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

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934
Date of Report (Date of earliest event reported): August 6, 2019

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

Maryland
(State or Other Jurisdiction
of Incorporation)

814-00995
(Commission
File Number)

80-0789789
(I.R.S. Employer
Identification No.)

520 Madison Avenue, 40th Floor, New York, New York
(Address of Principal Executive Offices)

10022
(Zip Code)

Registrant's telephone number, including area code: (212) 813-4900

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2 below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
-

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

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

Item 2.02 – Results of Operations and Financial Condition.

On August 6, 2019, TCG BDC, Inc. (the “Company”) issued a summary press release and a detailed earnings presentation announcing its second quarter 2019 financial results. Copies of the summary press release and the earnings presentation are attached hereto as Exhibit 99.1 and Exhibit 99.2, respectively.

The information disclosed under this Item 2.02, including Exhibits 99.1 and 99.2 hereto, is being furnished and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934 (the “Exchange Act”), and shall not be deemed incorporated by reference into any filing made under the Securities Act of 1933 (the “Securities Act”) or the Exchange Act, except as expressly set forth by specific reference in such filing.

Item 7.01 – Regulation FD Disclosure.

On August 6, 2019, the Company issued a press release, included herewith as Exhibit 99.1, announcing the declaration of a third quarter 2019 dividend of \$0.37 per share, payable on October 17, 2019 to stockholders of record as of September 30, 2019.

The information disclosed under this Item 7.01, including Exhibit 99.1 hereto, is being furnished and shall not be deemed “filed” for purposes of Section 18 of the Exchange Act, and shall not be deemed incorporated by reference into any filing made under the Securities Act or the Exchange Act, except as expressly set forth by specific reference in such filing.

Item 9.01 – Financial Statements and Exhibits.

Exhibits 99.1 and 99.2 shall be deemed furnished herewith.

(d) Exhibits:

<u>Exhibit Number</u>	<u>Description</u>
99.1	Summary earnings press release of TCG BDC, Inc., dated August 6, 2019.
99.2	Earnings presentation of TCG BDC, Inc., dated August 6, 2019.

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 hereunto duly authorized.

TCG BDC, INC.
(Registrant)

Dated: August 6, 2019

By:

/s/ Thomas M. Hennigan

Name: Thomas M. Hennigan
Title: Chief Financial Officer

TCG | BDC

CARLYLE GLOBAL CREDIT

For Immediate Release
August 6, 2019

TCG BDC, Inc. Announces Second Quarter 2019 Financial Results and Declares Third Quarter 2019 Dividend of \$0.37 Per Share

New York - TCG BDC, Inc. (together with its consolidated subsidiaries, "we," "us," "our," "TCG BDC" or the "Company") (NASDAQ: CGBD) today announced its financial results for its second quarter ended June 30, 2019.

Selected Financial Highlights

(dollar amounts in thousands, except per share data)

	<u>June 30, 2019</u>		<u>March 31, 2019</u>		
Total investments, at fair value	\$	2,075,614	\$	2,155,209	
Total assets		2,172,756		2,214,279	
Total debt		1,095,563		1,107,064	
Total net assets	\$	1,026,592	\$	1,060,187	
Net assets per share	\$	17.06	\$	17.30	
		For the three month periods ended			
		<u>June 30, 2019</u>		<u>March 31, 2019</u>	
Total investment income	\$	56,867	\$	55,187	
Net investment income (loss)		27,971		27,562	
Net realized gain (loss) and net change in unrealized appreciation (depreciation) on investments		(18,214)		6,164	
Net increase (decrease) in net assets resulting from operations	\$	9,757	\$	33,726	
Basic and diluted per weighted-average common share:					
Net investment income (loss)	\$	0.46	\$	0.45	
Net realized gain (loss) and net change in unrealized appreciation (depreciation) on investments		(0.29)		0.10	
Net increase (decrease) in net assets resulting from operations	\$	0.16	\$	0.55	
Weighted-average shares of common stock outstanding—Basic and Diluted		60,596,402		61,772,774	
Regular dividends declared per common share	\$	0.37	\$	0.37	
Special dividends declared per common share	\$	0.08	\$	—	

Second Quarter 2019 Highlights

(dollar amounts in thousands, except per share data)

- Net investment income for the three month period ended June 30, 2019 was \$27,971, or \$0.46 per share, as compared to \$27,562, or \$0.45 per share, for the three month period ended March 31, 2019;
- Net realized gain (loss) and net change in unrealized appreciation (depreciation) on investments for the three month period ended June 30, 2019 was \$(18,214), or \$(0.29) per share, as compared to \$6,164, or \$0.10 per share, for the three month period ended March 31, 2019;
- Net increase in net assets resulting from operations for the three month period ended June 30, 2019 was \$9,757, or \$0.16 per share, as compared to \$33,726, or \$0.55 per share, for the three month period ended March 31, 2019;

- On June 17, 2019, our Board of Directors declared a special dividend of \$0.08 per share, which was paid on July 17, 2019 to stockholders of record as of June 28, 2019;
- During the three month period ended June 30, 2019, the Company repurchased and extinguished 1,089,559 shares for \$16,258; and
- On August 5, 2019, our Board of Directors declared a quarterly dividend of \$0.37 per share, which is payable on October 17, 2019 to stockholders of record as of September 30, 2019.

Portfolio and Investment Activity

(dollar amounts in thousands, except per share data, unless otherwise noted)

As of June 30, 2019, the fair value of our investments was approximately \$2,075,614, comprised of 135 investments in 106 portfolio companies/investment fund across 28 industries with 63 sponsors. This compares to the Company's portfolio as of March 31, 2019, as of which date the fair value of our investments was approximately \$2,155,209, comprised of 131 investments in 103 portfolio companies/investment fund across 29 industries with 59 sponsors.

As of June 30, 2019 and March 31, 2019, investments consisted of the following:

Type—% of Fair Value	June 30, 2019		March 31, 2019	
	Fair Value	% of Fair Value	Fair Value	% of Fair Value
First Lien Debt (excluding First Lien/Last Out)	\$ 1,442,698	69.51%	\$ 1,462,000	67.84%
First Lien/Last Out Unitranche	209,201	10.08	201,301	9.34
Second Lien Debt	203,187	9.79	228,851	10.62
Equity Investments	29,142	1.40	28,466	1.32
Investment Fund	191,386	9.22	234,591	10.88
Total	\$ 2,075,614	100.00%	\$ 2,155,209	100.00%

The following table shows our investment activity for the three month period ended June 30, 2019:

Principal amount of investments:	Funded		Sold/Repaid	
	Amount	% of Total	Amount	% of Total
First Lien Debt (excluding First Lien/Last Out)	\$ 153,525	66.36%	\$ (176,210)	57.70%
First Lien/Last Out Unitranche	15,711	6.79	(1,629)	0.53
Second Lien Debt	35,839	15.49	(62,059)	20.32
Equity Investments	587	0.25	(1,500)	0.49
Investment Fund	25,699	11.11	(64,000)	20.96
Total	\$ 231,361	100.00%	\$ (305,398)	100.00%

Overall, total investments at fair value decreased by (3.7)% or \$(79,595), during the three month period ended June 30, 2019 after factoring in repayments, sales, net fundings on revolvers and delayed draws and net change in unrealized appreciation (depreciation).

