

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

FORM 10-Q

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

For the quarterly period ended September 30, 2021
OR

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

For the transition period _____ to _____
Commission File No. 814-00995

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

Maryland
(State or other jurisdiction of incorporation or organization)

80-0789789
(I.R.S. Employer Identification Number)

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)

N/A
(Former name, former address and former fiscal year, if changed since last report)

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

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

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

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

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

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

The number of shares of the registrant's common stock, \$0.01 par value per share, outstanding at November 1, 2021 was 53,548,646.

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

	<u>September 30, 2021</u>	<u>December 31, 2020</u>
	<u>(unaudited)</u>	
ASSETS		
Investments, at fair value		
Investments—non-controlled/non-affiliated, at fair value (amortized cost of \$1,669,617 and \$1,574,182, respectively)	\$ 1,643,584	\$ 1,509,271
Investments—non-controlled/affiliated, at fair value (amortized cost of \$38,582 and \$37,571, respectively)	30,410	26,180
Investments—controlled/affiliated, at fair value (amortized cost of \$288,056 and \$311,213, respectively)	274,212	290,298
Total investments, at fair value (amortized cost of \$1,996,255 and \$1,922,966, respectively)	1,948,206	1,825,749
Cash, cash equivalents and restricted cash	46,164	68,419
Receivable for investment sold/repaid	23,235	4,313
Deferred financing costs	3,256	3,633
Interest receivable from non-controlled/non-affiliated investments	13,486	12,634
Interest receivable from non-controlled/affiliated investments	581	569
Interest and dividend receivable from controlled/affiliated investments	7,866	6,480
Prepaid expenses and other assets	1,376	816
Total assets	\$ 2,044,170	\$ 1,922,613
LIABILITIES		
Secured borrowings (Note 7)	\$ 425,545	\$ 347,949
2015-1R Notes payable, net of unamortized debt issuance costs of \$2,479 and \$2,664, respectively (Note 8)	446,721	446,536
Senior Notes, net of unamortized debt issuance costs of \$451 and \$562, respectively (Note 8)	189,549	189,438
Payable for investments purchased	68	809
Interest and credit facility fees payable (Notes 7 and 8)	3,045	2,439
Dividend payable (Note 10)	20,388	19,892
Base management and incentive fees payable (Note 4)	11,752	11,549
Administrative service fees payable (Note 4)	661	85
Other accrued expenses and liabilities	2,047	2,553
Total liabilities	1,099,776	1,021,250
Commitments and contingencies (Notes 9 and 12)		
EQUITY		
NET ASSETS		
Cumulative convertible preferred stock, \$0.01 par value; 2,000,000 and 2,000,000 shares issued and outstanding as of September 30, 2021 and December 31, 2020, respectively	50,000	50,000
Common stock, \$0.01 par value; 198,000,000 shares authorized; 53,714,444 and 55,320,309 shares issued and outstanding at September 30, 2021 and December 31, 2020, respectively	537	553
Paid-in capital in excess of par value	1,060,955	1,081,436
Offering costs	(1,633)	(1,633)
Total distributable earnings (loss)	(165,465)	(228,993)
Total net assets	\$ 944,394	\$ 901,363
NET ASSETS PER COMMON SHARE	<u>\$ 16.65</u>	<u>\$ 15.39</u>

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

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

	For the three month periods ended		For the nine month periods ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
Investment income:				
From non-controlled/non-affiliated investments:				
Interest income	\$ 35,387	\$ 34,789	\$ 99,804	\$ 112,290
Other income	750	2,110	4,618	8,001
Total investment income from non-controlled/non-affiliated investments	36,137	36,899	104,422	120,291
From non-controlled/affiliated investments:				
Interest income	47	—	130	—
Other income	2	—	8	—
Total investment income from non-controlled/affiliated investments	49	—	138	—
From controlled/affiliated investments:				
Interest income	46	135	157	3,563
Dividend income	7,523	5,750	22,539	14,750
Other income	7	—	10	—
Total investment income from controlled/affiliated investments	7,576	5,885	22,706	18,313
Total investment income	43,762	42,784	127,266	138,604
Expenses:				
Base management fees (Note 4)	7,233	7,134	21,024	21,585
Incentive fees (Note 4)	4,516	4,322	13,193	14,075
Professional fees	836	937	2,444	2,282
Administrative service fees (Note 4)	400	167	1,057	539
Interest expense (Notes 7 and 8)	7,519	7,291	21,549	28,913
Credit facility fees (Note 7)	435	728	1,459	2,106
Directors' fees and expenses	154	86	420	303
Other general and administrative	420	498	1,292	1,364
Total expenses	21,513	21,163	62,438	71,167
Net investment income (loss) before taxes	22,249	21,621	64,828	67,437
Excise tax expense	163	387	426	539
Net investment income (loss)	22,086	21,234	64,402	66,898
Net realized gain (loss) and net change in unrealized appreciation (depreciation):				
Net realized gain (loss) on investments:				
Non-controlled/non-affiliated investments	7,565	(209)	11,181	(49,690)
Non-controlled/affiliated investments	—	—	2	—
Currency gains (losses) on non-investment assets and liabilities	(9)	(11)	(147)	474
Net change in unrealized appreciation (depreciation) on investments:				
Non-controlled/non-affiliated investments	4,574	12,906	38,828	(40,054)
Non-controlled/affiliated investments	1,683	—	3,219	—
Controlled/affiliated investments	9,730	2,134	7,087	(8,213)
Net change in unrealized currency gains (losses) on non-investment assets and liabilities	1,991	(2,446)	1,820	(749)
Net realized and unrealized gain (loss) on investments and non-investment assets and liabilities	25,534	12,374	61,990	(98,232)
Net increase (decrease) in net assets resulting from operations	47,620	33,608	126,392	(31,334)
Preferred stock dividend	875	856	2,625	1,410
Net increase (decrease) in net assets resulting from operations attributable to Common Stockholders	\$ 46,745	\$ 32,752	\$ 123,767	\$ (32,744)
Basic and diluted earnings per common share (Note 10)				
Basic	\$ 0.87	\$ 0.58	\$ 2.27	\$ (0.58)
Diluted	\$ 0.80	\$ 0.55	\$ 2.11	\$ (0.58)
Weighted-average shares of common stock outstanding (Note 10)				
Basic	53,955,338	56,308,616	54,506,760	56,575,498
Diluted	59,230,725	61,571,773	59,782,147	56,575,498

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

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

	For the nine month periods ended	
	September 30, 2021	September 30, 2020
Net increase (decrease) in net assets resulting from operations:		
Net investment income (loss)	\$ 64,402	\$ 66,898
Net realized gain (loss)	11,036	(49,216)
Net change in unrealized appreciation (depreciation) on investments	49,134	(48,267)
Net change in unrealized currency gains (losses) on non-investment assets and liabilities	1,820	(749)
Net increase (decrease) in net assets resulting from operations	<u>126,392</u>	<u>(31,334)</u>
Capital transactions:		
Preferred stock issued	—	50,000
Repurchase of common stock	(20,497)	(16,003)
Dividends declared on preferred and common stock (Note 10)	(62,864)	(63,912)
Net increase (decrease) in net assets resulting from capital share transactions	<u>(83,361)</u>	<u>(29,915)</u>
Net increase (decrease) in net assets	<u>43,031</u>	<u>(61,249)</u>
Net Assets at beginning of period	<u>901,363</u>	<u>956,471</u>
Net Assets at end of period	<u>\$ 944,394</u>	<u>\$ 895,222</u>

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

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

	For the nine month periods ended	
	September 30, 2021	September 30, 2020
Cash flows from operating activities:		
Net increase (decrease) in net assets resulting from operations	\$ 126,392	\$ (31,334)
Adjustments to reconcile net increase (decrease) in net assets resulting from operations to net cash provided by (used in) operating activities:		
Amortization of deferred financing costs	759	939
Net accretion of discount on investments	(6,530)	(5,510)
Paid-in-kind interest	(6,958)	(3,878)
Net realized (gain) loss on investments	(11,183)	49,690
Net realized currency (gain) loss on non-investment assets and liabilities	147	(474)
Net change in unrealized (appreciation) depreciation on investments	(49,134)	48,267
Net change in unrealized currency (gains) losses on non-investment assets and liabilities	(1,820)	749
Cost of investments purchased and change in payable for investments purchased	(628,333)	(449,658)
Proceeds from sales and repayments of investments and change in receivable for investments sold/repaid	560,052	542,846
<i>Changes in operating assets:</i>		
Interest receivable	(864)	(3,329)
Dividend receivable	(1,386)	1,091
Prepaid expenses and other assets	(560)	(211)
<i>Changes in operating liabilities:</i>		
Interest and credit facility fees payable	606	(3,359)
Base management and incentive fees payable	203	(1,763)
Administrative service fees payable	576	8
Other accrued expenses and liabilities	(506)	1,173
Net cash provided by (used in) operating activities	<u>(18,539)</u>	<u>145,247</u>
Cash flows from financing activities:		
Proceeds from issuance of preferred stock	—	50,000
Repurchase of common stock	(20,497)	(16,003)
Borrowings on SPV Credit Facility and Credit Facility	337,031	293,792
Repayments of SPV Credit Facility and Credit Facility	(257,500)	(397,484)
Debt issuance costs paid	(382)	(373)
Dividends paid in cash	(62,368)	(74,842)
Net cash provided by (used in) financing activities	<u>(3,716)</u>	<u>(144,910)</u>
Net increase (decrease) in cash, cash equivalents and restricted cash	(22,255)	337
Cash, cash equivalents, and restricted cash, beginning of period	68,419	36,751
Cash, cash equivalents, and restricted cash, end of period	<u>\$ 46,164</u>	<u>\$ 37,088</u>
Supplemental disclosures:		
Interest paid during the period	\$ 21,750	\$ 31,708
Taxes, including excise tax, paid during the period	\$ 641	\$ 387
Dividends declared on preferred stock and common stock during the period	\$ 62,864	\$ 63,912

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

TCG BDC, INC.
CONSOLIDATED SCHEDULE OF INVESTMENTS
As of September 30, 2021
(dollar amounts in thousands)
(unaudited)

