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New Mountain Finance Corp
Form 10-Q
May 04, 2016

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

FORM 10-Q

Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the Quarter Ended March 31, 2016

Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Commission File Number	Exact name of registrant as specified in its charter, address of principal executive offices, telephone numbers and states or other jurisdictions of incorporation or organization	I.R.S. Employer Identification Number
814-00832	New Mountain Finance Corporation 787 Seventh Avenue, 48th Floor New York, New York 10019 Telephone: (212) 720-0300 State of Incorporation: Delaware	27-2978010

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 and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):
Large accelerated filer Accelerated filer
Non-accelerated filer Smaller reporting company

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

Indicate the number of shares outstanding of each of the issuer's classes of common stock.

Description	Shares as of May 4, 2016
Common stock, par value \$0.01 per share	63,880,437

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

New Mountain Finance Corporation

Consolidated Statements of Assets and Liabilities

(in thousands, except shares and per share data)

(unaudited)

	March 31, 2016	December 31, 2015
Assets		
Investments at fair value		
Non-controlled/non-affiliated investments (cost of \$1,427,717 and \$1,438,415, respectively)	\$ 1,352,403	\$ 1,377,515
Non-controlled/affiliated investments (cost of \$91,282 and \$89,047, respectively)	88,371	87,287
Controlled investments (cost of \$42,082 and \$41,254, respectively)	49,429	47,422
Total investments at fair value (cost of \$1,561,081 and \$1,568,716, respectively)	1,490,203	1,512,224
Securities purchased under collateralized agreements to resell (cost of \$30,000 and \$30,000, respectively)	29,674	29,704
Cash and cash equivalents	32,683	30,102
Interest and dividend receivable	16,034	13,832
Receivable from affiliates	707	360
Other assets	2,965	1,924
Total assets	\$ 1,572,266	\$ 1,588,146
Liabilities		
Borrowings		
Holdings Credit Facility	\$ 397,513	\$ 419,313
SBA-guaranteed debentures	117,745	117,745
Convertible Notes	115,000	115,000
NMFC Credit Facility	96,500	90,000
Deferred financing costs (net of accumulated amortization of \$9,596 and \$8,822, respectively)	(13,264)	(13,992)
Net borrowings	713,494	728,066
Incentive fee payable	11,007	5,622
Management fee payable	10,983	5,466
Payable for unsettled securities purchased	7,549	5,441
Interest payable	2,946	2,343
Payable to affiliates	959	564
Deferred tax liability	952	1,676
Other liabilities	2,531	2,060
Total liabilities	750,421	751,238
Commitments and contingencies (See Note 9)		
Net assets		
Preferred stock, par value \$0.01 per share, 2,000,000 shares authorized, none issued	—	—
Common stock, par value \$0.01 per share, 100,000,000 shares authorized, 64,005,387 and 64,005,387 shares issued, respectively, and 63,880,437 and 64,005,387 shares outstanding, respectively	640	640
Paid in capital in excess of par	899,751	899,713
Treasury stock at cost, 124,950 and 0 shares held, respectively	(1,433)	—
Accumulated undistributed net investment income	4,012	4,164

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Accumulated undistributed net realized gains on investments	1,518	1,342
Net unrealized (depreciation) appreciation (net of provision for taxes of \$952 and \$1,676, respectively)	(82,643)	(68,951)
Total net assets	\$821,845	\$ 836,908
Total liabilities and net assets	\$1,572,266	\$ 1,588,146
Number of shares outstanding	63,880,437	64,005,387
Net asset value per share	\$12.87	\$ 13.08

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

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New Mountain Finance Corporation

Consolidated Statements of Operations
(in thousands, except shares and per share data)
(unaudited)