Total investments at fair value held by Middle Market Credit Fund, LLC ("Credit Fund"), which is not consolidated with the Company, increased by 5.6%, or \$69,906, during the three month period ended June 30, 2019 after factoring in repayments, sales, net fundings on revolvers and delayed draws and net change in unrealized appreciation (depreciation). As of June 30, 2019, Credit Fund had total investments at fair value of \$1,328,201, which comprised 98.4% of Credit Fund's first lien senior secured loans and 1.6% of second lien senior secured loans at fair value. As of June 30, 2019, approximately 1.6% of Credit Fund's debt investments bear interest at a fixed rate and approximately 98.4% of investments in the portfolio were floating rate debt investments, which primarily are subject to interest rate floors.

As of June 30, 2019, the weighted average yields for our first and second lien debt investments on an amortized cost basis were 8.74% and 10.90%, respectively, with a total weighted average yield of 8.97%. The weighted average yields for our new first and second lien debt investments for the quarter on an amortized cost basis was 8.83%. The weighted average yields for our first and second lien debt investments that repaid during the quarter on an amortized cost basis was 10.77%. Weighted average yields include the effect of accretion of discounts and amortization of premiums and are based on interest rates as of June 30,

2019. As of June 30, 2019, on a fair value basis, approximately 0.8% of our debt investments bear interest at a fixed rate and approximately 99.2% of our debt investments bear interest at a floating rate, which primarily are subject to interest rate floors.

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

Internal Risk Ratings Definitions

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

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

Our Investment Adviser monitors and, when appropriate, changes the investment ratings assigned to each debt investment in our portfolio. In connection with our quarterly valuation process, our Investment Adviser reviews our investment ratings on a regular basis. The following table summarizes the Internal Risk Ratings of our debt portfolio as of June 30, 2019 and March 31, 2019:

	June 30, 2019		March 31, 2019	
	Fair Value	% of Fair Value	Fair Value	% of Fair Value
(dollar amounts in millions)				
Internal Risk Rating 1	\$ 49.7	2.68%	\$ 70.8	3.74%
Internal Risk Rating 2	1,431.2	77.15	1,381.7	73.02
Internal Risk Rating 3	123.1	6.64	212.5	11.23
Internal Risk Rating 4	197.2	10.63	189.2	10.00
Internal Risk Rating 5	46.3	2.49	23.3	1.23
Internal Risk Rating 6	7.6	0.41	14.7	0.78
Total	\$ 1,855.1	100.00%	\$ 1,892.2	100.00%

As of June 30, 2019 and March 31, 2019, the weighted average Internal Risk Rating of our debt investment portfolio was 2.3.

Consolidated Results of Operations

(dollar amounts in thousands, except per share data)

Total investment income for the three month periods ended June 30, 2019 and March 31, 2019 was \$56,867 and \$55,187, respectively. This \$1,680 net increase was primarily due to an increase in income recognized from the acceleration of OID and prepayment fees from prepayments from our investment portfolio and an increase in interest income, during the three month period ended June 30, 2019.

Total expenses for the three month periods ended June 30, 2019 and March 31, 2019 were \$28,896 and \$27,625, respectively. This \$1,271 net increase during the three month period ended June 30, 2019 was primarily attributable to an increase in interest expense as a result of an increase in average outstanding borrowings.

During the three month period ended June 30, 2019, the Company recorded a net realized loss and change in unrealized depreciation of \$(18,214). This was primarily driven by changes in various inputs utilized under our valuation methodology, including, but not limited to, market spreads, leverage multiples and borrower ratings, and the impact of exits.

Liquidity and Capital Resources

(dollar amounts in thousands, except per share data)

As of June 30, 2019, the Company had cash and cash equivalents of \$62,324, notes payable (before debt issuance costs) of \$449,200, and secured borrowings outstanding of \$649,397. As of June 30, 2019, the Company had \$343,603 of remaining unfunded commitments and \$206,888 available for additional borrowings under its revolving credit facilities, subject to leverage and borrowing base restrictions.

Dividend

On June 17, 2019, our Board of Directors declared a special dividend of \$0.08 per share, which was paid on July 17, 2019 to stockholders of record as of June 28, 2019.

On August 5, 2019, our Board of Directors declared a quarterly dividend of \$0.37 per share, which is payable on October 17, 2019 to stockholders of record as of September 30, 2019.

Conference Call

The Company will host a conference call at 8:30 a.m. EDT on Wednesday, August 7, 2019 to discuss these quarterly financial results. The call and webcast will be available on the TCG BDC website at tcgbdc.com. The call may be accessed by dialing +1 (866) 394-4623 (U.S.) or +1 (409) 350-3158 (international) and referencing "TCG BDC Financial Results Call." The conference call will be webcast simultaneously via a link on TCG BDC's website and an archived replay of the webcast also will be available on the website soon after the live call for 21 days.

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

	June 30, 2019	March 31, 2019
	(unaudited)	(unaudited)
ASSETS		
Investments, at fair value		
Investments—non-controlled/non-affiliated, at fair value (amortized cost of \$1,912,346 and \$1,965,496, respectively)	\$ 1,840,979	\$ 1,899,537
Investments—non-controlled/affiliated, at fair value (amortized cost of \$14,270 and \$14,081, respectively)	20,925	21,081
Investments—controlled/affiliated, at fair value (amortized cost of \$225,701 and \$241,801, respectively)	213,710	234,591
Total investments, at fair value (amortized cost of \$2,152,317 and \$2,221,378, respectively)	2,075,614	2,155,209
Cash and cash equivalents	62,324	40,071
Receivable for investment sold	14,854	—
Deferred financing costs	4,869	4,069
Interest receivable from non-controlled/non-affiliated investments	8,289	7,658
Interest receivable from non-controlled/affiliated investments	11	8
Interest and dividend receivable from controlled/affiliated investments	6,652	7,256
Prepaid expenses and other assets	143	8
Total assets	\$ 2,172,756	\$ 2,214,279
LIABILITIES		
Secured borrowings	\$ 649,397	\$ 660,959
Notes payable, net of unamortized debt issuance costs of \$3,034 and \$3,095, respectively	446,166	446,105
Payable for investments purchased	—	—
Due to Investment Adviser	228	169
Interest and credit facility fees payable	7,563	7,994
Dividend payable	27,082	22,681
Base management and incentive fees payable	13,846	13,531
Administrative service fees payable	128	139
Other accrued expenses and liabilities	1,754	2,514
Total liabilities	1,146,164	1,154,092
NET ASSETS		
Common stock, \$0.01 par value; 200,000,000 shares authorized; 60,181,859 and 61,272,069 shares issued and outstanding at June 30, 2019 and March 31, 2019, respectively	602	613
Paid-in capital in excess of par value	1,144,000	1,160,258
Offering costs	(1,633)	(1,633)
Total distributable earnings (loss)	(116,377)	(99,051)
Total net assets	\$ 1,026,592	\$ 1,060,187
NET ASSETS PER SHARE	\$ 17.06	\$ 17.30