Investments—non-controlled/non-affiliated ⁽¹⁾	Footnotes	Industry	Reference Rate & Spread ⁽²⁾	Interest Rate ⁽²⁾	Acquisition Date	Maturity Date	Par/Principal Amount ^{**}	Amortized Cost ⁽⁴⁾	Fair Value ⁽⁵⁾	% of Net Assets	
First Lien Debt (63.6% of fair value)											
Advanced Web Technologies Holding Company	^*	(2)(3)(14)	Containers, Packaging & Glass	L + 5.75%	6.75%	12/17/2020	12/17/2026	\$ 5,945	\$ 5,784	\$ 6,037	0.64 %
Aimov, Inc.	^*	(2)(3)(14)	Containers, Packaging & Glass	L + 5.00%	6.00%	12/20/2019	12/19/2025	3,024	2,982	3,024	0.32
Allied Universal Holdco LLC	^	(2)(3)	Business Services	L + 4.25%	4.38%	2/17/2021	7/10/2026	499	501	499	0.05
Alpha Packaging Holdings, Inc.	^*	(2)(3)	Containers, Packaging & Glass	L + 6.00%	7.00%	6/26/2015	5/12/2022	2,697	2,697	2,697	0.29
Alpine SG, LLC	*	(2)(3)	High Tech Industries	L + 8.50%	9.50%	7/24/2020	11/16/2022	1,618	1,593	1,618	0.17
Alpine SG, LLC	*	(2)(3)	High Tech Industries	L + 6.50%	7.50%	11/2/2020	11/16/2022	13,796	13,555	13,756	1.46
American Physician Partners, LLC	^*	(2)(3)(14)	Healthcare & Pharmaceuticals	L + 6.75%, 1.50% PIK	9.25%	1/7/2019	12/21/2021	28,336	28,296	28,336	3.00
AMS Group HoldCo, LLC	^*	(2)(3)(14)	Transportation: Cargo	L + 6.00%	7.00%	9/29/2017	9/29/2023	19,229	19,063	19,229	2.04
Analogic Corporation	^*	(2)(3)(14)	Capital Equipment	L + 5.25%	6.25%	6/22/2018	6/22/2024	2,344	2,320	2,322	0.25
Applied Technical Services, LLC	^	(2)(3)(14)	Business Services	L + 5.75%	6.75%	12/29/2020	12/29/2026	392	381	392	0.04
Appriss Health, LLC	^	(2)(3)(14)	Healthcare & Pharmaceuticals	L + 7.25%	8.25%	5/6/2021	5/6/2027	44,444	43,549	43,722	4.64
Apptio, Inc.	^	(2)(3)(14)	Software	L + 7.25%	8.25%	1/10/2019	1/10/2025	6,132	6,037	6,188	0.66
Ascend Buyer, LLC	^	(2)(3)(14)	Containers, Packaging & Glass	L + 5.75%	6.50%	9/30/2021	9/30/2028	12,624	12,345	12,345	1.31
Associations, Inc.	^	(2)(3)(14)	Construction & Building	L + 4.00%, 2.50% PIK	7.50%	7/2/2021	7/2/2027	7,301	7,183	7,346	0.78
Aurora Lux FinCo S.Á.R.L. (Luxembourg)	^*	(2)(3)(7)	Software	L + 6.00%	7.00%	12/24/2019	12/24/2026	32,571	31,925	29,584	3.13
Avenu Holdings, LLC	*	(2)(3)	Sovereign & Public Finance	L + 5.25%	6.25%	9/28/2018	9/28/2024	13,580	13,473	13,580	1.44
Barnes & Noble, Inc.	^	(2)(3)(11)	Retail	L + 5.50%	6.50%	8/7/2019	8/7/2024	16,074	15,825	15,881	1.68
BlueCat Networks, Inc. (Canada)	*	(2)(3)(7)	High Tech Industries	L + 6.25%	7.25%	10/30/2020	10/30/2026	11,468	11,263	11,430	1.21
BMS Holdings III Corp.	^	(2)(3)(14)	Construction & Building	L + 5.50%	6.50%	9/30/2019	9/30/2026	—	(189)	(100)	(0.01)
Captive Resources Midco, LLC	^*	(2)(3)(14)	Banking, Finance, Insurance & Real Estate	L + 5.75%	6.75%	6/30/2015	5/31/2025	10,223	10,096	10,223	1.08
Central Security Group, Inc.	^*	(2)(3)	Consumer Services	L + 6.00%	7.00%	10/16/2020	10/16/2025	9,208	9,208	8,816	0.93
Chartis Holding, LLC	^*	(2)(3)(14)	Business Services	L + 5.50%	6.50%	5/1/2019	5/1/2025	695	684	695	0.07
Chemical Computing Group ULC (Canada)	^*	(2)(3)(7)(14)	Software	L + 4.50%	5.50%	8/30/2018	8/30/2024	467	467	465	0.05
Chudy Group, LLC	^	(2)(3)(14)	Healthcare & Pharmaceuticals	L + 5.75%	6.75%	6/30/2021	6/30/2027	828	814	823	0.09
CircusTrix Holdings, LLC	^*	(2)(3)	Hotel, Gaming & Leisure	L + 5.50%, 2.50% PIK	9.00%	2/2/2018	1/16/2024	10,485	10,460	9,037	0.96
CircusTrix Holdings, LLC	^	(2)(3)	Hotel, Gaming & Leisure	L + 5.50%, 2.50% PIK	9.00%	1/8/2021	7/16/2023	694	637	694	0.07
Cobblestone Intermediate Holdco LLC	^	(2)(3)	Consumer Services	L + 5.25%	6.25%	1/29/2020	1/29/2026	725	719	714	0.09
Comar Holding Company, LLC	^*	(2)(3)(14)	Containers, Packaging & Glass	L + 5.75%	6.75%	6/18/2018	6/18/2024	27,978	27,660	27,958	2.96

TCG BDC, INC.
CONSOLIDATED SCHEDULE OF INVESTMENTS (Continued)
As of September 30, 2021
(dollar amounts in thousands)
(unaudited)

Investments—non-controlled/non-affiliated ⁽¹⁾		Footnotes	Industry	Reference Rate & Spread ⁽²⁾	Interest Rate ⁽²⁾	Acquisition Date	Maturity Date	Par/Principal Amount ^{**}	Amortized Cost ⁽⁴⁾	Fair Value ⁽⁵⁾	% of Net Assets
Cority Software Inc. (Canada)	^*	(2)(3)(7)(14)	Software	L + 5.00%	6.00%	7/2/2019	7/2/2026	\$ 10,542	\$ 10,350	\$ 10,542	1.12 %
Cority Software Inc. (Canada)	^	(2)(3)(7)	Software	L + 7.00%	8.00%	9/3/2020	7/2/2026	1,883	1,835	1,912	0.20
DCA Investment Holding, LLC	^*	(2)(3)(14)	Healthcare & Pharmaceuticals	L + 6.25%	7.00%	3/11/2021	3/12/2027	10,390	10,220	10,387	1.10
Derm Growth Partners III, LLC	^	(2)(3)(8)	Healthcare & Pharmaceuticals	L + 6.25%	7.25%	5/31/2016	5/31/2022	55,936	52,257	34,856	3.69
DermaRite Industries, LLC	^*	(2)(3)(14)	Healthcare & Pharmaceuticals	L + 7.00%	8.00%	3/3/2017	3/3/2022	19,558	19,529	16,573	1.75
Designer Brands Inc.	^	(2)(3)(7)	Retail	L + 8.50%	9.75%	8/7/2020	8/7/2025	17,273	16,922	16,975	1.80
Diligent Corporation	^	(2)(3)(14)	Telecommunications	L + 6.25%	7.25%	8/4/2020	8/4/2025	605	588	620	0.07
DTI Holdco, Inc.	^	(2)(3)	High Tech Industries	L + 4.75%	5.75%	12/18/2018	9/30/2023	1,939	1,879	1,896	0.20
Dwyer Instruments, Inc	^*	(2)(3)(14)	Capital Equipment	L + 5.50%	6.25%	7/21/2021	7/21/2027	12,248	11,979	12,127	1.28
Ellkay, LLC	^	(2)(3)(14)	Healthcare & Pharmaceuticals	L + 5.75%	6.75%	9/14/2021	9/14/2027	14,285	13,967	13,964	1.48
Emergency Communications Network, LLC	^*	(2)(3)	Telecommunications	L + 2.625%, 5.125% PIK	8.75%	6/1/2017	6/1/2023	25,219	25,149	22,074	2.34
EPS Nass Parent, Inc.	^	(2)(3)(14)	Utilities: Electric	L + 5.75%	6.75%	4/19/2021	4/19/2028	855	836	846	0.09
Ethos Veterinary Health LLC	^	(2)(3)	Consumer Services	L + 4.75%	4.83%	5/17/2019	5/15/2026	2,593	2,574	2,593	0.27
EvolveIP, LLC	^*	(2)(3)(14)	Telecommunications	L + 5.75%	6.75%	11/26/2019	6/7/2023	5,393	5,381	5,393	0.57
Frontline Technologies Holdings, LLC	^*	(2)(3)	Software	L + 5.75%	6.75%	9/18/2017	9/18/2023	3,076	3,062	3,076	0.33
FWR Holding Corporation	^*	(2)(3)(14)	Beverage, Food & Tobacco	L + 5.50%, 0.25% PIK	6.75%	8/21/2017	8/21/2023	34,678	34,403	34,678	3.67
Greenhouse Software, Inc.	^	(2)(3)(14)	Software	L + 6.50%	7.50%	3/1/2021	3/1/2027	15,196	14,847	14,992	1.59
Heartland Home Services, Inc	^	(2)(3)(14)	Consumer Services	L + 6.00%	7.00%	12/15/2020	12/15/2026	546	397	591	0.06
Hercules Borrower LLC	^*	(2)(3)(14)	Environmental Industries	L + 6.50%	7.50%	12/14/2020	12/14/2026	18,499	18,023	18,912	2.00
Higginbotham Insurance Agency, Inc.	^	(2)(3)(14)	Banking, Finance, Insurance & Real Estate	L + 5.50%	6.25%	11/25/2020	11/25/2026	4,776	4,711	4,826	0.51
iCIMS, Inc.	^	(2)(3)	Software	L + 6.50%	7.50%	9/12/2018	9/12/2024	1,671	1,650	1,683	0.18
Individual FoodService Holdings, LLC	^	(2)(3)(14)	Wholesale	L + 6.25%	7.25%	2/21/2020	11/22/2025	6,206	6,079	6,251	0.66
Infront Luxembourg Finance S.À R.L. (Luxembourg)	^	(2)(3)(7)	Hotel, Gaming & Leisure	L + 9.00%	9.00%	5/28/2021	5/28/2027	€ 8,250	9,769	9,270	0.99
Integrity Marketing Acquisition, LLC	^	(2)(3)	Banking, Finance, Insurance & Real Estate	L + 5.50%	6.50%	1/15/2020	8/27/2025	4,933	4,878	4,953	0.52
K2 Insurance Services, LLC	^*	(2)(3)(14)	Banking, Finance, Insurance & Real Estate	L + 5.00%	6.00%	7/3/2019	7/1/2026	3,373	3,299	3,312	0.35
Kaseya, Inc.	^	(2)(3)(14)	High Tech Industries	L + 4.00%, 3.00% PIK	8.00%	5/3/2019	5/3/2025	18,426	18,152	18,059	1.91
Lifelong Learner Holdings, LLC	^	(2)(3)(14)	Business Services	L + 5.75%	6.75%	10/18/2019	10/18/2026	25,014	24,635	23,227	2.46
LinQuest Corporation	*	(2)(3)	Aerospace & Defense	L + 5.75%	6.50%	7/28/2021	7/28/2028	10,000	9,804	9,908	1.05
Liqui-Box Holdings, Inc.	^	(2)(3)(14)	Containers, Packaging & Glass	L + 4.50%	5.50%	6/3/2019	6/3/2024	2,507	2,490	2,282	0.24