	Three Months Ended	
	March 31, 2016	March 31, 2015
Investment income		
From non-controlled/non-affiliated investments:		
Interest income	\$35,706	\$31,854
Dividend income	—	(99)
Other income	1,222	1,557
From non-controlled/affiliated investments:		
Interest income	1,582	1,043
Dividend income	920	858
Other income	313	314
From controlled investments:		
Interest income	502	450
Dividend income	719	548
Other income	12	11
Total investment income	40,976	36,536
Expenses		
Incentive fee	5,385	4,878
Capital gains incentive fee	—	481
Total incentive fees	5,385	5,359
Management fee	6,836	6,468
Interest and other financing expenses	6,602	5,477
Professional fees	877	739
Administrative expenses	839	635
Other general and administrative expenses	432	429
Total expenses	20,971	19,107
Less: management fee waived (See Note 5)	(1,319)	(1,382)
Less: expenses waived and reimbursed (See Note 5)	(284)	(400)
Net expenses	19,368	17,325
Net investment income before income taxes	21,608	19,211
Income tax expense	41	149
Net investment income	21,567	19,062
Net realized gains (losses):		
Non-controlled/non-affiliated investments	176	(133)
Net change in unrealized (depreciation) appreciation:		
Non-controlled/non-affiliated investments	(14,414)	(1,462)
Non-controlled/affiliated investments	(1,151)	(872)
Controlled investments	1,179	6,820
Securities purchased under collateralized agreements to resell	(30)	—
Benefit (provision) for taxes	724	(501)
Net realized and unrealized (losses) gains	(13,516)	3,852
Net increase in net assets resulting from operations	\$8,051	\$22,914
Basic earnings per share	\$0.13	\$0.40

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Weighted average shares of common stock outstanding - basic (See Note 11)	63,934,151	57,998,754
Diluted earnings per share	\$0.13	\$ 0.37
Weighted average shares of common stock outstanding - diluted (See Note 11)	71,211,285	5,217,837
Dividends declared and paid per share	\$0.34	\$ 0.34

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

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New Mountain Finance Corporation

Consolidated Statements of Changes in Net Assets
(in thousands, except shares and per share data)
(unaudited)

	Three Months Ended	
	March 31, 2016	March 31, 2015
Increase (decrease) in net assets resulting from operations:		
Net investment income	\$21,567	\$19,062
Net realized gains (losses) on investments	176	(133)
Net change in unrealized (depreciation) appreciation of investments	(14,386)	4,486
Net change in unrealized (depreciation) appreciation of securities purchased under collateralized agreements to resell	(30)	—
Benefit (provision) for taxes	724	(501)
Net increase in net assets resulting from operations	8,051	22,914
Capital transactions		
Deferred offering costs	38	—
Dividends declared to stockholders from net investment income	(21,719)	(19,719)
Reinvestment of dividends	—	1,134
Repurchase of shares under repurchase program	(1,433)	—
Total net decrease in net assets resulting from capital transactions	(23,114)	(18,585)
Net (decrease) increase in net assets	(15,063)	4,329
Net assets at the beginning of the period	836,908	802,170
Net assets at the end of the period	\$821,845	\$806,499
Capital share activity		
Shares issued from reinvestment of dividends	—	77,715
Shares repurchased under repurchase program	(124,950)	—
Net (decrease) increase in shares outstanding	(124,950)	77,715

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

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New Mountain Finance Corporation

Consolidated Statements of Cash Flows

(in thousands)

(unaudited)

	Three Months Ended	
	March 31, 2016	March 31, 2015
Cash flows from operating activities		
Net increase in net assets resulting from operations	\$8,051	\$22,914
Adjustments to reconcile net (increase) decrease in net assets resulting from operations to net cash (used in) provided by operating activities:		
Net realized (gains) losses on investments	(176)	133
Net change in unrealized depreciation (appreciation) of investments	14,386	(4,486)
Net change in unrealized depreciation (appreciation) of securities purchased under collateralized agreements to resell	30	—
Amortization of purchase discount	(769)	(596)
Amortization of deferred financing costs	774	672
Non-cash investment income	(1,664)	(1,178)
(Increase) decrease in operating assets:		
Purchase of investments and delayed draw facilities	(27,591)	(67,236)
Proceeds from sales and paydowns of investments	40,188	93,280
Cash received for purchase of undrawn portion of revolving credit or delayed draw facilities	10	—
Cash paid on drawn revolvers	(3,806)	(190)
Cash repayments on drawn revolvers	1,443	190
Interest and dividend receivable	(2,202)	(2,745)
Receivable from affiliates	(347)	(141)
Receivable from unsettled securities sold	—	8,912
Other assets	(770)	(560)
Increase (decrease) in operating liabilities:		
Incentive fee payable	5,385	75
Management fee payable	5,517	(58)
Payable for unsettled securities purchased	2,108	(26,460)
Interest payable	603	1,355
Payable to affiliates	395	(581)
Deferred tax liability	(724)	501
Capital gains incentive fee payable	—	481
Other liabilities	283	(11)
Net cash flows provided by operating activities	41,124	24,271
Cash flows from financing activities		
Dividends paid	(21,719)	(18,585)
Offering costs paid	(53)	(20)
Proceeds from Holdings Credit Facility	17,500	49,100
Repayment of Holdings Credit Facility	(39,300)	(74,600)
Proceeds from NMFC Credit Facility	10,500	51,300
Repayment of NMFC Credit Facility	(4,000)	(32,500)
Deferred financing costs paid	(38)	(259)
Repurchase of shares under repurchase program	(1,433)	—