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

	For the three month periods ended	
	June 30, 2019	March 31, 2019
Investment income:		
From non-controlled/non-affiliated investments:		
Interest income	\$ 47,224	\$ 45,242
Other income	2,266	2,028
Total investment income from non-controlled/non-affiliated investments	49,490	47,270
From non-controlled/affiliated investments:		
Interest income	384	379
Total investment income from non-controlled/affiliated investments	384	379
From controlled/affiliated investments:		
Interest income	3,243	3,538
Dividend income	3,750	4,000
Total investment income from controlled/affiliated investments	6,993	7,538
Total investment income	56,867	55,187
Expenses:		
Base management fees	7,913	7,685
Incentive fees	5,933	5,846
Professional fees	600	745
Administrative service fees	165	216
Interest expense	13,032	11,991
Credit facility fees	671	568
Directors' fees and expenses	88	93
Other general and administrative	434	421
Total expenses	28,836	27,565
Net investment income (loss) before taxes	28,031	27,622
Excise tax expense	60	60
Net investment income (loss)	27,971	27,562
Net realized gain (loss) and net change in unrealized appreciation (depreciation) on investments:		
Net realized gain (loss) from:		
Non-controlled/non-affiliated investments	1,410	899
Controlled/affiliated investments	(9,091)	—
Net change in unrealized appreciation (depreciation):		
Non-controlled/non-affiliated	(14,204)	2,473
Non-controlled/affiliated	(345)	2,296
Controlled/affiliated	4,016	496
Net realized gain (loss) and net change in unrealized appreciation (depreciation) on investments	(18,214)	6,164
Net increase (decrease) in net assets resulting from operations	\$ 9,757	\$ 33,726
Basic and diluted earnings per common share	\$ 0.16	\$ 0.55
Weighted-average shares of common stock outstanding—Basic and Diluted	60,596,402	61,772,774

About TCG BDC, Inc.

TCG BDC is an externally managed specialty finance company focused on lending to middle-market companies. TCG BDC is managed by Carlyle Global Credit Investment Management L.L.C., an SEC-registered investment adviser and a wholly owned subsidiary of The Carlyle Group L.P. Since it commenced investment operations in May 2013 through June 30, 2019, TCG BDC has invested approximately \$5.1 billion in aggregate principal amount of debt and equity investments prior to any subsequent exits or repayments. TCG BDC's investment objective is to generate current income and capital appreciation primarily through debt investments in U.S. middle market companies. TCG BDC has elected to be regulated as a business development company under the Investment Company Act of 1940, as amended.

Web: tcgbdc.com

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This press release may contain forward-looking statements that involve substantial risks and uncertainties. You can identify these statements by the use of forward-looking terminology such as “anticipates,” “believes,” “expects,” “intends,” “will,” “should,” “may,” “plans,” “continue,” “believes,” “seeks,” “estimates,” “would,” “could,” “targets,” “projects,” “outlook,” “potential,” “predicts” and variations of these words and similar expressions to identify forward-looking statements, although not all forward-looking statements include these words. You should read statements that contain these words carefully because they discuss our plans, strategies, prospects and expectations concerning our business, operating results, financial condition and other similar matters. We believe that it is important to communicate our future expectations to our investors. There may be events in the future, however, that we are not able to predict accurately or control. You should not place undue reliance on these forward-looking statements, which speak only as of the date on which we make it. Factors or events that could cause our actual results to differ, possibly materially from our expectations, include, but are not limited to, the risks, uncertainties and other factors we identify in the sections entitled “Risk Factors” and “Cautionary Statement Regarding Forward-Looking Statements” in filings we make with the Securities and Exchange Commission, and it is not possible for us to predict or identify all of them. We undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

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TCG | BDC
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Quarterly Earnings Presentation

Quarter Ended June 30, 2019

THE CARLYLE GROUP

GLOBAL ALTERNATIVE ASSET MANAGEMENT

Disclaimer and Forward-Looking Statement

This presentation (the "Presentation") has been prepared by TCG BDC, Inc. (together with its consolidated subsidiaries, "we," "us," "our," "TCG BDC" or the "Company" (NASDAQ: CGBD) and may only be used for informational purposes only. This Presentation should be viewed in conjunction with the earnings conference call of the Company held on August 7, 2019 and the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2019. The information contained herein may be used, reproduced, referenced, quoted, linked by website, or distributed to others, in whole or in part, except as agreed in writing by the Company.

This Presentation does not constitute a prospectus and should under no circumstances be understood as an offer to sell or the solicitation of an offer to buy our common stock or any other securities nor will there be any sale of the common stock or any other securities in any state or jurisdiction in which such offer, solicitation or sale would be unlawful prior to the registration or qualification under the securities laws of such state or jurisdiction.

This Presentation provides limited information regarding the Company and is not intended to be taken by, and should not be taken by, any individual recipient as investment advice, a recommendation to buy, hold or sell, or an offer to sell or a solicitation of offers to purchase, our common stock or any other securities that are issued by the Company, or as legal, accounting or tax advice. An investment in securities of the type described herein presents certain risks.

This Presentation may contain forward-looking statements that involve substantial risks and uncertainties. You can identify these statements by the use of forward-looking terminology such as "anticipates," "believes," "expects," "intends," "will," "should," "may," "plans," "continue," "believes," "seeks," "estimates," "would," "could," "targets," "projects," "outlook," "potential," "predicts" and variations of these words and similar expressions to identify forward-looking statements, although not all forward-looking statements include these words. You should read statements that contain these words carefully because they discuss our plans, strategies, prospects and expectations concerning our business, operating results, financial condition and other similar matters. We believe that it is important to communicate our future expectations to our investors. There may be events in the future, however, that we are not able to predict accurately or control. You should not place undue reliance on these forward-looking statements, which speak only as of the date on which we make them. Factors or events that could cause our actual results to differ, possibly materially from our expectations, include, but are not limited to, the risks, uncertainties and other factors we identify in the sections entitled "Risk Factors" and "Cautionary Statement Regarding Forward-Looking Statements" in filings we make with the Securities and Exchange Commission (the "SEC"), and it is not possible to predict or identify all of them. We undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, events or otherwise, except as required by law.

Information throughout the Presentation provided by sources other than the Company (including information relating to portfolio companies) has not been independently verified and, accordingly, the Company makes no representation or warranty in respect of this information.

The following slides contain summaries of certain financial and statistical information about the Company. The information contained in this Presentation is summarized information that is intended to be considered in the context of our SEC filings and other public announcements that we may make, by press release or otherwise, from time to time. We undertake no duty or obligation to publicly update or revise the information contained in this Presentation.