TCG BDC, INC.
CONSOLIDATED SCHEDULE OF INVESTMENTS (Continued)
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Investments—non-controlled/non-affiliated ⁽¹⁾		Footnotes	Industry	Reference Rate & Spread ⁽²⁾	Interest Rate ⁽²⁾	Acquisition Date	Maturity Date	Par/Principal Amount ^{**}	Amortized Cost ⁽⁴⁾	Fair Value ⁽⁵⁾	% of Net Assets
LVF Holdings, Inc.	^*	(2)(3)(14)	Beverage, Food & Tobacco	L + 6.25%	7.25%	6/10/2021	6/10/2027	\$ 40,218	\$ 39,312	\$ 39,666	4.20 %
Mailgun Technologies, Inc.	^*	(2)(3)(14)	High Tech Industries	L + 5.00%	6.00%	3/26/2019	3/26/2025	3,231	3,171	3,231	0.34
Material Holdings, LLC	^*	(2)(3)(14)	Business Services	L + 5.75%	6.50%	8/19/2021	8/19/2027	14,770	14,421	14,417	1.53
Maverick Acquisition, Inc.	^*	(2)(3)(14)	Aerospace & Defense	L + 6.00%	7.00%	6/1/2021	6/1/2027	35,892	34,964	35,287	3.74
MMIT Holdings, LLC	^	(2)(3)(14)	High Tech Industries	L + 6.25%	7.25%	9/15/2021	9/15/2027	10,992	10,755	10,752	1.14
National Technical Systems, Inc.	^	(2)(3)(14)	Aerospace & Defense	L + 5.50%	6.50%	10/28/2020	6/12/2023	1,169	1,151	1,184	0.14
NES Global Talent Finance US, LLC (United Kingdom)	^	(2)(3)(7)	Energy: Oil & Gas	L + 5.50%	6.50%	5/9/2018	5/11/2023	9,713	9,649	9,389	0.99
NMI AcquisitionCo, Inc.	^*	(2)(3)(14)	High Tech Industries	L + 5.00%	6.00%	9/6/2017	9/6/2023	40,440	40,264	39,814	4.22
Performance Health Holdings, Inc.	*	(2)(3)	Healthcare & Pharmaceuticals	L + 6.00%	7.00%	7/12/2021	7/12/2027	7,200	7,060	7,099	0.75
PF Growth Partners, LLC	^*	(2)(3)	Hotel, Gaming & Leisure	L + 5.00%	6.00%	7/1/2019	7/11/2025	8,060	7,978	7,874	0.83
PPT Management Holdings, LLC	^	(2)(3)	Healthcare & Pharmaceuticals	L + 6.00%, 2.00% PIK	9.00%	12/15/2016	12/16/2022	28,285	28,235	24,569	2.60
PricewaterhouseCoopers Public Sector LLP	^	(2)(3)(14)	Aerospace & Defense	L + 3.25%	3.38%	5/1/2018	5/1/2023	—	(50)	(16)	0.01
Product Quest Manufacturing, LLC	^	(2)(3)(8)	Containers, Packaging & Glass	L + 6.75%	10.00%	9/21/2017	3/31/2021	840	840	423	0.04
Prophix Software Inc. (Canada)	^	(2)(3)(7)(14)	Software	L + 6.50%	7.50%	2/1/2021	2/1/2026	10,963	10,727	11,352	1.20
Quantic Electronics, LLC	^*	(2)(3)(14)	Aerospace & Defense	L + 6.25%	7.25%	11/19/2020	11/19/2026	14,661	14,356	14,463	1.53
Quantic Electronics, LLC	^*	(2)(3)(14)	Aerospace & Defense	L + 6.25%	7.25%	3/1/2021	3/1/2027	8,916	8,686	8,767	0.93
QW Holding Corporation	^*	(2)(3)	Environmental Industries	L + 6.25%	7.25%	8/31/2016	8/31/2024	42,783	42,583	41,962	4.45
Redwood Services Group, LLC	^*	(2)(3)(14)	High Tech Industries	L + 6.00%	7.00%	11/13/2018	6/6/2023	6,116	6,058	6,116	0.65
Redwood Services Group, LLC	*	(2)(3)	High Tech Industries	L + 8.50%	9.50%	8/14/2020	6/6/2023	3,448	3,383	3,448	0.37
Redwood Services Group, LLC	^*	(2)(3)	High Tech Industries	L + 7.25%	8.25%	10/19/2020	6/6/2023	17,486	17,240	17,486	1.85
Regency Entertainment, Inc.	^	(2)(3)	Media: Diversified & Production	L + 6.75%	7.75%	5/22/2020	10/22/2025	20,000	19,683	19,666	2.08
Reladyne, Inc.	*	(2)(3)	Wholesale	L + 5.00%	6.00%	8/21/2020	7/22/2024	10,049	10,006	9,902	1.05
Riveron Acquisition Holdings, Inc.	*	(2)(3)	Banking, Finance, Insurance & Real Estate	L + 5.75%	6.75%	5/22/2019	5/22/2025	11,430	11,282	11,430	1.21
RSC Acquisition, Inc.	^	(2)(3)(14)	Banking, Finance, Insurance & Real Estate	L + 5.50%	6.50%	11/1/2019	11/1/2026	6,037	5,939	6,037	0.64
Sapphire Convention, Inc.	^*	(2)(3)(14)	Telecommunications	L + 6.25%	7.25%	11/20/2018	11/20/2025	30,045	29,645	26,209	2.77
Smile Doctors, LLC	^*	(2)(3)(14)	Healthcare & Pharmaceuticals	L + 6.00%	7.00%	10/6/2017	10/6/2022	16,802	16,769	16,802	1.78
Southern Graphics, Inc.	^	(2)(3)(11)	Media: Advertising, Printing & Publishing	L + 6.50%	7.50%	10/30/2020	10/23/2023	9,959	9,806	9,690	1.03
SPay, Inc.	^*	(2)(3)(14)	Hotel, Gaming & Leisure	L + 2.30%, 6.95% PIK	10.25%	6/15/2018	6/17/2024	22,569	22,356	19,848	2.10
Speedstar Holding LLC	^*	(2)(3)(14)	Automotive	L + 7.00%	8.00%	1/22/2021	1/22/2027	27,294	26,731	27,679	2.93
Superior Health Linens, LLC	^*	(2)(3)(14)	Business Services	L + 6.50%	7.50%	9/30/2016	12/31/2021	14,889	14,889	14,889	1.58

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Investments—non-controlled/non-affiliated ⁽¹⁾		Footnotes	Industry	Reference Rate & Spread ⁽²⁾	Interest Rate ⁽²⁾	Acquisition Date	Maturity Date	Par/Principal Amount ^{**}	Amortized Cost ⁽⁴⁾	Fair Value ⁽⁵⁾	% of Net Assets
T2 Systems, Inc.	^*	(2)(3)(14)	Transportation: Consumer	L + 6.75%	7.75%	9/28/2016	9/28/2022	\$ 26,397	\$ 26,252	\$ 26,397	2.79 %
TCFI Aevox LLC	^*	(2)(3)(14)	Aerospace & Defense	L + 6.00%	7.00%	3/18/2020	3/18/2026	11,192	10,993	9,903	1.05
The Leaders Romans Bidco Limited (United Kingdom) Term Loan B	^	(2)(3)(7)	Banking, Finance, Insurance & Real Estate	L + 6.25%, 2.50% PIK	9.50%	7/23/2019	6/30/2024	£ 21,034	25,930	28,271	2.99
The Leaders Romans Bidco Limited (United Kingdom) Term Loan C	^	(2)(3)(7)(14)	Banking, Finance, Insurance & Real Estate	L + 6.25%, 2.50% PIK	9.50%	7/23/2019	6/30/2024	£ 6,089	7,739	9,331	0.99
Trafigura Trading LLC	^	(2)(3)(13)(14)	Metals & Mining	L + 8.40%	8.75%	7/26/2021	7/18/2022	6,223	6,074	6,073	0.64
Trump Card, LLC	^*	(2)(3)(14)	Transportation: Cargo	L + 4.50%	5.50%	6/26/2018	4/21/2022	8,519	8,507	8,431	0.89
Turbo Buyer, Inc.	^*	(2)(3)(14)	Automotive	L + 5.75%	6.75%	12/2/2019	12/2/2025	20,429	20,032	19,996	2.12
Tweddle Group, Inc.	^	(2)(3)	Media: Advertising, Printing & Publishing	L + 4.50%	5.50%	9/17/2018	9/17/2023	1,515	1,503	1,450	0.15
Unifrutti Financing PLC (Cyprus)	^	(7)	Beverage, Food & Tobacco	7.50%, 1.00% PIK	8.50%	9/15/2019	9/15/2026	€ 4,621	4,909	5,286	0.55
Unifrutti Financing PLC (Cyprus)	^	(7)	Beverage, Food & Tobacco	11.00% PIK	11.00%	10/22/2020	9/15/2026	€ 736	832	842	0.09
US INFRA SVCS Buyer, LLC	^*	(2)(3)(14)	Environmental Industries	L + 6.50%	7.50%	4/13/2020	4/13/2026	7,929	7,441	7,277	0.77
USLS Acquisition, Inc.	^	(2)(3)(14)	Business Services	L + 5.75%	6.75%	11/30/2018	11/30/2024	21,283	21,017	20,634	2.18
Westfall Technik, Inc.	^*	(2)(3)(14)	Chemicals, Plastics & Rubber	L + 5.75%	6.75%	9/13/2018	9/13/2024	27,743	27,530	27,002	2.86
Westfall Technik, Inc.	^	(2)(3)	Chemicals, Plastics & Rubber	L + 6.25%	7.25%	7/1/2021	9/13/2024	4,970	4,874	4,842	0.51
Yellowstone Buyer Acquisition, LLC	^	(2)(3)	Durable Consumer Goods	L + 5.75%	6.75%	9/13/2021	9/13/2027	450	441	441	0.05
YLG Holdings, Inc.	^	(2)(3)(14)	Consumer Services	L + 6.00%	7.00%	9/30/2020	11/1/2025	1,883	1,831	1,903	0.20
Zemax Software Holdings, LLC	^	(2)(3)(14)	Software	L + 5.75%	6.75%	6/25/2018	6/25/2024	6,226	6,170	6,226	0.66
Zenith Merger Sub, Inc.	^*	(2)(3)(14)	Business Services	L + 5.25%	6.25%	12/13/2017	12/13/2024	10,520	10,449	10,520	1.11
First Lien Debt Total								\$ 1,269,406	\$ 1,238,349		131.13 %
Second Lien Debt (18.1% of fair value)											
11852604 Canada Inc. (Canada)	^	(2)(3)(7)	Healthcare & Pharmaceuticals	L + 9.50%	10.50%	9/30/2021	9/30/2028	\$ 6,590	\$ 6,425	\$ 6,425	0.68 %
AI Convoy S.A.R.L (United Kingdom)	^	(2)(3)(7)	Aerospace & Defense	L + 8.25%	9.25%	1/17/2020	1/17/2028	24,814	24,345	25,744	2.73
Aimbridge Acquisition Co., Inc.	^	(2)(3)	Hotel, Gaming & Leisure	L + 7.50%	7.59%	2/1/2019	2/1/2027	9,241	9,118	8,567	0.91
AP Plastics Acquisition Holdings, LLC	^	(2)(3)	Chemicals, Plastics & Rubber	L + 7.50%	8.25%	8/10/2021	8/10/2029	38,180	37,143	37,130	3.93
AQA Acquisition Holdings, Inc.	^*	(2)(3)	High Tech Industries	L + 7.50%	8.00%	3/3/2021	3/3/2029	35,000	34,168	34,539	3.66
Brave Parent Holdings, Inc.	^*	(2)(3)	Software	L + 7.50%	7.58%	10/3/2018	4/19/2026	18,197	17,902	18,197	1.93
Drilling Info Holdings, Inc.	^	(2)(3)	Energy: Oil & Gas	L + 8.25%	8.33%	2/11/2020	7/30/2026	18,600	18,195	18,786	1.99

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Investments—non-controlled/non-affiliated ⁽¹⁾	Footnotes	Industry	Reference Rate & Spread ⁽²⁾	Interest Rate ⁽²⁾	Acquisition Date	Maturity Date	Par/Principal Amount ^{**}	Amortized Cost ⁽⁴⁾	Fair Value ⁽⁵⁾	% of Net Assets	
Jazz Acquisition, Inc.	^*	(2)(3)	Aerospace & Defense	L + 8.00%	8.08%	6/13/2019	6/18/2027	\$ 23,450	\$ 23,178	\$ 20,046	2.12 %
Outcomes Group Holdings, Inc.	^*	(2)(3)	Business Services	L + 7.50%	7.63%	10/23/2018	10/26/2026	1,731	1,728	1,731	0.18
PAI Holdco, Inc.	^	(2)(3)	Automotive	L + 6.00%, 2.00% PIK	9.00%	10/28/2020	10/28/2028	13,738	13,368	13,738	1.45
Peraton Corp.	^*	(2)(3)	Aerospace & Defense	L + 7.75%	8.50%	2/24/2021	2/1/2029	12,300	12,120	12,272	1.30
Quartz Holding Company	^	(2)(3)	Software	L + 8.00%	8.09%	4/2/2019	4/2/2027	7,048	6,941	7,048	0.75
Reladyne, Inc.	^	(2)(3)	Wholesale	L + 9.50%	10.50%	4/19/2018	1/21/2025	12,242	12,170	11,963	1.27
Stonegate Pub Company Bidco Limited (United Kingdom)	^	(2)(3)(7)	Beverage, Food & Tobacco	L + 8.50%	8.61%	3/12/2020	3/12/2028	£ 20,000	24,773	22,849	2.42
Tank Holding Corp.	^*	(2)(3)	Capital Equipment	L + 8.25%	8.33%	3/26/2019	3/26/2027	35,965	35,561	36,325	3.85
TruGreen Limited Partnership	^	(2)(3)	Consumer Services	L + 8.50%	9.25%	11/16/2020	11/2/2028	13,000	12,763	13,197	1.40
Watchfire Enterprises, Inc.	^	(2)(3)	Media: Advertising, Printing & Publishing	L + 8.25%	9.25%	10/2/2013	10/2/2024	7,000	7,000	7,000	0.74
World 50, Inc.	^	(9)	Business Services	11.50%	11.50%	1/10/2020	1/9/2027	18,552	18,203	18,181	1.93
WP CPP Holdings, LLC	^	(2)(3)	Aerospace & Defense	L + 7.75%	8.75%	7/18/2019	4/30/2026	39,500	39,218	38,832	4.11
Second Lien Debt Total								\$ 354,319	\$ 352,570	\$ 352,570	37.33 %