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Net cash flows used in financing activities	(38,543)	(25,564)
Net increase (decrease) in cash and cash equivalents	2,581	(1,293)
Cash and cash equivalents at the beginning of the period	30,102	23,445
Cash and cash equivalents at the end of the period	\$32,683	\$22,152
Supplemental disclosure of cash flow information		
Cash interest paid	\$5,031	\$3,308
Income taxes paid	2	3
Non-cash operating activities:		
Non-cash activity on investments	\$—	\$41,275
Non-cash financing activities:		
Value of shares issued in connection with dividend reinvestment plan	\$—	\$1,134
Accrual for offering costs	817	496
Accrual for deferred financing costs	90	126

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

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New Mountain Finance Corporation

Consolidated Schedule of Investments

March 31, 2016

(in thousands, except shares)

(unaudited)

Portfolio Company, Location and Industry (1)	Type of Investment	Interest Rate(10)	Maturity / Expiration Date	Principal Amount, Par Value or Shares	Cost	Fair Value	Percent of Net Assets
Non-Controlled/Non-Affiliated Investments							
Funded Debt Investments - Australia							
Project Sunshine IV Pty Ltd**							
Media	First lien (2)	8.00% (L + 7.00%/M)	9/23/2019	\$ 8,944	\$8,907	\$8,475	1.03 %
Total Funded Debt Investments - Australia				\$ 8,944	\$8,907	\$8,475	1.03 %
Funded Debt Investments - Luxembourg							
Pinnacle Holdco S.à.r.l. / Pinnacle (US) Acquisition Co Limited**							
Software	Second lien (2)	10.50% (L + 9.25%/Q)	7/30/2020	\$ 24,630	\$24,345	\$17,855	
	Second lien (3)	10.50% (L + 9.25%/Q)	7/30/2020	8,204	8,326	5,949	
Total Funded Debt Investments - Luxembourg				\$ 32,834	\$ 32,671	\$ 23,804	2.90 %
Total Funded Debt Investments - Luxembourg				\$ 32,834	\$32,671	\$23,804	2.90 %
Funded Debt Investments - Netherlands							
Eiger Acquisition B.V. (Eiger Co-Borrower, LLC)**							
Software	Second lien (3)	10.13% (L + 9.13%/Q)	2/17/2023	\$ 10,000	\$9,318	\$9,050	1.10 %
Total Funded Debt Investments - Netherlands				\$ 10,000	\$9,318	\$9,050	1.10 %
Funded Debt Investments - United Kingdom							
Air Newco LLC**							
Software	Second lien (3)	10.50% (L + 9.50%/Q)	1/31/2023	\$ 32,500	\$31,755	\$30,063	3.66 %
Total Funded Debt Investments - United Kingdom				\$ 32,500	\$31,755	\$30,063	3.66 %
Funded Debt Investments - United States							
TIBCO Software Inc.							