TCG BDC is managed by Carlyle Global Credit Investment Management L.L.C. (the "Investment Adviser"), an SEC-registered investment adviser and a wholly owned subsidiary of The Carlyle Group L.P. (together with its affiliates, "Carlyle").

This Presentation contains information about the Company and certain of its affiliates and includes the Company's historical performance. You should not view information related to the past performance of the Company as indicative of the Company's future results, the achievement of which is dependent on many factors, many of which are beyond the control of the Company and the Investment Adviser and cannot be assured. There can be no assurances that future dividends will be paid or exceed historical rates or will be paid at all. Further, an investment in the Company is discrete from, and does not represent an interest in, any other Carlyle entity. Nothing contained herein shall be relied upon as a promise or representation whether as to the past or future performance of the Company or any other Carlyle entity.

Summary of Quarterly Results

Quarter Ended June 30, 2019

- TCG BDC
 - The investment portfolio decreased to \$2.08 billion at fair value as of June 30, 2019, as compared to \$2.16 billion at fair value as of March 31, 2019
 - New investment fundings¹ for the quarter ended June 30, 2019 were \$231 million and sales and repayments totaled \$305 million
 - Net investment income for the quarter ended June 30, 2019 was \$0.46 per share, as compared to \$0.45 per share for the quarter ended March 31, 2019²
 - The Company paid a second quarter regular dividend of \$0.37 per share and a special dividend of \$0.08, resulting in a LTM dividend yield of 10.3% based on ending net asset value
 - Net asset value per share was \$17.06 as of June 30, 2019, as compared to \$17.30 per share as of March 31, 2019
- Middle Market Credit Fund, LLC (“Credit Fund”)
 - The investment portfolio of our joint venture, Credit Fund, increased to \$1.33 billion at fair value as of June 30, 2019, as compared to \$1.26 billion at fair value as of March 31, 2019
 - For the quarter ended June 30, 2019, Credit Fund’s new investment fundings¹ were \$121 million and sales and repayments totaled \$43 million
 - Credit Fund produced a 12.7% annualized dividend yield³ to the Company for the quarter ended June 30, 2019
- On June 14, 2019, TCG BDC increased the maximum principal amount of the Company’s senior secured revolving credit facility from \$513 million to \$593 million
- During the quarter ended June 30, 2019, the Company repurchased 1,089,559 shares of the Company’s common stock pursuant to the Company’s \$100 million stock repurchase program at an average cost of \$14.91 per share, or \$16.3 million in the aggregate, resulting in accretion to net assets per share of \$0.04

(1) At par/principal and excluding net change in unfunded commitments. Origination activity and resulting capital deployment is dependent on the Investment Adviser’s ability to identify investment opportunities. There can be no guarantee that appropriate opportunities will be identified and if they are, that the Company or Credit Fund, as the case may be, will be selected to originate any or all such opportunities. (2) Net investment income per share is based on the weighted average shares outstanding during the respective period. There can be no assurance that we will continue to earn income or pay dividends at this rate and our income and our dividends may decline. (3) The annualized Credit Fund yield is calculated by dividing the dividend income from Credit Fund by the weighted average of the Company’s principal investment in the subordinated loans of Credit Fund over the quarter and annualizing over 4 periods.

Portfolio Highlights – New Originations – TCG BDC and Credit Fund

(Dollar amounts in thousands and based on par/principal)

	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019
TCG BDC Originations and Net Investment Activity					
Investment Fundings	\$ 283,685	\$ 231,337	\$ 328,112	\$ 249,713	\$ 231,337
Unfunded Commitments, Net Change	41,614	20,473	(28,104)	(6,772)	20,473
Sales and Repayments	(232,520)	(143,594)	(343,420)	(69,866)	(30,417)
Net Investment Activity	\$ 92,779	\$ 108,216	\$ (43,412)	\$ 173,075	\$ (49,011)

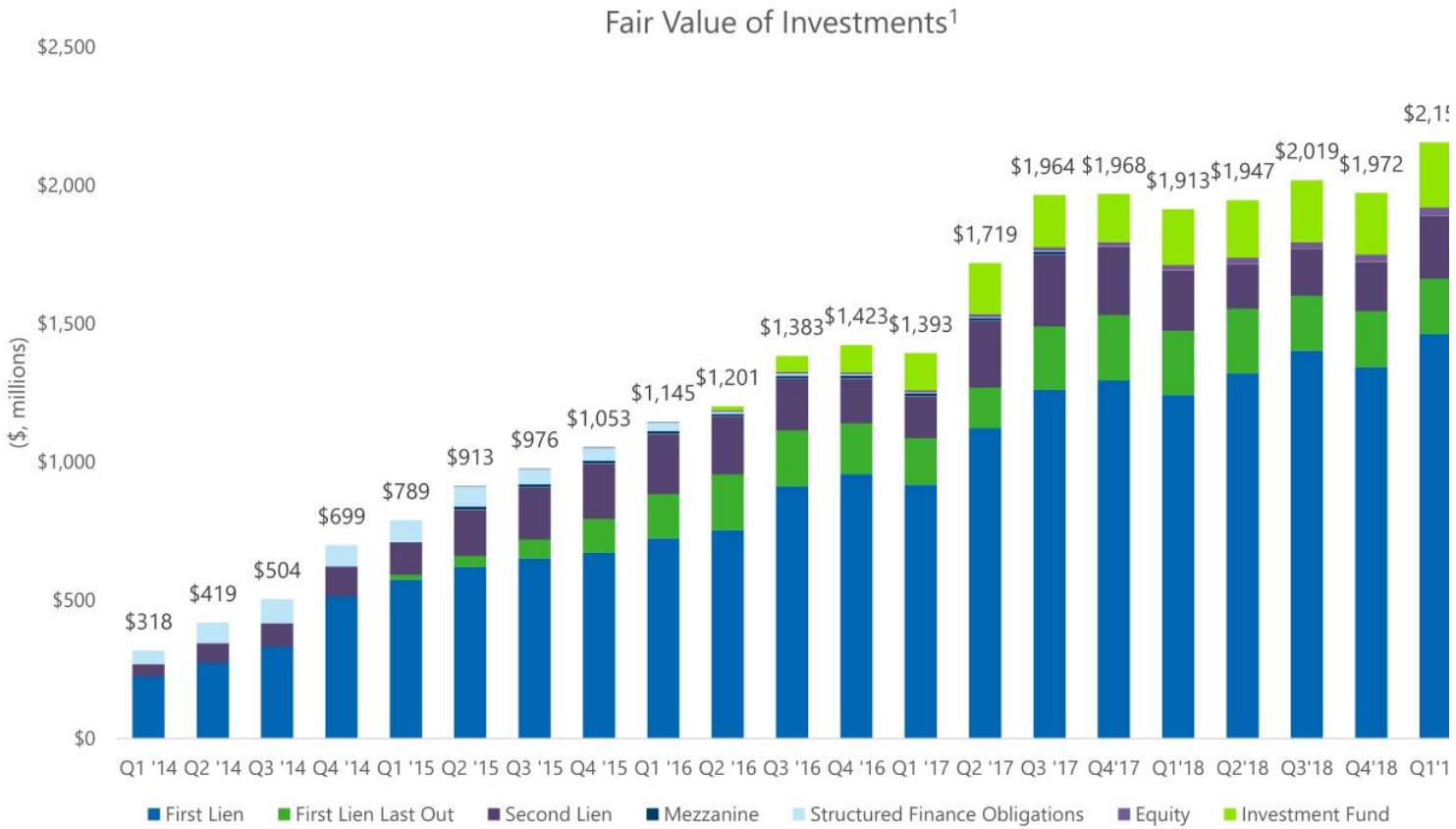
TCG BDC Total Investment Portfolio at Fair Value ¹					
First Lien Debt	67.81%	69.46%	68.12%	67.84%	67.84%
First Lien, Last-out Unitranche Debt	12.09%	9.87%	10.29%	9.34%	10.29%
Second Lien Debt	8.27%	8.45%	9.07%	10.62%	10.62%
Equity Investments	1.15%	1.15%	1.25%	1.32%	1.32%
Investment Fund / Credit Fund	10.68%	11.07%	11.27%	10.88%	10.88%