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CONSOLIDATED SCHEDULE OF INVESTMENTS (Continued)
As of September 30, 2021
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Investments—non-controlled/non-affiliated ⁽¹⁾	Footnotes	Industry	Acquisition Date	Shares/Units	Cost	Fair Value ⁽⁵⁾	% of Net Assets
Equity Investments (2.7% of fair value)							
ANLG Holdings, LLC	^ (6)	Capital Equipment	6/22/2018	592	\$ 592	\$ 758	0.08 %
Appriss Health, LLC	^ (6)	Healthcare & Pharmaceuticals	5/6/2021	4	4,333	4,354	0.46
Atlas Ontario LP (Canada)	^ (6)(7)	Business Services	4/7/2021	5,114	5,114	5,114	0.54
Avenu Holdings, LLC	^ (6)	Sovereign & Public Finance	9/28/2018	172	172	534	0.06
BK Intermediate Company, LLC	^ (6)	Healthcare & Pharmaceuticals	5/27/2020	288	288	390	0.04
Central Security Group, Inc.	^* (6)	Consumer Services	10/16/2020	443	—	—	—
Chartis Holding, LLC	^ (6)	Business Services	5/1/2019	433	433	738	0.08
CIP Revolution Holdings, LLC	^ (6)	Media: Advertising, Printing & Publishing	8/19/2016	318	318	209	0.02
Cority Software Inc. (Canada)	^ (6)	Software	7/2/2019	250	250	406	0.04
Derm Growth Partners III, LLC	^ (6)	Healthcare & Pharmaceuticals	5/31/2016	1,000	1,000	—	—
Diligent Corporation	^ (6)	Telecommunications	4/5/2021	11	10,269	10,257	1.09
ECP Parent, LLC	^ (6)	Healthcare & Pharmaceuticals	3/29/2018	268	—	290	0.03
K2 Insurance Services, LLC	^ (6)	Banking, Finance, Insurance & Real Estate	7/3/2019	433	306	575	0.06
Legacy.com, Inc.	^ (6)	High Tech Industries	3/20/2017	1,500	1,500	1,162	0.12
Mailgun Technologies, Inc.	^ (6)	High Tech Industries	3/26/2019	424	424	1,258	0.13
North Haven Goldfinch Topco, LLC	^ (6)	Containers, Packaging & Glass	6/18/2018	2,315	2,315	2,639	0.28
Pascal Ultimate Holdings, L.P	^ (6)	Capital Equipment	7/21/2021	36	364	364	0.04
T2 Systems Parent Corporation	^ (6)	Transportation: Consumer	9/28/2016	556	556	734	0.08
Tailwind HMT Holdings Corp.	^ (6)	Energy: Oil & Gas	11/17/2017	22	1,558	2,023	0.21
Tank Holding Corp.	^ (6)	Capital Equipment	3/26/2019	850	482	1,027	0.11
Titan DI Preferred Holdings, Inc.	^ (6)	Energy: Oil & Gas	2/11/2020	12,420	12,158	12,544	1.33
Turbo Buyer, Inc.	^ (6)	Automotive	12/2/2019	1,925	933	2,977	0.32
Tweddle Holdings, Inc.	^* (6)	Media: Advertising, Printing & Publishing	9/17/2018	17	—	—	—
Unifrutti Financing PLC (Cyprus)	^ (6)	Beverage, Food & Tobacco	10/22/2020	—	469	467	0.05
Unifrutti Financing PLC (Cyprus)	^ (6)	Beverage, Food & Tobacco	10/22/2020	1	133	91	0.01
USLS Acquisition, Inc.	^ (6)	Business Services	11/30/2018	641	641	796	0.08
W50 Parent LLC	^ (6)	Business Services	1/10/2020	500	190	720	0.08
Zenith American Holding, Inc.	^ (6)	Business Services	12/13/2017	1,564	782	1,550	0.16
Zillow Topco LP	^ (6)	Software	6/25/2018	313	312	688	0.07
Equity Investments Total					\$ 45,892	\$ 52,665	5.58 %
Total investments—non-controlled/non-affiliated					\$ 1,669,617	\$ 1,643,584	174.04 %

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Investments—non-controlled/affiliated	Footnotes	Industry	Reference Rate & Spread ⁽²⁾	Interest Rate ⁽²⁾	Acquisition Date	Maturity Date	Par/Principal Amount**	Amortized Cost ⁽⁴⁾	Fair Value ⁽⁵⁾	% of Net Assets	
First Lien Debt (1.6% of fair value)											
Direct Travel, Inc.	^*	(2)(3)(8)(12)	Hotel, Gaming & Leisure	L + 1.00%, 8.35% PIK	9.50%	10/14/2016	10/1/2023	\$ 36,711	\$ 35,979	\$ 27,679	2.93 %
Direct Travel Inc.	^	(2)(3)(12)(14)	Hotel, Gaming & Leisure	L + 6.00%	7.00%	10/1/2020	10/1/2023	2,731	2,603	2,731	0.29
First Lien Debt Total								\$ 38,582	\$ 30,410	3.22 %	

Investments—non-controlled/affiliated	Footnotes	Industry	Acquisition Date	Shares/Units	Cost	Fair Value ⁽⁵⁾	% of Net Assets	
Equity Investments (0.0% of fair value)								
Direct Travel, Inc.	^	(6)(12)	Hotel, Gaming & Leisure	10/1/2020	43	\$ —	\$ —	— %
Equity Investments Total					\$ —	\$ —	— %	
Total investments—non-controlled/affiliated					\$ 38,582	\$ 30,410	3.22 %	

Investments—controlled/affiliated	Footnotes	Industry	Reference Rate & Spread ⁽²⁾	Interest Rate ⁽²⁾	Acquisition Date	Maturity Date	Par/Principal Amount**	Amortized Cost ⁽⁴⁾	Fair Value ⁽⁵⁾	% of Net Assets	
First Lien Debt (0.3% of fair value)											
SolAero Technologies Corp. (A1 Term Loan)	^	(2)(3)(8)(10)	Telecommunications	L + 8.00% (100% PIK)	9.00%	4/12/2019	10/12/2022	\$ 3,166	\$ 3,166	\$ 1,202	0.13 %
SolAero Technologies Corp. (A2 Term Loan)	^	(2)(3)(8)(10)	Telecommunications	L + 8.00% (100% PIK)	9.00%	4/12/2019	10/12/2022	8,707	8,707	3,305	0.35
SolAero Technologies Corp. (Priority Facilities)	^	(2)(3)(10)(14)	Telecommunications	L + 6.00%	7.00%	4/12/2019	10/12/2022	2,287	2,272	2,287	0.24
First Lien Debt Total								\$ 14,145	\$ 6,794	0.72 %	

Investments—controlled/affiliated	Footnotes	Industry	Acquisition Date	Shares/Units	Cost	Fair Value ⁽⁵⁾	% of Net Assets	
Equity Investments (0.0% of fair value)								
SolAero Technologies Corp.	^	(6)(10)	Telecommunications	4/12/2019	3	\$ 2,815	\$ —	— %
Equity Investments Total					\$ 2,815	\$ —	— %	

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Investments— controlled/affiliated		Footnotes	Industry	Reference Rate & Spread ⁽²⁾	Interest Rate ⁽²⁾	Acquisition Date	Maturity Date	Par Amount/ LLC Interest **	Cost	Fair Value ⁽⁵⁾	% of Net Assets
Investment Funds (13.7% of fair value)											
Middle Market Credit Fund II, LLC, Member's Interest	^	(7)(10)	Investment Funds	N/A	—%	11/3/2020	12/31/2030	\$ 78,122	\$ 78,096	\$ 78,143	8.27 %
Middle Market Credit Fund, LLC, Subordinated Loan and Member's Interest	^	(7)(10)	Investment Funds	N/A	—%	2/29/2016	12/31/2024	193,000	193,000	189,275	20.04
Middle Market Credit Fund, Mezzanine Loan	^	(2)(7)(9)(10)	Investment Funds	L + 9.00%	9.13%	6/30/2016	5/21/2022	—	—	—	—
Investment Funds Total									\$ 271,096	\$ 267,418	28.32 %
Total investments—controlled/affiliated									\$ 288,056	\$ 274,212	29.05 %
Total Investments									\$ 1,996,255	\$ 1,948,206	206.29 %

^ Denotes that all or a portion of the assets are owned by TCG BDC, Inc. (together with its consolidated subsidiaries, "we," "us," "our," "TCG BDC" or the "Company"). The Company has entered into a senior secured revolving credit facility (as amended, the "Credit Facility"). The lenders of the Credit Facility have a first lien security interest in substantially all of the portfolio investments held by the Company (see Note 7, Borrowings). Accordingly, such assets are not available to creditors of Carlyle Direct Lending CLO 2015-1R LLC (formerly known as Carlyle GMS Finance MM CLO 2015-1 LLC) (the "2015-1 Issuer").

* Denotes that all or a portion of the assets are owned by the Company's wholly owned subsidiary, the 2015-1 Issuer, and secure the notes issued in connection with a term debt securitization completed by the Company on June 26, 2015 (see Note 8, Notes Payable). Accordingly, such assets are not available to the creditors of the Company.

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

- Unless otherwise indicated, issuers of debt and equity investments held by the Company are domiciled in the United States. Under the Investment Company Act of 1940, as amended (together with the rules and regulations promulgated thereunder, the "Investment Company Act"), the Company would be deemed to "control" a portfolio company if the Company owned more than 25% of its outstanding voting securities and/or held the power to exercise control over the management or policies of the portfolio company. As of September 30, 2021, the Company does not "control" any of these portfolio companies. Under the Investment Company Act, the Company would be deemed an "affiliated person" of a portfolio company if the Company owns 5% or more of the portfolio company's outstanding voting securities. As of September 30, 2021, the Company is not an "affiliated person" of any of these portfolio companies. Certain portfolio company investments are subject to contractual restrictions on sales.
- Variable rate loans to the portfolio companies bear interest at a rate that is determined by reference to either LIBOR ("L") or an alternate base rate (commonly based on the Federal Funds Rate or the U.S. Prime Rate), which generally resets quarterly. For each such loan, the Company has indicated the reference rate used and provided the spread and the interest rate in effect as of September 30, 2021. As of September 30, 2021, the reference rates for our variable rate loans were the 30-day LIBOR at 0.08%, the 90-day LIBOR at 0.13% and the 180-day LIBOR at 0.16%.
- Loan includes interest rate floor feature, which is generally 1.00%.
- Amortized cost represents original cost, including origination fees and upfront fees received that are deemed to be an adjustment to yield, adjusted for the accretion/amortization of discounts/premiums, as applicable, on debt investments using the effective interest method.
- Fair value is determined in good faith by or under the direction of the Board of Directors of the Company (see Note 2, Significant Accounting Policies, and Note 3, Fair Value Measurements), pursuant to the Company's valuation policy. The fair value of all first lien and second lien debt investments, equity investments and the investment funds was determined using significant unobservable inputs.
- Security acquired in transaction exempt from registration under the Securities Act of 1933, as amended (the "Securities Act"), and may be deemed to be "restricted securities" under the Securities Act. As of September 30, 2021, the aggregate fair value of these securities is \$52,665, or 5.58% of the Company's net assets.
- The Company has determined the indicated investments are non-qualifying assets under Section 55(a) of the Investment Company Act. Under the Investment Company Act, the Company may not acquire any non-qualifying assets unless, at the time such acquisition is made, qualifying assets represent at least 70% of the Company's total assets.
- Loan was on non-accrual status as of September 30, 2021.
- Represents a corporate mezzanine loan, which is subordinated to senior secured term loans of the portfolio company/investment fund.