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Software	First lien (2)	6.50% (L + 5.50%/M)	12/4/2020	\$ 29,700	\$28,491	\$27,138	
	Subordinated (3)	11.38%/S	12/1/2021	15,000	14,623	13,200	
				44,700	43,114	40,338	4.91 %
Deltek, Inc.							
Software	Second lien (3)	9.50% (L + 8.50%/Q)	6/26/2023	21,000	20,977	20,370	
	Second lien (2)	9.50% (L + 8.50%/Q)	6/26/2023	20,000	19,624	19,400	
				41,000	40,601	39,770	4.84 %
AssuredPartners, Inc.							
Business Services	Second lien (2)	10.00% (L + 9.00%/M)	10/20/2023	20,000	19,229	19,200	
	Second lien (3)	10.00% (L + 9.00%/M)	10/20/2023	20,000	19,229	19,200	
				40,000	38,458	38,400	4.67 %
Kronos Incorporated							
Software	Second lien (2)	9.75% (L + 8.50%/Q)	4/30/2020	32,632	32,444	32,560	
	Second lien (3)	9.75% (L + 8.50%/Q)	4/30/2020	4,998	4,961	4,988	
				37,630	37,405	37,548	4.57 %
Hill International, Inc.							
Business Services	First lien (2)	7.75% (L + 6.75%/Q)	9/28/2020	36,962	36,673	36,685	4.46 %
Engility Corporation (fka TASC, Inc.)							
Federal Services	First lien (2)	7.00% (L + 6.00%/Q)	5/22/2020	28,236	27,940	28,118	
	Second lien (3)	12.00%/Q	5/21/2021	5,000	4,775	4,775	
	Second lien (3)	12.00%/Q	5/21/2021	2,000	1,965	1,910	
				35,236	34,680	34,803	4.24 %

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

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New Mountain Finance Corporation

Consolidated Schedule of Investments (Continued)

March 31, 2016

(in thousands, except shares)

(unaudited)

Portfolio Company, Location and Industry (1)	Type of Investment	Interest Rate(10)	Maturity / Expiration Date	Principal Amount, Par Value or Shares	Cost	Fair Value	Percent of Net Assets
Physio-Control International, Inc.							
Healthcare Products	Second lien (2)	10.00% (L + 9.00%/Q)	6/5/2023	\$ 30,000	\$29,444	\$ 30,000	
	Second lien (3)	10.00% (L + 9.00%/Q)	6/5/2023	4,000	3,706	4,000	
				34,000	33,150	34,000	4.14 %
ProQuest LLC							
Business Services	Second lien (3)	10.00% (L + 9.00%/M)	12/15/2022	35,000	34,320	33,950	4.13 %
Ascend Learning, LLC							
Education	Second lien (3)	9.50% (L + 8.50%/Q)	11/30/2020	34,727	34,362	32,644	3.97 %
Navex Global, Inc.							
Software	First lien (4)	5.75% (L + 4.75%/Q)	11/19/2021	4,598	4,559	4,460	
	First lien (2)	5.75% (L + 4.75%/Q)	11/19/2021	2,603	2,582	2,525	
	Second lien (4)	9.75% (L + 8.75%/Q)	11/18/2022	17,879	17,688	16,359	
	Second lien (3)	9.75% (L + 8.75%/Q)	11/18/2022	10,121	10,004	9,261	
				35,201	34,833	32,605	3.97 %
CRGT Inc.							
Federal Services	First lien (2)	7.50% (L + 6.50%/Q)	12/19/2020	32,835	32,616	32,547	3.96 %
Valet Waste Holdings, Inc.							
Business Services	First lien (2)	8.00% (L + 7.00%/Q)	9/24/2021	29,850	29,503	29,477	
	First lien (3)(11) - Drawn	8.00% (L + 7.00%/Q)	9/24/2021	1,500	1,481	1,481	
				31,350	30,984	30,958	3.77 %
Rocket Software, Inc.							
Software	Second lien (2)	10.25% (L + 8.75%/Q)	2/8/2019	30,875	30,787	30,746	3.74 %
PetVet Care Centers LLC							
Consumer Services	Second lien (3)		6/17/2021	24,000	23,797	23,679	