Credit Fund ² Originations and Net Investment Activity					
Investment Fundings	\$ 121,324	\$ 111,236	\$ 122,735	\$ 137,478	\$ 121,324
Unfunded Commitments, Net Change	32,354	(20,733)	(11,771)	13,655	(11,771)
Sales and Repayments	(72,366)	(49,417)	(122,197)	(58,312)	(49,417)
Net Investment Activity	\$ 81,312	\$ 41,086	\$ (11,233)	\$ 92,821	\$ 11,196

Please refer to the Company's Form 10-Q for the quarter ended on June 30, 2019 ("Form 10-Q") for more information. No assurance is given that the Company will continue to achieve comparable results. (1) At quarter end. (2) Credit Fund is a Delaware limited liability company that is not consolidated with the Company. The Company and Credit Partners USA LLC each has 50% economic ownership of Credit Fund and has commitments to fund, from time to time, capital of up to \$400 million each. Funding of such commitments generally requires the approval of the board of Credit Fund, including the board members appointed by the Company.

Investment Portfolio Overview – TCG BDC

Total Fair Value of Investments of TCG BDC at June 30, 2019 of \$2,076 million



Note: At quarter end. (1) Fair value of investments is subject to change. Past performance is no guarantee of future results. Fair value is determined in good faith by or under the direction of the Company's board of directors pursuant to the Company's valuation policy. Refer to Note 2 (Significant Accounting Policies) and Note 3 (Fair Value Measurements) to the consolidated financial statements in Part I, Item 1 of the Company's Form 10-Q for details on fair value measurements.

Investment Portfolio Overview – TCG BDC and Credit Fund

Combined Fair Value of Investments of TCG BDC and Credit Fund at June 30, 2019 of \$3,212 million¹

Fair Value of Investments¹



Note: At quarter end. Fair value of investments is subject to change. Past performance is no guarantee of future results. Fair value is determined in good faith by or under the direction of the Company's board of directors pursuant to the Company's valuation policy. Refer to Note 2 (Significant Accounting Policies), Note 3 (Fair Value Measurements), and Note 5 (Middle Market Credit Fund, LLC) to the consolidated financial statements in Part 1, Item 1 of the Company's Form 10-Q for details on fair value measurements.
 (1) Combined fair value of investments of TCG BDC and Credit Fund is not a U.S. generally accepted accounting principles ("GAAP") financial measure. The Company believes that presenting this non-GAAP financial measure is useful because it illustrates our increased deal flow and portfolio size as a result of our strategic joint venture with Credit Fund. Although this non-GAAP financial measure is intended to enhance investors' understanding of our business and performance, it should not be considered an alternative to GAAP and it may not be comparable to similar non-GAAP measures used by other companies. The combined fair value of investments of TCG BDC and Credit Fund is the sum of the fair value of investments of TCG BDC (\$2.1 billion) and Credit Fund (\$1.3 billion), excluding the fair value of TCG BDC's investments in Credit Fund (\$191 million).

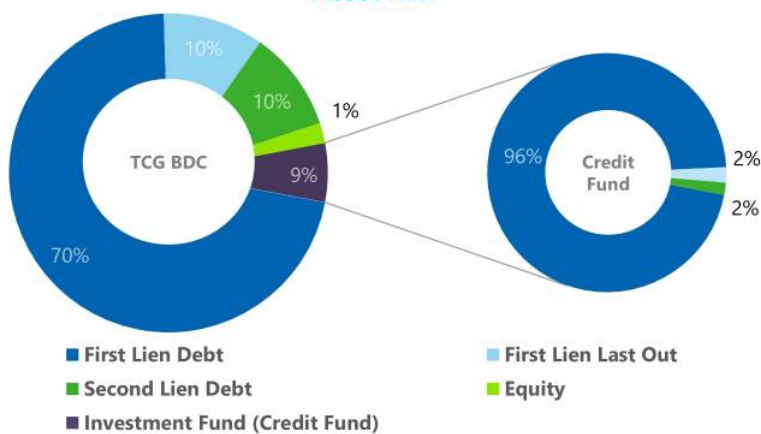
Portfolio Summary – TCG BDC and Credit Fund

As of June 30, 2019

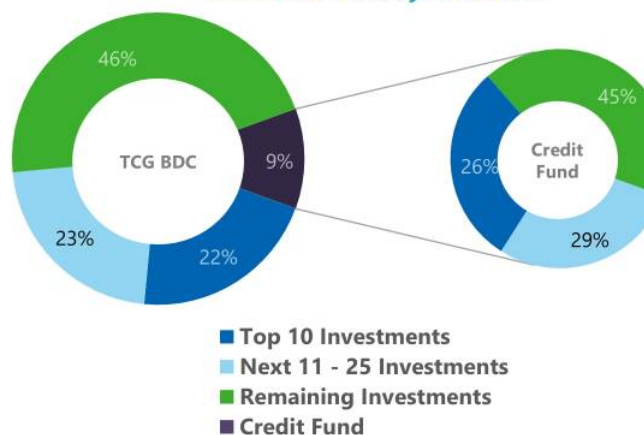
Portfolio Characteristics

	TCG BDC	Credit Fund
Total Investments and Commitments (\$mm)	\$2,251	\$1,417
Unfunded Commitments ¹ (\$mm)	\$175	\$89
Investments at Fair Value (\$mm)	\$2,076	\$1,328
Yield of Debt Investments ² (%)	8.97%	7.04%
Yield of Total Portfolio ^{2,3} (%)	9.16%	7.04%
Number of Investments	135	73
Number of Portfolio Companies	106	67
Floating / Fixed ⁴ (%)	99% / 1%	98% / 2%