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CONSOLIDATED SCHEDULE OF INVESTMENTS (Continued)
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- (10) Under the Investment Company Act, the Company is deemed to be an “affiliated person” of and “control” this investment fund because the Company owns more than 25% of the investment fund’s outstanding voting securities and/or has the power to exercise control over management or policies of such investment fund. See Note 5, Middle Market Credit Fund, LLC, and Note 6, Middle Market Credit Fund II, LLC, for more details. Transactions related to investments in controlled affiliates for the nine month period ended September 30, 2021, were as follows:

Investments—controlled/affiliated	Fair Value as of December 31, 2020	Additions/Purchases	Reductions/Sales/Paydowns	Net Realized Gain (Loss)	Net Change in Unrealized Appreciation (Depreciation)	Fair Value as of September 30, 2021	Dividend and Interest Income
Middle Market Credit Fund, LLC, Mezzanine Loan	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Middle Market Credit Fund, LLC, Subordinated Loan and Member’s Interest	205,891	—	(23,000)	—	6,384	189,275	15,000
Middle Market Credit Fund II LLC, Member’s Interest	77,395	—	—	—	748	78,143	7,539
Total investments—controlled/affiliated	\$ 283,286	\$ —	\$ (23,000)	\$ —	\$ 7,132	\$ 267,418	\$ 22,539

Investments—controlled/affiliated	Fair Value as of December 31, 2020	Additions/Purchases	Reductions/Sales/Paydowns	Net Realized Gain (Loss)	Net Change in Unrealized Appreciation (Depreciation)	Fair Value as of September 30, 2021	Dividend and Interest Income
SolAero Technologies Corp. (Priority Term Loan)	\$ 2,460	\$ —	\$ (173)	\$ —	\$ —	\$ 2,287	\$ 157
SolAero Technologies Corp. (A1 Term Loan)	1,214	—	—	—	(12)	1,202	—
SolAero Technologies Corp. (A2 Term Loan)	3,338	—	—	—	(33)	3,305	—
Solaero Technology Corp. (Equity)	—	—	—	—	—	—	—
Total investments—controlled/affiliated	\$ 7,012	\$ —	\$ (173)	\$ —	\$ (45)	\$ 6,794	\$ 157

- (11) In addition to the interest earned based on the stated interest rate of this loan, which is the amount reflected in this schedule, the Company is entitled to receive additional interest as a result of an agreement among lenders. Pursuant to the agreement among lenders in respect of this loan, this investment represents a first lien/last out loan, which has a secondary priority behind the first lien/first out loan with respect to principal, interest and other payments.
- (12) Under the Investment Company Act, the Company is deemed an “affiliated person” of this portfolio company because the Company owns 5% or more of the portfolio company’s outstanding voting securities. Transactions related to the portfolio company during the nine month period ended September 30, 2021 were as follows:

Investments—non-controlled/affiliated	Fair Value as of December 31, 2020	Additions/Purchases	Reductions/Sales/Paydowns	Net Realized Gain (Loss)	Net Change in Unrealized Appreciation (Depreciation)	Fair Value as of September 30, 2021	Dividend and Interest Income
Direct Travel, Inc.	\$ 24,949	\$ —	\$ (363)	\$ 2	\$ 3,091	\$ 27,679	\$ —
Direct Travel, Inc.	1,231	1,372	—	—	128	2,731	130
Direct Travel, Inc. (Equity)	—	—	—	—	—	—	—
Total investments—non-controlled/affiliated	\$ 26,180	\$ 1,372	\$ (363)	\$ 2	\$ 3,219	\$ 30,410	\$ 130

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- (13) The investment is secured by receivables purchased from the portfolio company, with an implied discount of 8.75%. The investment was made via a tranching participation arrangement between the purchaser of such receivables and the Company. The investment has a secondary priority behind the rights of such purchaser.
- (14) As of September 30, 2021, the Company had the following unfunded commitments to fund delayed draw and revolving senior secured loans:

Investments—non-controlled/non-affiliated	Type	Unused Fee	Par/ Principal Amount	Fair Value
First and Second Lien Debt—unfunded delayed draw and revolving term loans commitments				
Advanced Web Technologies Holding Company	Delayed Draw	1.00%	\$ 2,299	\$ 23
Advanced Web Technologies Holding Company	Revolver	0.50	906	9
Airnov, Inc.	Revolver	0.50	875	—
American Physician Partners, LLC	Revolver	0.50	550	—
AMS Group HoldCo, LLC	Revolver	0.50	2,315	—
Analogic Corporation	Revolver	0.50	168	(1)
Applied Technical Services, LLC	Delayed Draw	1.00	132	—
Applied Technical Services, LLC	Revolver	0.50	53	—
Appriss Health, LLC	Revolver	0.50	2,963	(45)
Apptio, Inc.	Revolver	0.50	1,420	11
Ascend Buyer, LLC	Revolver	0.50	1,284	(26)
Associations, Inc.	Revolver	0.50	723	3
Associations, Inc.	Delayed Draw	1.00	1,753	6
Associations, Inc.	Delayed Draw	1.00	1,753	6
Associations, Inc.	Delayed Draw	2.50	715	3
BMS Holdings III Corp.	Delayed Draw	1.00	9,688	(100)
Captive Resources Midco, LLC	Revolver	0.50	2,143	—
Chartis Holding, LLC	Revolver	0.50	217	—
Chemical Computing Group ULC (Canada)	Revolver	0.50	29	—
Chudy Group, LLC	Delayed Draw	1.00	138	(1)
Chudy Group, LLC	Revolver	0.50	34	—
Comar Holding Company, LLC	Revolver	0.50	1,467	(1)
Cority Software Inc. (Canada)	Revolver	0.50	3,000	—
DCA Investment Holding, LLC	Delayed Draw	1.00	1,970	—
DermaRite Industries, LLC	Revolver	0.50	579	(86)
Diligent Corporation	Revolver	0.50	47	1
Diligent Corporation	Delayed Draw	1.00	110	2
Direct Travel Inc.	Delayed Draw	0.50	1,657	—
Dwyer Instruments, Inc	Revolver	0.50	626	(5)
Dwyer Instruments, Inc	Delayed Draw	1.00	1,003	(9)
Ellkay, LLC	Revolver	0.50	1,786	(36)
EPS Nass Parent, Inc.	Revolver	0.50	59	(1)
EPS Nass Parent, Inc.	Delayed Draw	1.00	85	(1)
EvolveIP, LLC	Delayed Draw	1.00	3,333	—

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Investments—non-controlled/non-affiliated	Type	Unused Fee	Par/ Principal Amount	Fair Value
EvolveIP, LLC	Revolver	0.50%	\$ 887	\$ —
FWR Holding Corporation	Revolver	0.50	4,444	—
Greenhouse Software, Inc.	Revolver	0.50	1,471	(18)
Quantic Electronics, LLC	Revolver	0.50	557	(7)
Heartland Home Services, Inc	Delayed Draw	—	14,181	43
Heartland Home Services, Inc	Revolver	0.50	104	—
Hercules Borrower LLC	Revolver	0.50	2,160	43
Higginbotham Insurance Agency, Inc.	Delayed Draw	1.00	202	2
Individual FoodService Holdings, LLC	Delayed Draw	1.00	103	1
Individual FoodService Holdings, LLC	Delayed Draw	1.00	403	2
Individual FoodService Holdings, LLC	Revolver	0.50	706	4
K2 Insurance Services, LLC	Revolver	0.50	1,120	(15)
Kaseya Inc.	Delayed Draw	1.00	1,008	(18)
Kaseya Inc.	Revolver	0.50	1,543	(27)
Lifelong Learner Holdings, LLC	Revolver	0.50	2	—
Lifelong Learner Holdings, LLC	Delayed Draw	1.00	1,690	(113)
Liqui-Box Holdings, Inc.	Revolver	0.50	123	(11)
LVF Holdings, Inc.	Delayed Draw	1.00	4,670	(54)
LVF Holdings, Inc.	Revolver	0.50	2,568	(30)
Mailgun Technologies, Inc.	Revolver	0.50	1,342	—
Material Holdings, LLC	Revolver	1.00	959	(19)
Material Holdings, LLC	Delayed Draw	—	1,916	(38)
Maverick Acquisition, Inc.	Delayed Draw	1.00	12,818	(159)
MMIT Holdings, LLC	Revolver	0.50	980	(20)
National Technical Systems, Inc.	Revolver	0.50	835	6
NMI AcquisitionCo, Inc.	Revolver	0.50	1,280	(19)
Prophix Software Inc. (Canada)	Revolver	0.50	1,993	60
PricewaterhouseCoopers Public Sector LLP	Revolver	0.50	6,250	(16)
Quantic Electronics, LLC	Delayed Draw	1.00	3,164	(39)
Quantic Electronics, LLC	Revolver	0.50	824	(10)
Quantic Electronics, LLC	Revolver	0.50	557	(7)
Redwood Services Group, LLC	Delayed Draw	1.00	3,905	—
RSC Acquisition, Inc.	Revolver	0.50	462	—
Sapphire Convention, Inc.	Revolver	0.50	2,422	(286)
Smile Doctors, LLC	Revolver	0.50	707	—
SolAero Technologies Corp. (Priority Facilities)	Revolver	0.50	1,084	—
SolAero Technologies Corp. (Priority Facilities)	Revolver	0.50	984	—
SPay, Inc.	Revolver	0.50	648	(76)

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Investments—non-controlled/non-affiliated	Type	Unused Fee	Par/ Principal Amount	Fair Value
Speedstar Holding, LLC	Delayed Draw	1.00%	\$ 3,775	\$ 47
Superior Health Linens, LLC	Revolver	0.50	1,833	—
T2 Systems, Inc.	Revolver	0.50	2,933	—
TCFI Aevox LLC	Delayed Draw	1.00	1,835	(179)
TCFI Aevox LLC	Delayed Draw	1.00	214	(21)
The Leaders Romans Bidco Limited (United Kingdom)	Delayed Draw	1.56	£ 1,927	322
Trafigura Trading LLC	Revolver	0.50	13,774	(103)
Trump Card, LLC	Revolver	0.50	199	(2)
Turbo Buyer, Inc.	Revolver	0.50	1,217	(24)
US INFRA SVCS Buyer, LLC	Revolver	0.50	1,488	(31)
US INFRA SVCS Buyer, LLC	Delayed Draw	1.00	22,234	(458)
USLS Acquisition, Inc.	Revolver	0.50	1,418	(41)
Westfall Technik, Inc.	Revolver	0.50	216	(6)
YLG Holdings, Inc.	Delayed Draw	1.00	102	1
Zemax Software Holdings, LLC	Revolver	0.50	642	—
Zenith Merger Sub, Inc.	Revolver	0.50	2,120	—
Total unfunded commitments			\$ 182,989	\$ (1,557)