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		10.25% (L + 9.25%/Q)						
	Second lien (3)	10.50% (L + 9.50%/Q)	6/17/2021	6,500	6,436	6,477		
				30,500	30,233	30,156	3.67 %	
Pittsburgh Glass Works, LLC (24)								
Manufacturing	First lien (2)	10.11% (L + 9.11%/M)	11/25/2021	30,000	29,857	30,000	3.65 %	
Integro Parent Inc.								
Business Services	First lien (2)	6.75% (L + 5.75%/Q)	10/31/2022	18,694	18,337	18,040		
	First lien (2)	6.75% (L + 5.75%/Q)	10/31/2022	1,259	1,235	1,215		
	Second lien (3)	10.25% (L + 9.25%/Q)	10/30/2023	10,000	9,903	9,550		
				29,953	29,475	28,805	3.50 %	
CompassLearning, Inc. (15)								
Education	First lien (2)	8.00% (L + 6.75%/Q)	11/26/2018	30,000	29,567	27,721	3.37 %	
McGraw-Hill Global Education Holdings, LLC								
Education	First lien (2)(9)	9.75%/S	4/1/2021	24,500	24,382	26,705	3.25 %	
Ryan, LLC								
Business Services	First lien (2)	6.75% (L + 5.75%/M)	8/7/2020	26,950	26,590	26,243	3.19 %	
KeyPoint Government Solutions, Inc.								
Federal Services	First lien (2)	7.75% (L + 6.50%/Q)	11/13/2017	25,010	24,807	24,885	3.03 %	
AAC Holding Corp.								
Education	First lien (2)	8.25% (L + 7.25%/M)	9/30/2020	24,811	24,470	24,438	2.97 %	
DigiCert Holdings, Inc.								
Software	First lien (2)	6.00% (L + 5.00%/Q)	10/21/2021	24,937	24,234	24,314	2.96 %	

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

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New Mountain Finance Corporation

Consolidated Schedule of Investments (Continued)

March 31, 2016

(in thousands, except shares)

(unaudited)

Portfolio Company, Location and Industry (1)	Type of Investment	Interest Rate(10)	Maturity / Expiration Date	Principal Amount, Par Value or Shares	Cost	Fair Value	Percent of Net Assets
Confie Seguros Holding II Co.							
Consumer Services	Second lien (2)	10.25% (L + 9.00%/M)	5/8/2019	\$ 18,886	\$ 18,790	\$ 17,328	
	Second lien (3)	10.25% (L + 9.00%/M)	5/8/2019	5,571	5,648	5,111	
				24,457	24,438	22,439	2.73 %
Severin Acquisition, LLC							
Software	Second lien (4)	9.75% (L + 8.75%/Q)	7/29/2022	15,000	14,861	14,850	
	Second lien (4)	9.75% (L + 8.75%/Q)	7/29/2022	4,154	4,114	4,112	
	Second lien (4)	10.25% (L + 9.25%/Q)	7/29/2022	3,273	3,241	3,313	
				22,427	22,216	22,275	2.71 %
EN Engineering, LLC							
Business Services	First lien (2)	7.00% (L + 6.00%/Q)	6/30/2021	21,268	21,075	21,055	
	First lien (2)(11) - Drawn	8.50% (P + 5.00%/Q)	6/30/2021	1,220	1,208	1,208	
				22,488	22,283	22,263	2.71 %
Pelican Products, Inc.							
Business Products	Second lien (3)	9.25% (L + 8.25%/Q)	4/9/2021	15,500	15,516	13,098	
	Second lien (2)	9.25% (L + 8.25%/Q)	4/9/2021	10,000	10,113	8,450	
				25,500	25,629	21,548	2.62 %
VetCor Professional Practices LLC							
Consumer Services	First lien (4)	7.00% (L + 6.00%/Q)	4/20/2021	19,453	19,282	19,259	
	First lien (4)(11) - Drawn	7.00% (L + 6.00%/Q)	4/20/2021	2,271	2,249	2,248	
				21,724	21,531	21,507	2.62 %
McGraw-Hill School Education Holdings, LLC							
Education	First lien (2)	6.25% (L + 5.00%/M)	12/18/2019	21,505	21,362	21,452	2.61 %