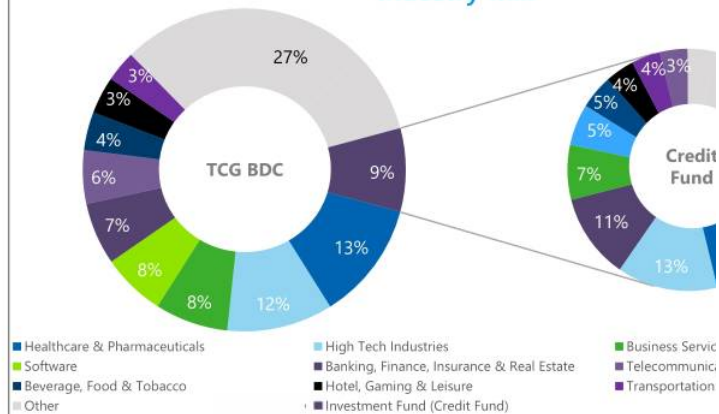
Asset Mix



Diversification by Borrower



Industry Mix



(1) Excludes the Company's commitments to fund capital to Credit Fund. (2) Weighted average yields at cost of the debt investments include the effect of accretion of discounts and amortization of premiums and are based on interest rates as of period end. Actual yields earned over the life of each investment could differ materially from the yields presented above. Weighted average yields for TCG BDC do not include TCG BDC's investment in Credit Fund. (3) Weighted average yields at cost of the total portfolio includes yield of debt investments, equity investments and TCG BDC's investment in Credit Fund. Actual yields earned over the life of each investment could differ materially from the yields presented above. (4) % of fair value of First and second lien debt.

Credit Quality of Investments – TCG BDC

- As of June 30, 2019, 4 borrowers were on non-accrual status, representing 2.0% of total investments at fair value and 4.5% at amo cost
- Approximately 97% of investments in our debt investment portfolio continue to have an Internal Risk Rating of 1 through 4 as of J 30, 2019

Portfolio Risk Ratings

(Dollar amounts in millions)

Internal Risk Rating	June 30, 2019		March 31, 2019		December 31, 2018	
	Fair Value	% of Fair Value	Fair Value	% of Fair Value	Fair Value	% of Fair Val
1	\$ 49.7	2.68%	\$ 70.8	3.74%	\$ 71.0	4.12%
2	1,431.2	77.15%	1,381.7	73.02%	1,302.9	75.52%
3	123.1	6.64%	212.5	11.23%	208.4	12.08%
4	197.2	10.63%	189.2	10.00%	105.1	6.09%
5	46.3	2.49%	23.3	1.23%	23.5	1.36%
6	7.6	0.41%	14.7	0.78%	14.3	0.83%
Total	\$ 1,855.1	100.00%	\$ 1,892.2	100.00%	\$ 1,725.2	100.00%

Rating Definition

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

Financial Performance Summary – TCG BDC

(Dollar amounts in thousands, except per share data)

	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019
Net Investment Income Per Share	\$ 0.45	\$ 0.41	\$ 0.47	\$ 0.45	\$ 0.45
Net Realized & Unrealized Appreciation (Depreciation) Per Share	(0.24)	(0.31)	(0.49)	0.09	0.09
Net Income Per Share	0.21	0.10	(0.02)	0.54	0.54
Dividends Paid Per Share	0.37	0.37	0.57	0.37	0.37
Impact of Share Repurchases Per Share	-	-	0.02	0.04	0.04
Net Asset Value Per Share	\$ 17.93	\$ 17.66	\$ 17.09	\$ 17.30	\$ 17.30

Weighted Average Shares Outstanding for the Period (in thousands)	62,569	62,569	62,496	61,773	61,773
Shares Outstanding at End of Period (in thousands)	62,569	62,569	62,230	61,272	61,272

Total Fair Value of Investments	\$ 1,946,792	\$ 2,018,998	\$ 1,972,157	\$ 2,155,209	\$ 2,155,209
Number of Portfolio Companies	89	94	96	103	103
Average Size of Investment in Portfolio Company (Notional) ¹	\$ 22,488	\$ 22,225	\$ 21,602	\$ 21,880	\$ 21,880
Weighted Average all-in Yield on Investments at Amortized Cost ²	9.16%	9.25%	9.54%	9.51%	9.51%
Weighted Average all-in Yield on Investments at Fair Value ²	9.31%	9.48%	9.94%	9.85%	9.85%

Net Assets	\$ 1,121,812	\$ 1,104,742	\$ 1,063,218	\$ 1,060,187	\$ 1,060,187
Debt	\$ 856,259	\$ 1,000,207	\$ 960,678	\$ 1,107,064	\$ 1,107,064
Debt To Equity at Quarter End	0.76x	0.91x	0.90x	1.04x	1.04x

Note: The net asset value per share and dividends declared per share are based on the shares outstanding at each respective quarter-end. Net investment income per share and net change in realized and unrealized appreciation (depreciation) per share are based on the weighted average number of shares outstanding for the period.
 (1) For equity investments with no stated par amount, includes total funded amount. (2) Weighted average yields include the effect of accretion of discounts and amortization of premiums and are based on interest rates as of each respective period end. Actual yields earned over the life of each investment could differ materially from the yields presented above.

Quarterly Statements of Financial Condition – TCG BDC

(Dollar amounts in thousands, except per share data)

	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019
Assets					
Investments at Fair Value (Non-Controlled/Non-Affiliated)	\$ 1,722,393	\$ 1,781,621	\$ 1,731,319	\$ 1,899,537	\$ 1,899,537
Investments at Fair Value (Non-Controlled/Affiliated)	16,394	13,973	18,543	21,081	21,081
Investments at Fair Value (Controlled/Affiliated)	208,005	223,404	222,295	234,591	234,591
Total Investments at Fair Value	1,946,792	2,018,998	1,972,157	2,155,209	2,155,209
Cash & Cash Equivalents	27,928	112,911	87,186	40,071	40,071
Receivable From Investment Sold	40,077	—	8,060	—	—
Deferred Financing Costs	3,246	4,126	3,950	4,069	4,069
Interest Receivable Non-Controlled/Non-Affiliated/Affiliated Investments	6,158	4,905	5,856	7,666	7,666
Interest & Dividend Receivable From Controlled/Affiliated Investments	6,442	6,881	7,405	7,256	7,256
Prepaid Expenses & Other Assets	525	20	129	8	8
Total Assets	\$ 2,031,168	\$ 2,147,841	\$ 2,084,743	\$ 2,214,279	\$ 2,214,279
Liabilities					
Payable for Investment Purchased	\$ 8,780	\$ —	\$ 1,870	\$ —	\$ —
Secured Borrowings	585,105	554,299	514,635	660,959	660,959
Notes Payable, Net of Unamortized Debt Issuance Costs	271,154	445,908	446,043	446,105	446,105
Due to Investment Adviser	134	131	236	169	169
Interest & Credit Facility Fees Payable	6,166	4,478	7,500	7,994	7,994
Dividend Payable	23,151	23,150	35,497	22,681	22,681
Base Management & Incentive Fees Payable	13,252	12,992	13,834	13,531	13,531
Administrative Service Fees Payable	113	116	94	139	139
Other Accrued Expenses & Liabilities	1,501	2,025	1,816	2,514	2,514
Total Liabilities	909,356	1,043,099	1,021,525	1,154,092	1,154,092
Net Assets	1,121,812	1,104,742	1,063,218	1,060,187	1,060,187
Total Liabilities & Net Assets	\$ 2,031,168	\$ 2,147,841	\$ 2,084,743	\$ 2,214,279	\$ 2,214,279
Net Asset Value Per Share	\$ 17.93	\$ 17.66	\$ 17.09	\$ 17.30	\$ 17.30

Please refer to the Company's Form 10-Q for more information.