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CONSOLIDATED SCHEDULE OF INVESTMENTS (Continued)
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As of September 30, 2021, investments at fair value consisted of the following:

Type	Amortized Cost	Fair Value	% of Fair Value
First Lien Debt	\$ 1,322,133	\$ 1,275,553	65.5 %
Second Lien Debt	354,319	352,570	18.1
Equity Investments	48,707	52,665	2.7
Investment Funds	271,096	267,418	13.7
Total	\$ 1,996,255	\$ 1,948,206	100.0 %

The rate type of debt investments at fair value as of September 30, 2021 was as follows:

Rate Type	Amortized Cost	Fair Value	% of Fair Value of First and Second Lien Debt
Floating Rate	\$ 1,652,508	\$ 1,603,814	98.5 %
Fixed Rate	23,944	24,309	1.5
Total	\$ 1,676,452	\$ 1,628,123	100.0 %

The industry composition of investments at fair value as of September 30, 2021 was as follows:

Industry	Amortized Cost	Fair Value	% of Fair Value
Aerospace & Defense	\$ 178,765	\$ 176,390	9.1 %
Automotive	61,064	64,390	3.3
Banking, Finance, Insurance & Real Estate	74,180	78,958	4.1
Beverage, Food & Tobacco	104,831	103,879	5.4
Business Services	114,068	114,103	5.9
Capital Equipment	51,298	52,923	2.7
Chemicals, Plastics & Rubber	69,547	68,974	3.5
Construction & Building	6,994	7,246	0.4
Consumer Services	27,492	27,814	1.4
Containers, Packaging & Glass	57,113	57,405	2.9
Durable Consumer Goods	441	441	—
Energy: Oil & Gas	41,560	42,742	2.2
Environmental Industries	68,047	68,151	3.5
Healthcare & Pharmaceuticals	232,742	208,590	10.7
High Tech Industries	163,405	164,565	8.5
Hotel, Gaming & Leisure	98,900	85,700	4.4
Investment Funds	271,096	267,418	13.7
Media: Advertising, Printing & Publishing	18,627	18,349	0.9
Media: Diversified & Production	19,683	19,666	1.0
Metals & Mining	6,074	6,073	0.3
Retail	32,747	32,856	1.7

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Industry	Amortized Cost	Fair Value	% of Fair Value
Software	\$ 112,475	\$ 112,359	5.8 %
Sovereign & Public Finance	13,645	14,114	0.7
Telecommunications	87,992	71,347	3.7
Transportation: Cargo	27,570	27,660	1.4
Transportation: Consumer	26,808	27,131	1.4
Utilities: Electric	836	846	—
Wholesale	28,255	28,116	1.4
	<u>\$ 1,996,255</u>	<u>\$ 1,948,206</u>	<u>100.0 %</u>

The geographical composition of investments at fair value as of September 30, 2021 was as follows:

Geography	Amortized Cost	Fair Value	% of Fair Value
Canada	\$ 46,431	\$ 47,646	2.4 %
Cyprus	6,343	6,686	0.3
Luxembourg	41,694	38,854	2.0
United Kingdom	92,436	95,584	4.9
United States	1,809,351	1,759,436	90.4
Total	<u>\$ 1,996,255</u>	<u>\$ 1,948,206</u>	<u>100.0 %</u>

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

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Investments—non-controlled/non-affiliated ⁽¹⁾	Footnotes	Industry	Reference Rate & Spread ⁽²⁾	Interest Rate ⁽²⁾	Acquisition Date	Maturity Date	Par/Principal Amount ^{**}	Amortized Cost ⁽⁴⁾	Fair Value ⁽⁵⁾	% of Net Assets	
First Lien Debt (65.2% of fair value)											
Advanced Web Technologies Holding Company	^	(2)(3)(13)	Containers, Packaging & Glass	L + 6.00%	7.00%	12/17/2020	12/17/2026	\$ 6,042	\$ 5,859	\$ 5,858	0.65 %
Airnov, Inc.	^*	(2)(3)(13)	Containers, Packaging & Glass	L + 5.25%	6.25%	12/20/2019	12/19/2025	11,216	11,057	11,221	1.24
Alpha Packaging Holdings, Inc.	*	(2)(3)	Containers, Packaging & Glass	L + 6.00%	7.00%	6/26/2015	11/12/2021	2,784	2,784	2,784	0.31
Alpine SG, LLC	*	(2)(3)	High Tech Industries	L + 5.75%	6.75%	2/2/2018	11/16/2022	10,890	10,835	10,808	1.20
Alpine SG, LLC	^	(2)(3)	High Tech Industries	L + 8.50%	9.50%	7/24/2020	11/16/2022	1,618	1,578	1,612	0.18
Alpine SG, LLC	^*	(2)(3)	High Tech Industries	L + 6.50%	7.50%	11/2/2020	11/16/2022	10,750	10,452	10,698	1.19
American Physician Partners, LLC	^*	(2)(3)(13)	Healthcare & Pharmaceuticals	L + 6.75%	7.75%	1/7/2019	12/21/2021	28,848	28,715	27,295	3.03
AMS Group HoldCo, LLC	^	(2)(3)(13)	Transportation: Cargo	L + 6.50%	7.50%	9/29/2017	9/29/2023	22,252	22,004	21,945	2.43
Analogic Corporation	*	(2)(3)(13)	Capital Equipment	L + 5.25%	6.25%	6/22/2018	6/22/2024	2,361	2,332	2,361	0.26
Anchor Hocking, LLC	^	(2)(3)	Durable Consumer Goods	L + 11.75%	12.75%	1/25/2019	1/25/2024	9,758	9,547	9,358	1.04
Applied Technical Services, LLC	^	(2)(3)(13)	Business Services	L + 5.75%	6.75%	12/29/2020	12/29/2026	395	382	382	0.04
Apptio, Inc.	^	(2)(3)(13)	Software	L + 7.25%	8.25%	1/10/2019	1/10/2025	5,184	5,073	5,297	0.59
At Home Holding III, Inc.	^	(2)(3)(7)	Retail	L + 9.00%	10.00%	6/12/2020	7/27/2022	875	858	870	0.10
Aurora Lux FinCo S.Á.R.L. (Luxembourg)	^*	(2)(3)(7)	Software	L + 5.75%	6.75%	12/24/2019	12/24/2026	32,819	32,093	29,970	3.32
Avenu Holdings, LLC	^*	(2)(3)	Sovereign & Public Finance	L + 5.25%	6.25%	9/28/2018	9/28/2024	37,276	36,883	37,276	4.14
Barnes & Noble, Inc.	^	(2)(3)(11)	Retail	L + 5.50%	6.50%	8/7/2019	8/7/2024	16,744	16,426	15,808	1.75
BlueCat Networks, Inc. (Canada)	*	(2)(3)(7)	High Tech Industries	L + 6.25%	7.25%	10/30/2020	10/30/2026	11,468	11,243	11,239	1.25
BMS Holdings III Corp.	*	(2)(3)	Construction & Building	L + 5.25%	6.25%	9/30/2019	9/30/2026	1,596	1,554	1,578	0.18
Captive Resources Midco, LLC	^*	(2)(3)(13)	Banking, Finance, Insurance & Real Estate	L + 5.75%	6.75%	6/30/2015	5/31/2025	10,525	10,370	10,611	1.18
Central Security Group, Inc.	^*	(2)(3)	Consumer Services	L + 6.00%	7.00%	10/16/2020	10/16/2025	9,278	9,278	7,930	0.88
Chartis Holding, LLC	^*	(2)(3)(13)	Business Services	L + 5.50%	6.50%	5/1/2019	5/1/2025	16,266	15,969	16,275	1.81
Chemical Computing Group ULC (Canada)	^*	(2)(3)(7)(13)	Software	L + 5.00%	6.00%	8/30/2018	8/30/2023	471	469	471	0.05
CircusTrix Holdings, LLC	^*	(2)(3)	Hotel, Gaming & Leisure	L + 6.75% (100% PIK)	7.75%	2/2/2018	12/6/2021	10,023	9,987	8,093	0.90
Cobblestone Intermediate Holdco LLC	^	(2)(3)(13)	Consumer Services	L + 4.75%	5.75%	1/29/2020	1/29/2026	720	713	723	0.08
Comar Holding Company, LLC	^*	(2)(3)(13)	Containers, Packaging & Glass	L + 5.50%	6.50%	6/18/2018	6/18/2024	22,037	21,636	22,147	2.46
Cority Software Inc. (Canada)	^*	(2)(3)(7)(13)	Software	L + 5.25%	6.25%	7/2/2019	7/2/2026	10,622	10,401	10,718	1.19
Cority Software Inc. (Canada)	^	(2)(3)(7)	Software	L + 7.25%	8.25%	9/3/2020	7/2/2026	1,898	1,843	1,935	0.21
Derm Growth Partners III, LLC	^	(2)(3)(8)	Healthcare & Pharmaceuticals	L + 6.25% (100% PIK)	7.25%	5/31/2016	5/31/2022	56,320	56,046	28,212	3.13
DermaRite Industries, LLC	^*	(2)(3)(13)	Healthcare & Pharmaceuticals	L + 7.00%	8.00%	3/3/2017	3/3/2022	18,862	18,776	18,656	2.07
Designer Brands Inc.	^	(2)(3)(7)	Retail	L + 8.50%	9.75%	8/7/2020	8/7/2025	17,955	17,534	17,811	1.98