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IT'SUGAR LLC							
Retail	First lien (4)	10.50% (L + 9.50%/Q)	10/23/2019	20,947	20,207	20,133	2.45 %
Weston Solutions, Inc.							
Business Services	Subordinated (4)	16.00%/Q	7/3/2019	20,000	20,000	20,111	2.45 %
TWDiamondback Holdings Corp. (18):							
Diamondback Drugs of Delaware, L.L.C. (TWDiamondback II Holdings LLC)							
Distribution & Logistics	First lien (4)	9.75% (L + 8.75%/Q)	11/19/2019	19,895	19,895	19,729	2.40 %
Aricent Technologies							
Business Services	Second lien (2)	9.50% (L + 8.50%/Q)	4/14/2022	20,000	19,884	17,350	
	Second lien (3)	9.50% (L + 8.50%/Q)	4/14/2022	2,550	2,558	2,212	
				22,550	22,442	19,562	2.38 %
TW-NHME Holdings Corp. (23)							
National HME, Inc.							
Healthcare Services	Second lien (4)	10.25% (L + 9.25%/Q)	7/14/2022	19,000	18,777	18,762	2.28 %
DCA Investment Holding, LLC							
Healthcare Services	First lien (2)	6.25% (L + 5.25%/Q)	7/2/2021	17,766	17,607	17,588	
	First lien (3)(11) - Drawn	7.75% (P + 4.25%/Q)	7/2/2021	581	575	575	
				18,347	18,182	18,163	2.21 %
First American Payment Systems, L.P.							
Business Services	Second lien (2)	10.75% (L + 9.50%/M)	4/12/2019	18,643	18,438	17,990	2.19 %

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Portfolio Company, Location and Industry (1)	Type of Investment	Interest Rate(10)	Maturity / Expiration Date	Principal Amount, Par Value or Shares	Cost	Fair Value	Percent of Net Assets
iPipeline, Inc. (Internet Pipeline, Inc.) Software	First lien (4)	8.25% (L + 7.25%/Q)	8/4/2022	\$ 17,910	\$ 17,744	\$ 17,731	2.16 %
YP Holdings LLC / Print Media Holdings LLC (12) YP LLC / Print Media LLC Media	First lien (2)	8.00% (L + 6.75%/M)	6/4/2018	18,320	18,195	17,129	2.08 %
AgKnowledge Holdings Company, Inc. Business Services	Second lien (2)	9.25% (L + 8.25%/M)	7/23/2020	18,500	18,358	17,112	2.08 %
Sierra Hamilton LLC / Sierra Hamilton Finance, Inc. Energy	First lien (2) First lien (3)	12.25%/S 12.25%/S	12/15/2018 12/15/2018	25,000 2,660 27,660	25,000 2,103 27,103	15,000 1,596 16,596	2.02 %
Transtar Holding Company Distribution & Logistics	Second lien (2) Second lien (3)	10.00% (L + 8.75%/Q) 10.00% (L + 8.75%/Q)	10/9/2019 10/9/2019	28,300 9,564 37,864	27,992 2,774 30,766	11,745 3,969 15,714	1.91 %
MailSouth, Inc. (d/b/a Mspark) Media	First lien (2) First lien (3)(11) - Drawn	6.75% (L + 5.00%/Q) 7.25% (P + 3.75%/M)	12/14/2016 12/14/2016	14,998 127 15,125	14,803 115 14,918	14,998 127 15,125	1.84 %
SW Holdings, LLC Business Services	Second lien (4)	9.75% (L + 8.75%/Q)	12/30/2021	13,500	13,377	13,365	1.63 %

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Vision Solutions, Inc. Software	Second lien (2)	9.50% (L + 8.00%/M)	7/23/2017	14,000	13,981	12,950	1.58 %
Poseidon Intermediate, LLC Software	Second lien (2)	9.50% (L + 8.50%/Q)	8/15/2023	13,000	12,815	12,805	1.56 %
American Tire Distributors, Inc. Distribution & Logistics	Subordinated (3)	10.25%/S	3/1/2022	13,000	12,804	11,765	1.43 %
Smile Brands Group Inc. Healthcare Services	First lien (2)	9.00% (L + 6.25% + 1.50% PIK/Q)*	8/16/2019	12,224	12,117	10,146	1.23 %
PowerPlan Holdings, Inc. Software	Second lien (2)	10.75% (L + 9.75%/M)	2/23/2023	10,000	9,909	9,900	1.20 %
QC McKissock Investment, LLC (17) McKissock, LLC Education	First lien (2)	7.50% (L + 6.50%/Q)	8/5/2019	4,863	4,829	4,812	
	First lien (2)	7.50% (L + 6.50%/Q)	8/5/2019	3,140	3,118	3,107	
	First lien (2)	8.15% (Base + 6.07%/Q)	8/5/2019	1,013	1,005	1,003	
				9,016	8,952	8,922	1.09 %
Harley Marine Services, Inc. Distribution & Logistics	Second lien (2)	10.50% (L + 9.25%/Q)	12/20/2019	9,000	8,876	8,865	1.08 %
TTM Technologies, Inc.** Business Products	First lien (2)	6.00% (L + 5.00%/Q)	5/31/2021	9,175	8,798	8,738	1.06 %
Permian Tank & Manufacturing, Inc. Energy	First lien (2)	10.50%/S	1/15/2018	24,357	24,478	8,647	1.05 %