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THE CARLYLE GROUP

Quarterly Operating Results – TCG BDC

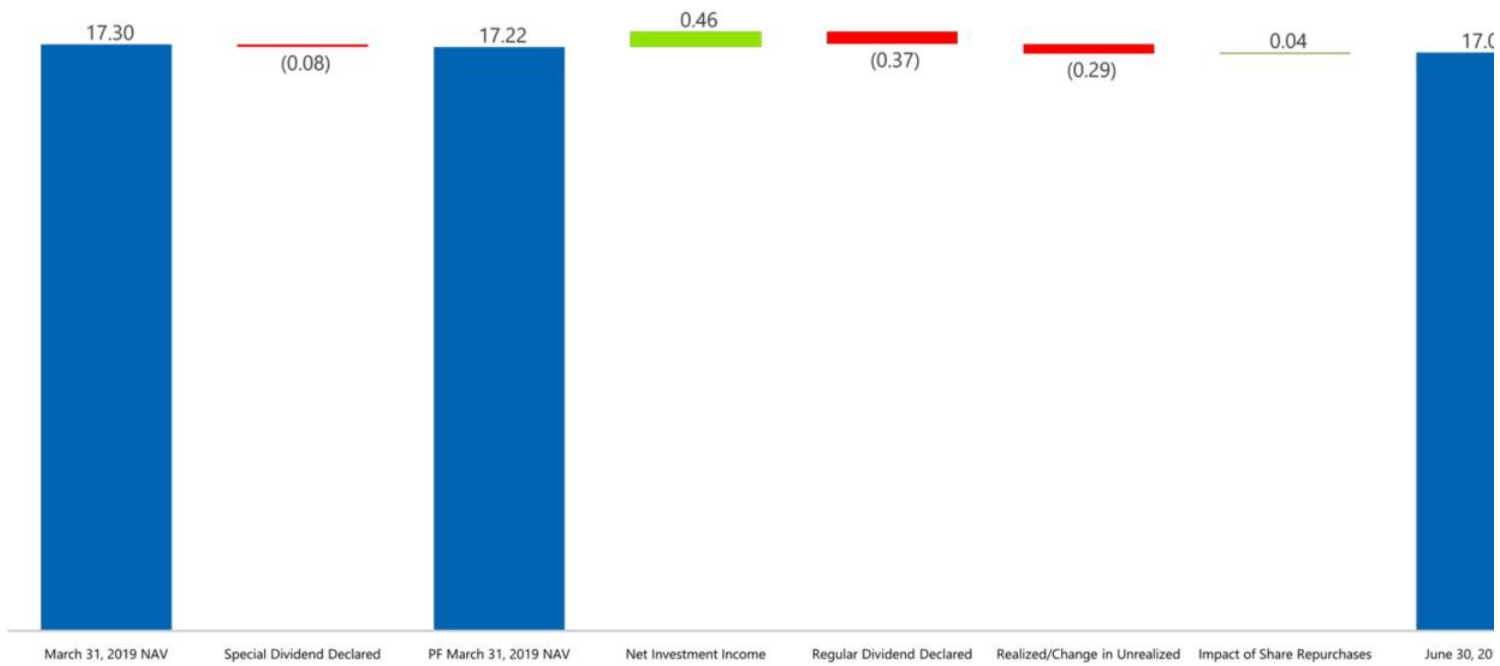
<i>(Dollar amounts in thousands)</i>	Q2 2018	Q3 2018	Q4 2018	Q1 2019
Interest Income	\$ 41,948	\$ 40,676	\$ 44,545	\$ 44,471
Payment-In-Kind Interest Income	216	1,478	1,332	1,150
Income From Credit Fund	6,698	7,201	7,710	7,538
Other Income	3,590	1,925	2,724	2,028
Total Investment Income	52,452	51,280	56,311	55,187
Management Fees ¹	7,266	7,543	7,595	7,685
Incentive Fees ²	5,984	5,449	6,239	5,846
Interest Expense & Credit Facility Fees	9,290	10,955	11,511	12,559
Other Expenses	1,672	1,618	1,395	1,475
Excise Tax Expense	30	30	160	60
Net Expenses	24,242	25,595	26,900	27,625
Net Investment Income	28,210	25,685	29,411	27,562
Net Realized and Change in Unrealized Gains & Losses	(15,104)	(19,605)	(30,571)	6,164
Net Income/Loss	\$ 13,106	\$ 6,080	\$ (1,160)	\$ 33,726

(1) Beginning October 1, 2017, the base management fee is calculated at an annual rate of 1.50% of the Company's gross assets, excluding cash and cash equivalents but including assets acquired through the use of leverage. In addition, on August 6, 2018, the Company's Board of Directors approved a one-third (0.50%) reduction in the 1.50% annual base management fee rate charged by the Investment Adviser on assets financed using leverage in excess of 1.0x debt to equity. Effective July 1, 2018, the reduced annual fee of 1.00% applies to the average value of the Company's gross assets as of the end of the two most recently completed calendar quarters that exceeds the product of (i) 200% and (ii) the average value of the Company's net asset value at the end of the two most recently completed calendar quarters. (2) Effective October 1, 2017, the Investment Adviser agreed to charge 17.5% instead of 20% with respect to the entire calculation of the incentive fee.

Note: There can be no assurance that we will continue to earn income at this rate and our income may decline. If our income declines, we may reduce the dividend we pay and the yield you earn may decline. Refer to the consolidated financial statements included in Part I, Item 1 of the Company's Form 10-Q for additional details.

Net Asset Value Per Share Bridge – TCG BDC

Quarter Ended June 30, 2019



Note: The net asset value per share and dividends declared per share are based on the shares outstanding at each respective quarter-end. Net investment income per share and net change in realized and unrealized appreciation (depreciation) per share are based on the weighted average number of shares outstanding for the period.