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Investments—non-controlled/non-affiliated ⁽¹⁾		Footnotes	Industry	Reference Rate & Spread ⁽²⁾	Interest Rate ⁽²⁾	Acquisition Date	Maturity Date	Par/Principal Amount ^{**}	Amortized Cost ⁽⁴⁾	Fair Value ⁽⁵⁾	% of Net Assets
Diligent Corporation	^	(2)(3)(13)	Telecommunications	L + 6.25%	7.25%	8/4/2020	8/4/2025	\$ 579	\$ 561	\$ 588	0.07 %
DTI Holdco, Inc.	*	(2)(3)	High Tech Industries	L + 4.75%	5.75%	12/18/2018	9/30/2023	1,954	1,876	1,741	0.19
Emergency Communications Network, LLC	^*	(2)(3)	Telecommunications	L + 2.625%, 5.125% PIK	8.75%	6/1/2017	6/1/2023	24,370	24,269	21,349	2.37
Ensono, LP	*	(2)(3)	Telecommunications	L + 5.25%	5.40%	4/30/2018	6/27/2025	2,158	2,142	2,142	0.24
Ensono, LP	^*	(2)(3)	Telecommunications	L + 5.75%	5.90%	6/25/2020	6/27/2025	18,131	18,008	17,995	2.00
Ethos Veterinary Health LLC	^	(2)(3)(13)	Consumer Services	L + 4.75%	4.90%	5/17/2019	5/15/2026	2,612	2,570	2,540	0.28
EvolveIP, LLC	^	(2)(3)(13)	Telecommunications	L + 5.75%	6.75%	11/26/2019	6/7/2023	25,864	25,806	25,828	2.87
Frontline Technologies Holdings, LLC	*	(2)(3)	Software	L + 5.75%	6.75%	9/18/2017	9/18/2023	3,099	3,081	3,037	0.34
FWR Holding Corporation	^*	(2)(3)(13)	Beverage, Food & Tobacco	L + 5.50%, 1.50% PIK	8.00%	8/21/2017	8/21/2023	34,555	34,175	31,216	3.46
Helios Buyer, Inc.	^	(2)(3)(13)	Consumer Services	L + 6.00%	7.00%	12/15/2020	12/15/2026	8,749	8,456	8,454	0.94
Hercules Borrower LLC	^	(2)(3)(13)	Environmental Industries	L + 6.50%	7.50%	12/14/2020	12/14/2026	18,592	18,077	18,073	2.01
Higginbotham Insurance Agency, Inc.	^	(2)(3)(13)	Banking, Finance, Insurance & Real Estate	L + 5.75%	6.50%	11/25/2020	11/25/2026	3,902	3,828	3,827	0.42
iCIMS, Inc.	^	(2)(3)	Software	L + 6.50%	7.50%	9/12/2018	9/12/2024	1,670	1,646	1,666	0.18
Individual FoodService Holdings, LLC	^	(2)(3)(13)	Wholesale	L + 6.25%	7.25%	2/21/2020	11/22/2025	3,883	3,797	3,759	0.42
Individual FoodService Holdings, LLC	^	(2)(3)(13)	Wholesale	L + 6.25%	7.25%	12/31/2020	11/22/2025	2,197	2,134	2,134	0.24
Innovative Business Services, LLC	^*	(2)(3)	High Tech Industries	L + 5.50%	6.50%	4/5/2018	4/5/2023	13,779	13,523	13,484	1.50
Integrity Marketing Acquisition, LLC	^	(2)(3)	Banking, Finance, Insurance & Real Estate	L + 5.75%	6.75%	1/15/2020	8/27/2025	4,970	4,907	5,011	0.56
K2 Insurance Services, LLC	^*	(2)(3)(13)	Banking, Finance, Insurance & Real Estate	L + 5.00%	6.00%	7/3/2019	7/1/2024	18,651	18,323	18,653	2.07
Kaseya, Inc.	^	(2)(3)(13)	High Tech Industries	L + 4.00%, 3.00% PIK	8.00%	5/3/2019	5/2/2025	14,871	14,610	14,940	1.66
Legacy.com, Inc.	^	(2)(3)(11)	High Tech Industries	L + 6.00%	7.00%	3/20/2017	3/20/2023	17,066	16,886	16,055	1.78
Lifelong Learner Holdings, LLC	^*	(2)(3)(13)	Business Services	L + 5.75%	6.75%	10/18/2019	10/18/2026	23,814	23,355	21,580	2.39
Liqui-Box Holdings, Inc.	^	(2)(3)(13)	Containers, Packaging & Glass	L + 4.50%	5.50%	6/3/2019	6/3/2024	1,368	1,346	1,112	0.12
Mailgun Technologies, Inc.	^	(2)(3)(13)	High Tech Industries	L + 5.00%	6.00%	3/26/2019	3/26/2025	3,256	3,185	3,175	0.35
National Technical Systems, Inc.	^	(2)(3)(13)	Aerospace & Defense	L + 5.50%	6.50%	10/28/2020	6/12/2023	1,175	1,150	1,160	0.13
NES Global Talent Finance US, LLC (United Kingdom)	*	(2)(3)(7)	Energy: Oil & Gas	L + 5.50%	6.50%	5/9/2018	5/11/2023	9,789	9,697	8,859	0.98
NMI AcquisitionCo, Inc.	^*	(2)(3)(13)	High Tech Industries	L + 5.00%	6.00%	9/6/2017	9/6/2022	40,756	40,442	40,336	4.48
Paramit Corporation	*	(2)(3)	Capital Equipment	L + 4.50%	5.50%	5/3/2019	5/3/2025	5,213	5,174	5,109	0.57
Paramit Corporation	^	(2)(3)(13)	Capital Equipment	L + 5.25%	6.25%	11/24/2020	5/3/2025	3,029	2,912	2,909	0.32
Park Place Technologies, LLC	^	(2)(3)	High Tech Industries	L + 5.00%	6.00%	11/19/2020	11/19/2027	20,000	19,211	19,150	2.12

TCG BDC, INC.
CONSOLIDATED SCHEDULE OF INVESTMENTS (Continued)
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Investments—non-controlled/non-affiliated ⁽¹⁾		Footnotes	Industry	Reference Rate & Spread ⁽²⁾	Interest Rate ⁽²⁾	Acquisition Date	Maturity Date	Par/Principal Amount **	Amortized Cost ⁽⁴⁾	Fair Value ⁽⁵⁾	% of Net Assets
PF Growth Partners, LLC	^*	(2)(3)(13)	Hotel, Gaming & Leisure	L + 7.00%	8.00%	7/1/2019	7/11/2025	\$ 7,294	\$ 7,198	\$ 6,778	0.75 %
Plano Molding Company, LLC	^	(2)(3)	Hotel, Gaming & Leisure	L + 7.50%, 1.50% PIK	10.00%	5/1/2015	5/12/2022	14,693	14,664	13,001	1.44
Plano Molding Company, LLC	^	(2)(3)	Hotel, Gaming & Leisure	L + 7.50%, 1.50% PIK	10.00%	8/7/2020	5/12/2022	1,081	1,073	1,081	0.12
PPC Flexible Packaging, LLC	^*	(2)(3)(13)	Containers, Packaging & Glass	L + 6.00%	7.00%	11/23/2018	11/23/2024	11,338	11,234	11,300	1.25
PPT Management Holdings, LLC	^	(2)(3)	Healthcare & Pharmaceuticals	L + 6.00%, 2.50% PIK	9.50%	12/15/2016	12/16/2022	27,896	27,817	22,798	2.53
PricewaterhouseCoopers Public Sector LLP	^	(2)(3)(13)	Aerospace & Defense	L + 3.25%	3.49%	5/1/2018	5/1/2023	—	(74)	(32)	—
Product Quest Manufacturing, LLC	^	(2)(3)(8)	Containers, Packaging & Glass	L + 6.75%	10.00%	9/21/2017	3/31/2021	840	840	423	0.05
Propel Insurance Agency, LLC		(2)(3)	Banking, Finance, Insurance & Real Estate	L + 5.00%	6.00%	6/1/2018	6/1/2024	2,339	2,327	2,316	0.26
QW Holding Corporation	^*	(2)(3)(13)	Environmental Industries	L + 6.25%	7.25%	8/31/2016	8/31/2022	43,119	42,771	40,990	4.55
Redwood Services Group, LLC	*	(2)(3)	High Tech Industries	L + 6.00%	7.00%	11/13/2018	6/6/2023	5,043	5,017	5,030	0.56
Redwood Services Group, LLC	*	(2)(3)	High Tech Industries	L + 8.50%	9.50%	8/14/2020	6/6/2023	3,474	3,378	3,494	0.39
Redwood Services Group, LLC	^*	(2)(3)(13)	High Tech Industries	L + 7.25%	8.25%	10/19/2020	6/6/2023	12,957	12,628	13,024	1.44
Regency Entertainment, Inc.	^	(2)(3)	Media: Diversified & Production	L + 6.75%	7.75%	5/22/2020	10/22/2025	20,000	19,636	19,600	2.17
Reladyne, Inc.	*	(2)(3)	Wholesale	L + 5.00%	6.00%	8/21/2020	7/22/2022	10,100	10,017	10,146	1.13
Riverson Acquisition Holdings, Inc.	*	(2)(3)	Banking, Finance, Insurance & Real Estate	L + 5.75%	6.75%	5/22/2019	5/22/2025	11,517	11,341	11,595	1.29
RSC Acquisition, Inc.	^	(2)(3)(13)	Banking, Finance, Insurance & Real Estate	L + 5.50%	6.50%	11/1/2019	11/1/2026	10,711	10,534	10,824	1.20
Sapphire Convention, Inc.	^*	(2)(3)(13)	Telecommunications	L + 6.25%	7.25%	11/20/2018	11/20/2025	28,812	28,342	24,000	2.66
Smile Doctors, LLC	^*	(2)(3)(13)	Healthcare & Pharmaceuticals	L + 6.00%	7.00%	10/6/2017	10/6/2022	16,930	16,872	16,577	1.84
Southern Graphics, Inc.	^	(2)(3)(11)	Media: Advertising, Printing & Publishing	L + 6.50%	7.50%	10/30/2020	10/23/2023	9,959	9,769	9,849	1.09
Sovos Brands Intermediate, Inc.	*	(2)(3)	Beverage, Food & Tobacco	L + 4.75%	4.96%	11/16/2018	11/20/2025	17,498	17,360	17,348	1.92
SPay, Inc.	^*	(2)(3)(13)	Hotel, Gaming & Leisure	L + 5.75%, 2.00% PIK	8.75%	6/15/2018	6/17/2024	21,365	21,099	17,318	1.92
Superior Health Linens, LLC	^*	(2)(3)(13)	Business Services	L + 6.50%	7.50%	9/30/2016	9/30/2021	13,155	13,116	13,079	1.45
T2 Systems, Inc.	^*	(2)(3)(13)	Transportation: Consumer	L + 6.75%	7.75%	9/28/2016	9/28/2022	26,605	26,356	26,605	2.95
Tank Holding Corp.	^	(2)(3)(13)	Capital Equipment	L + 3.50%	3.74%	3/26/2019	3/26/2024	—	—	(1)	—
TCFI Aevev LLC	^*	(2)(3)(13)	Aerospace & Defense	L + 6.00%	7.00%	3/18/2020	3/18/2026	9,693	9,503	9,650	1.07
The Leaders Romans Bidco Limited (United Kingdom) Term Loan B	^	(2)(3)(7)	Banking, Finance, Insurance & Real Estate	L + 6.50%, 3.00% PIK	10.25%	7/23/2019	6/30/2024	£ 20,740	25,406	28,078	3.12