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Greenway Health, LLC (fka Vitera Healthcare Solutions, LLC)								
Software	First lien (2)	6.00% (L + 5.00%/Q)	11/4/2020	\$ 1,955	\$ 1,941	\$ 1,789		
	Second lien (2)	9.25% (L + 8.25%/Q)	11/4/2021	7,000	6,919	5,775		
				8,955	8,860	7,564	0.92	%
Novitex Acquisition, LLC (fka ARSloane Acquisition, LLC)								
Business Services	First lien (2)	7.50% (L + 6.25%/Q)	7/7/2020	7,196	7,022	6,548	0.80	%
Sotera Defense Solutions, Inc. (Global Defense Technology & Systems, Inc.)								
Federal Services	First lien (2)	9.00% (L + 7.50%/M)	4/21/2017	6,833	6,808	6,321	0.77	%
Brock Holdings III, Inc.								
Industrial Services	Second lien (2)	10.00% (L + 8.25%/Q)	3/16/2018	7,000	6,958	5,058	0.62	%
Solera LLC / Solera Finance, Inc.								
Software	Subordinated (3)	10.50%/S	3/1/2024	5,000	4,753	5,038	0.61	%
Packaging Coordinators, Inc. (13)								
Healthcare Products	Second lien (3)	9.00% (L + 8.00%/Q)	8/1/2022	5,000	4,957	5,000	0.61	%
Immucor, Inc.								
Healthcare Services	Subordinated (2)(9)	11.13%/S	8/15/2019	5,000	4,965	4,625	0.56	%
Synarc-Biocore Holdings, LLC								
Healthcare Services	Second lien (3)	9.25% (L + 8.25%/Q)	3/10/2022	2,500	2,480	2,212	0.27	%

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Ensemble S Merger Sub, Inc.									
Software	Subordinated (3)	9.00%/S	9/30/2023	2,000	1,934	1,967	0.24	%	
York Risk Services Holding Corp.									
Business Services	Subordinated (3)	8.50%/S	10/1/2022	3,000	3,000	1,931	0.23	%	
Education Management Corporation (22)									
Education Management II LLC									
Education	First lien (2)	5.50% (L + 4.50%/Q)	7/2/2020	250	239	74			
	First lien (3)	5.50% (L + 4.50%/Q)	7/2/2020	141	135	42			
	First lien (2)	8.50% (L + 1.00% + 6.50% PIK/Q)*	7/2/2020	444	385	37			
	First lien (3)	8.50% (L + 1.00% + 6.50% PIK/Q)*	7/2/2020	251	217	21			
				1,086	976	174	0.02	%	
ATI Acquisition Company (fka Ability Acquisition, Inc.) (14)									
Education	First lien (2)	17.25% (P + 10.00% + 4.00% PIK/Q) (8)*	6/30/2012 - Past Due	1,665	1,434	—			
	First lien (2)	17.25% (P + 10.00% + 4.00% PIK/Q) (8)*	6/30/2012 - Past Due	103	94	—			
				1,768	1,528	—	—	%	
Total Funded Debt Investments - United States				\$1,311,649	\$1,288,430	\$1,216,143	147.97	%	
Total Funded Debt Investments Equity - United Kingdom				\$1,395,927	\$1,371,081	\$1,287,535	156.66	%	
Packaging Coordinators, Inc. (13)									
PCI Pharma Holdings UK Limited**									
Healthcare Products	Ordinary shares (2)	—	—	19,427	\$578	\$2,052	0.25	%	