Senior Secured Credit Facilities & Unfunded Commitments

Terms & Conditions

	TCG BDC, Inc. ("Credit Facility") ¹	TCG BDC SPV LLC ("SPV Credit Facility") ¹	Carlyle Direct Lending CLO 2015-1R LLC Notes ("2015-1R Notes")
Size	\$593.0 million committed	\$400.0 million committed	\$449.2 million
Original Tenor / Maturity Date	5 years (4 year revolving); maturity date 6/14/2024	5 years (3 years revolving); maturity date 5/23/2023	10/15/2031
Pricing	LIBOR + 225 bps / 37.5 bps unused fee	LIBOR + 200 bps / 50-75 bps unused fee	465bps ²
	Middle Market Credit Fund SPV, LLC ("Credit Fund Sub Facility") ^{1,3}	MMCF CLO 2017-1 LLC Notes ("2017-1 Notes") ⁴	MMCF CLO 2019-2, LLC ("2019-2 Notes") ⁵
Size	\$640.0 million committed	\$282.0 million outstanding (\$352 million at closing)	\$352 million outstanding (\$352 million at closing)
Original Tenor / Maturity Date	6 years (3 years revolving); maturity date 5/22/2024	1/15/2028	4/15/2029
Pricing	LIBOR + 225 bps / 50-75 bps unused fee	463bps ²	485bps ²



Unfunded Commitments – TCG BDC

Par Value as of

(Dollar amounts in thousands)

	June 30, 2019	March 31, 2019
Unfunded Delayed Draw Commitments	\$ 105,692	\$ 85,000
Unfunded Revolving Commitments	69,442	64,000
Total Unfunded Commitments	\$ 175,134	\$ 150,000

(1) Size represents maximum principal amount of the facility and is subject to availability under the facility, which is based on certain advance rates multiplied by the value of certain portfolio investments of the Company or Credit Fund (subject to certain concentration limitations) and may be net of certain other indebtedness that the Company or Credit Fund may incur in accordance with the terms of the facility. Middle Market Credit Fund SPV, LLC (the "Credit Fund Sub"), a Delaware limited liability company, was formed on April 5, 2016. Credit Fund Sub is a wholly-owned subsidiary of Credit Fund and is consolidated in Credit Fund's consolidated financial statements commencing from the date of its formation. (2) Weighted average interest rate, including amortization of debt issuance costs on the 2015-1R Notes, 2017-1 Notes and 2019-2 Notes, respectively, for the quarter ended June 30, 2019. (3) Credit Fund closed on June 24, 2016 on a revolving credit facility, the Credit Fund Facility, from which Credit Fund may from time to time request mezzanine loans from the Company. The maximum principal amount of the Credit Fund Facility is \$175mm. (4) MMCF CLO 2017-1 LLC is a wholly-owned and consolidated subsidiary of Credit Fund. (5) MMCF CLO 2019-2 LLC is a wholly-owned and consolidated subsidiary of Credit Fund.

Liquidity and Investment Capacity – TCG BDC

- **Cash and Cash Equivalents**

- Cash and cash equivalents totaled \$62.3 million as of June 30, 2019

- **Credit Facilities - Availability**

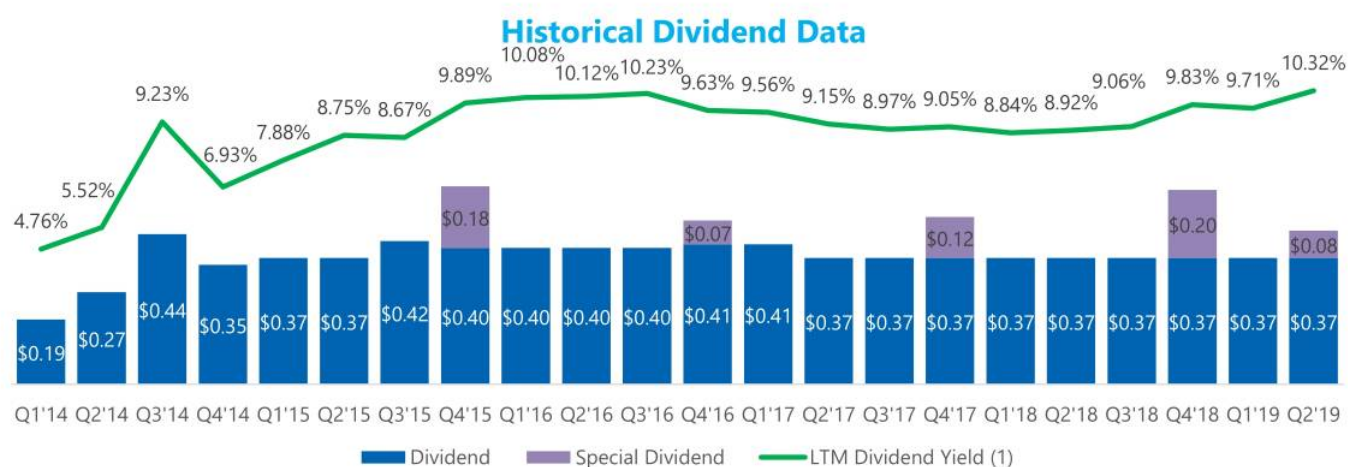
- Credit Facility – As of June 30, 2019, subject to leverage and borrowing base restrictions, we had approximately \$190.5 million of remaining unfunded commitments and approximately \$190.5 million of availability on this \$593.0 million revolving credit facility
- SPV Credit Facility – As of June 30, 2019, subject to leverage and borrowing base restrictions, we had approximately \$153.1 million of remaining unfunded commitments and approximately \$16 million of availability on this \$400.0 million revolving credit facility

Common Stock and Dividend Information – TCG BDC

Common Stock (NASDAQ: CGBD – Closing Prices)

Quarter Ended	High	Low	End of Period
June 30, 2019	\$15.51	\$14.60	\$15.24
March 31, 2019	\$15.21	\$12.81	\$14.48
December 31, 2018	\$16.81	\$12.40	\$12.40
September 30, 2018	\$17.97	\$16.70	\$16.70
June 30, 2018	\$18.34	\$17.02	\$17.02
March 31, 2018	\$18.62	\$17.03	\$17.90
December 31, 2017	\$20.04	\$17.04	\$20.04
September 30, 2017	\$18.89	\$18.00	\$18.82
June 30, 2017 (beginning June 14, 2017)	\$18.49	\$18.01	\$18.01

- On August 5, 2019, the Company's Board of Directors declared a quarterly dividend of \$0.37 per share, which is payable on October 17, 2019 to stockholders of record as of September 30, 2019



Note: Historical dividend data for dividends declared prior to the period shown are available on the Company's website at tcgbdc.com. No dividend was declared in 2013. There can be no assurance that the Company will continue to achieve comparable results.

(1) For dividends declared prior to the IPO (June 14, 2017), dividend yield is calculated by dividing the quarterly declared dividend by the weighted average of the net asset value at the beginning of the quarter and the capital called during the quarter and LTM dividend yield is calculated by adding the most recent four quarters' dividend yields. For dividends declared after the IPO, LTM dividend yield is calculated by dividing the declared dividends for the most recent four quarters by the ending net asset value. Q1'14-Q3'14 contain fewer than four quarters' dividend yields in the LTM dividend yield presented, which have been annualized.

