the Company's Form 8-K filed by the Company on December 30, 2019 (File No. 814-00995)
(25) Incorporated by reference to Exhibit 14.1 to the Company's Form 10-K filed by the Company on February 26, 2019 (File No. 814-00995)
(26) Incorporated by reference to Exhibit 14.2 to the Company's Form 10-K filed by the Company on February 26, 2019 (File No. 814-00995)
(27) Incorporated by reference to Exhibit 2.1 to the Company's Form 8-K filed by the Company on November 4, 2020 (File No. 814-00995)
(28) Incorporated by reference to Exhibit 3.1 to the Company's Form 10-Q filed by the Company on May 5, 2020 (File No. 814-00995)
(29) Incorporated by reference to Exhibit 4.1 to the Company's Form 10-Q filed by the Company on May 5, 2020 (File No. 814-00995)
(30) Incorporated by reference to Exhibit 10.1 to the Company's Form 8-K filed by the Company on December 11, 2020 (File No. 814-00995)
(31) Incorporated by reference to the Company's Form 10-K filed by the Company on February 23, 2021.

(c) Consolidated Financial Statement Schedules

Separate financial statements of subsidiaries not consolidated:

Consolidated Financial Statements of Middle Market Credit Fund, LLC for the years ended December 31, 2020 and 2019 are filed as Exhibit 99.1 to the Original Form 10-K.

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: February 25, 2021	By	/s/ Linda Pace
		Linda Pace Director and Chief Executive Officer (principal executive officer)
Dated: February 25, 2021	By	/s/ Thomas M. Hennigan
		Thomas M. Hennigan Chief Financial Officer (principal financial officer)

Exhibit 31.3

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER

CERTIFICATION

I, Linda Pace, certify that:

1. I have reviewed this Amendment No. 1 on Form 10-K/A to the Annual Report on Form 10-K for the year ended December 31, 2020 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; and

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;

Date: February 25, 2021

/s/ Linda Pace

Linda Pace
Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.4

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER

CERTIFICATION

I, Thomas M. Hennigan, certify that:

1. I have reviewed this Amendment No. 1 on Form 10-K/A to the Annual Report on Form 10-K for the year ended December 31, 2020 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; and

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.

Date: February 25, 2021

/s/ Thomas M. Hennigan

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