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Total Shares - United Kingdom					\$ 578	\$ 2,052	0.25	%
Equity - United States Crowley Holdings Preferred, LLC								
		12.00%						
Distribution & Logistics	Preferred shares (3)(20)	(10.00% + 2.00% PIK/Q)*	—	52,318	\$ 51,778	\$ 52,998	6.45	%

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TWDiamondback Holdings Corp. (18)								
Distribution & Logistics	Preferred shares (4)	—	—	200	\$2,000	\$2,595	0.31	%
TW-NHME Holdings Corp. (23)								
Healthcare Services	Preferred shares (4)	—	—	100	1,000	1,000		
	Preferred shares (4)	—	—	16	158	158		
					1,158	1,158	0.14	%
Education Management Corporation (22)								
Education	Preferred shares (2)	—	—	3,331	200	12		
	Preferred shares (3)	—	—	1,879	113	6		
	Ordinary shares (2)	—	—	2,994,065	100	240		
	Ordinary shares (3)	—	—	1,688,976	56	135		
					469	393	0.05	%
Ancora Acquisition LLC (14)								
Education	Preferred shares (6)	—	—	372	83	393	0.05	%
Total Shares - United States					\$55,488	\$57,537	7.00	%
Total Shares					\$56,066	\$59,589	7.25	%
Warrants - United States								
YP Holdings LLC / Print Media Holdings LLC (12)								
YP Equity Investors, LLC								
Media	Warrants (5)	—	5/8/2022	5	\$—	\$3,998	0.49	%
IT'SUGAR LLC								
Retail	Warrants (3)	—	10/23/2025	94,672	817	817	0.10	%
ASP LCG Holdings, Inc.								
Education	Warrants (3)	—	5/5/2026	622	37	609	0.08	%

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Ancora Acquisition LLC									
(14)									
Education	Warrants (6)	—	8/12/2020	20	—	—	—	—	%
Total Warrants - United States					\$854	\$5,424	0.67		%
Total Funded Investments					\$1,428,001	\$1,352,548	164.58		%
Unfunded Debt Investments - United States									
MailSouth, Inc. (d/b/a Mspark)									
Media	First lien (3)(11) - Undrawn	—	12/14/2016	\$ 1,773	\$(168)) \$—	—		%
iPipeline, Inc. (Internet Pipeline, Inc.)									
Software	First lien (3)(11) - Undrawn	—	8/4/2021	1,000	(10)) (10)) —		%
DCA Investment Holdings, LLC									
Healthcare Services	First lien (3)(11) - Undrawn	—	7/2/2021	1,519	(15)) (15)) —		%
TWDiamondback Holdings Corp. (18)									
Diamondback Drugs of Delaware, L.L.C. (TWDiamondback II Holdings LLC)									
Distribution & Logistics	First lien (3)(11) - Undrawn	—	5/15/2016	2,158	—	(18))		
	First lien (4)(11) - Undrawn	—	5/15/2016	605	—	(5))		
EN Engineering, LLC				2,763	—	(23)) —		%
Business Services	First lien (2)(11) - Undrawn	—	12/30/2016	2,349	(12)) (23)) —		%

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VetCor Professional Practices LLC							
Consumer Services	First lien (3)(11) - Undrawn	—	4/20/2021	\$ 2,700	\$(27)	\$(27)	
	First lien (4)(11) - Undrawn	—	5/12/2017	425	(4)	(4)	
	First lien (4)(11) - Undrawn	—	3/30/2018	500	(10)	(5)	
				3,625	(41)	(36)	(0.01)%
Valet Waste Holdings, Inc.							
Business Services	First lien (3)(11) - Undrawn	—	9/24/2021	3,000	(38)	(38)	(0.01)%
Total Unfunded Debt Investments				\$ 16,029	\$(284)	\$(145)	(0.02)%
Total Non-Controlled/Non-Affiliated Investments					\$1,427,717	\$1,352,403	164.56 %
Non-Controlled/Affiliated Investments(25)							