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Investments—non-controlled/non-affiliated ⁽¹⁾	Footnotes	Industry	Reference Rate & Spread ⁽²⁾	Interest Rate ⁽²⁾	Acquisition Date	Maturity Date	Par/Principal Amount ^{**}	Amortized Cost ⁽⁴⁾	Fair Value ⁽⁵⁾	% of Net Assets	
The Leaders Romans Bidco Limited (United Kingdom) Term Loan C	^	(2)(3)(7)(13)	Banking, Finance, Insurance & Real Estate	L + 6.50%, 3.00% PIK	10.25%	7/23/2019	6/30/2024	£ 3,816	\$ 4,748	\$ 5,727	0.64 %
Trump Card, LLC	^*	(2)(3)(13)	Transportation: Cargo	L + 5.50%	6.50%	6/26/2018	4/21/2022	7,594	7,572	7,444	0.83
TSB Purchaser, Inc.	^*	(2)(3)(13)	Media: Advertising, Printing & Publishing	L + 6.00%	7.00%	5/14/2018	5/14/2024	18,666	18,354	18,501	2.05
Turbo Buyer, Inc.	^*	(2)(3)(13)	Automotive	L + 5.25%	6.25%	12/2/2019	12/2/2025	24,323	23,766	24,567	2.73
Tweddle Group, Inc.	^	(2)(3)	Media: Advertising, Printing & Publishing	L + 4.50%	5.50%	9/17/2018	9/17/2023	1,825	1,808	1,678	0.19
U.S. Acute Care Solutions, LLC	*	(2)(3)	Healthcare & Pharmaceuticals	L + 6.00%	7.00%	2/21/2019	5/15/2021	4,242	4,235	3,956	0.44
Unifrutti Financing PLC (Cyprus)	^	(7)	Beverage, Food & Tobacco	7.50%, 1.00% PIK	8.50%	9/15/2019	9/15/2026	€ 4,575	4,832	5,464	0.61
Unifrutti Financing PLC (Cyprus)	^	(7)	Beverage, Food & Tobacco	11.00% PIK	11.00%	10/22/2020	9/15/2026	€ 647	724	754	0.08
US INFRA SVCS Buyer, LLC	^	(2)(3)(13)	Environmental Industries	L + 6.00%	7.00%	4/13/2020	4/13/2026	3,248	2,688	3,175	0.35
USLS Acquisition, Inc.	^*	(2)(3)(13)	Business Services	L + 5.75%	6.75%	11/30/2018	11/30/2024	21,447	21,124	19,981	2.22
USLS Acquisition, Inc.	^	(2)(3)(13)	Business Services	L + 5.75%	6.75%	9/3/2020	11/30/2024	—	(22)	—	—
VRC Companies, LLC	^*	(2)(3)(13)	Business Services	L + 6.50%	7.50%	3/31/2017	3/31/2023	33,286	33,048	33,286	3.69
Westfall Technik, Inc.	^*	(2)(3)(13)	Chemicals, Plastics & Rubber	L + 6.25%	7.25%	9/13/2018	9/13/2024	27,720	27,457	25,733	2.85
Wheel Pros, LLC	*	(2)(3)	Automotive	L + 5.25%	6.25%	11/18/2020	11/6/2027	18,750	18,286	18,390	2.04
YLG Holdings, Inc.	^	(2)(3)(13)	Consumer Services	L + 6.25%	7.25%	9/30/2020	11/1/2025	1,401	1,343	1,370	0.15
Zemax Software Holdings, LLC	*	(2)(3)(13)	Software	L + 5.75%	6.75%	6/25/2018	6/25/2024	6,285	6,216	6,119	0.68
Zenith Merger Sub, Inc.	^*	(2)(3)(13)	Business Services	L + 5.25%	6.25%	12/13/2017	12/13/2023	14,164	14,034	14,031	1.56
First Lien Debt Total								\$ 1,246,281	\$ 1,190,871	132.16 %	
Second Lien Debt (15.6% of fair value)											
AI Convoy S.A.R.L (United Kingdom)	^	(2)(3)(7)	Aerospace & Defense	L + 8.25%	9.25%	1/17/2020	1/17/2028	\$ 24,814	\$ 24,305	\$ 25,546	2.83 %
Aimbridge Acquisition Co., Inc.	^	(2)(3)	Hotel, Gaming & Leisure	L + 7.50%	7.65%	2/1/2019	2/1/2027	9,241	9,104	7,993	0.89
AQA Acquisition Holding, Inc.	^	(2)(3)	High Tech Industries	L + 8.00%	9.00%	10/1/2018	5/24/2024	39,000	38,741	39,000	4.33
Brave Parent Holdings, Inc.	^*	(2)(3)	Software	L + 7.50%	7.64%	10/3/2018	4/19/2026	19,062	18,711	19,062	2.11
Drilling Info Holdings, Inc.	^	(2)(3)	Energy: Oil & Gas	L + 8.25%	8.40%	2/11/2020	7/30/2026	18,600	18,145	18,228	2.02
Jazz Acquisition, Inc.	^	(2)(3)	Aerospace & Defense	L + 8.00%	8.15%	6/13/2019	6/18/2027	23,450	23,150	18,146	2.01
Outcomes Group Holdings, Inc.	^*	(2)(3)	Business Services	L + 7.50%	7.75%	10/23/2018	10/26/2026	3,462	3,455	3,462	0.38
PAI Holdco, Inc.	^	(2)(3)	Automotive	L + 6.25%, 2.00% PIK	9.25%	10/28/2020	10/28/2028	13,530	13,132	13,329	1.48
Pharmalogic Holdings Corp.	^	(2)(3)	Healthcare & Pharmaceuticals	L + 8.00%	9.00%	6/7/2018	12/11/2023	800	798	783	0.09
Quartz Holding Company	^	(2)(3)	Software	L + 8.00%	8.15%	4/2/2019	4/2/2027	7,048	6,930	6,994	0.78
Reladyne, Inc.	^	(2)(3)	Wholesale	L + 9.50%	10.50%	4/19/2018	1/21/2023	12,242	12,133	11,956	1.33

TCG BDC, INC.
CONSOLIDATED SCHEDULE OF INVESTMENTS (Continued)
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Investments—non-controlled/non-affiliated ⁽¹⁾	Footnotes	Industry	Reference Rate & Spread ⁽²⁾	Interest Rate ⁽²⁾	Acquisition Date	Maturity Date	Par/Principal Amount ^{**}	Amortized Cost ⁽⁴⁾	Fair Value ⁽⁵⁾	% of Net Assets
Stonegate Pub Company Bidco Limited (United Kingdom)	^ (2)(3)(7)	Beverage, Food & Tobacco	L + 8.50%	8.54%	3/12/2020	3/12/2028	£ 20,000	24,729	21,902	2.43
Tank Holding Corp.	^ (2)(3)	Capital Equipment	L + 8.25%	8.40%	3/26/2019	3/26/2027	\$ 35,965	\$ 35,454	\$ 35,189	3.90 %
TruGreen Limited Partnership	^ (2)(3)	Consumer Services	L + 8.50%	9.25%	11/16/2020	11/2/2028	13,000	12,743	13,000	1.44
Ultimate Baked Goods MIDCO, LLC	^ (2)(3)	Beverage, Food & Tobacco	L + 8.00%	9.00%	8/9/2018	8/9/2026	2,820	2,776	2,689	0.30
Watchfire Enterprises, Inc.	^ (2)(3)	Media: Advertising, Printing & Publishing	L + 8.00%	9.00%	10/2/2013	10/2/2021	7,000	6,985	6,988	0.78
World 50, Inc.	^ (9)	Business Services	11.50%	11.50%	1/10/2020	1/9/2027	7,635	7,499	7,518	0.83
WP CPP Holdings, LLC	^* (2)(3)	Aerospace & Defense	L + 7.75%	8.75%	7/18/2019	4/30/2026	39,500	39,172	32,738	3.63
Second Lien Debt Total								\$ 297,962	\$ 284,523	31.56 %

Investments—non-controlled/non-affiliated ⁽¹⁾	Footnotes	Industry	Acquisition Date	Shares/Units	Cost	Fair Value ⁽⁵⁾	% of Net Assets
Equity Investments (1.9% of fair value)							
Central Security Group, Inc.	^* (6)	Consumer Services	10/16/2020	443	\$ —	\$ —	— %
ANLG Holdings, LLC	^ (6)	Capital Equipment	6/22/2018	592	592	865	0.10
Avenu Holdings, LLC	^ (6)	Sovereign & Public Finance	9/28/2018	172	172	345	0.04
BK Intermediate Company, LLC	^ (6)	Healthcare & Pharmaceuticals	5/27/2020	288	288	209	0.02
Chartis Holding, LLC	^ (6)	Business Services	5/1/2019	433	433	571	0.06
CIP Revolution Holdings, LLC	^ (6)	Media: Advertising, Printing & Publishing	8/19/2016	318	318	245	0.03
Cority Software Inc. (Canada)	^ (6)	Software	7/2/2019	250	250	295	0.03
DecoPac, Inc.	^ (6)	Non-durable Consumer Goods	9/29/2017	1,500	1,500	1,664	0.18
Derm Growth Partners III, LLC	^ (6)	Healthcare & Pharmaceuticals	5/31/2016	1,000	1,000	—	—
GRO Sub Holdco, LLC	^ (6)	Healthcare & Pharmaceuticals	3/29/2018	500	—	—	—
K2 Insurance Services, LLC	^ (6)	Banking, Finance, Insurance & Real Estate	7/3/2019	433	433	676	0.07
Legacy.com, Inc.	^ (6)	High Tech Industries	3/20/2017	1,500	1,500	613	0.07
Mailgun Technologies, Inc.	^ (6)	High Tech Industries	3/26/2019	424	424	784	0.09
North Haven Goldfinch Topco, LLC	^ (6)	Containers, Packaging & Glass	6/18/2018	2,315	2,315	3,043	0.34
PPC Flexible Packaging, LLC	^ (6)	Containers, Packaging & Glass	2/1/2019	965	965	1,302	0.14
Paramit Corporation	^ (6)	Capital Equipment	6/17/2019	150	500	758	0.08
Rough Country, LLC	^ (6)	Durable Consumer Goods	5/25/2017	755	755	1,634	0.18
SiteLock Group Holdings, LLC	^ (6)	High Tech Industries	4/5/2018	446	446	526	0.06
T2 Systems Parent Corporation	^ (6)	Transportation: Consumer	9/28/2016	556	556	838	0.09
Tailwind HMT Holdings Corp.	^ (6)	Energy: Oil & Gas	11/17/2017	20	1,334	2,001	0.22

TCG BDC, INC.
CONSOLIDATED SCHEDULE OF INVESTMENTS (Continued)
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Investments—non-controlled/non-affiliated ⁽¹⁾	Footnotes	Industry	Acquisition Date	Shares/Units	Cost	Fair Value ⁽⁵⁾	% of Net Assets
Tank Holding Corp.	^ (6)	Capital Equipment	3/26/2019	850	482	944	0.10
Titan DI Preferred Holdings, Inc.	^ (6)	Energy: Oil & Gas	2/11/2020	11,246	10,959	11,021	1.22
Turbo Buyer, Inc.	^ (6)	Automotive	12/2/2019	1,925	\$ 1,925	\$ 2,444	0.27 %
Tweddle Holdings, Inc.	^* (6)	Media: Advertising, Printing & Publishing	9/17/2018	17	—	—	—
Unifrutti Financing PLC (Cyprus)	^ (6)	Beverage, Food & Tobacco	10/22/2020	—	556	575	0.06
Unifrutti Financing PLC (Cyprus)	^ (6)	Beverage, Food & Tobacco	10/22/2020	—	—	—	—
USLS Acquisition, Inc.	^ (6)	Business Services	11/30/2018	641	641	565	0.06
W50 Parent LLC	^ (6)	Business Services	1/10/2020	500	500	575	0.06
Zenith American Holding, Inc.	^ (6)	Business Services	12/13/2017	1,565	782	1,221	0.14
Zillow Topco LP	^ (6)	Software	6/25/2018	313	313	163	0.02
Equity Investments Total					\$ 29,939	\$ 33,877	3.73 %
Total investments—non-controlled/non-affiliated					\$ 1,574,182	\$ 1,509,271	167.45 %

Investments—non-controlled/affiliated	Footnotes	Industry	Reference Rate & Spread ⁽²⁾	Interest Rate ⁽²⁾	Acquisition Date	Maturity Date	Par/Principal Amount **	Amortized Cost ⁽⁴⁾	Fair Value ⁽⁵⁾	% of Net Assets
First Lien Debt (1.4% of fair value)										
Direct Travel, Inc.	^* (2)(3)(8)(12)	Hotel, Gaming & Leisure	L + 1.00%, 7.50% PIK	9.50%	10/14/2016	10/1/2023	\$ 36,711	\$ 36,340	\$ 24,949	2.77 %
Direct Travel, Inc.	^ (2)(3)(12)(13)	Hotel, Gaming & Leisure	L + 6.00%	7.00%	10/1/2020	10/1/2023	1,231	1,231	1,231	0.14
First Lien Debt Total								\$ 37,571	\$ 26,180	2.91 %

Investments—non-controlled/affiliated	Footnotes	Industry	Acquisition Date	Shares/Units	Cost	Fair Value ⁽⁵⁾	% of Net Assets
Equity Investments (0.00% of fair value)							
Direct Travel, Inc.	^ (6)(12)	Hotel, Gaming & Leisure	10/1/2020	43	\$ —	\$ —	— %
Equity Investments Total					\$ —	\$ —	— %
Total investments—non-controlled/affiliated					\$ 37,571	\$ 26,180	2.91 %

TCG BDC, INC.
CONSOLIDATED SCHEDULE OF INVESTMENTS (Continued)
As of December 31, 2020
(dollar amounts in thousands)

Investments— controlled/affiliated	Footnotes	Industry	Reference Rate & Spread ⁽²⁾	Interest Rate ⁽²⁾	Acquisition Date	Maturity Date	Par/ Principal Amount **	Amortized Cost ⁽⁴⁾	Fair Value ⁽⁵⁾	% of Net Assets
First Lien Debt (0.4% of fair value)										
SolAero Technologies Corp. (A1 Term Loan)	^ (2)(3)(8)(10)	Telecommunications	L + 8.00% (100% PIK)	9.00%	4/12/2019	10/12/2022	\$ 3,166	\$ 3,166	\$ 1,214	0.13 %
SolAero Technologies Corp. (A2 Term Loan)	^ (2)(3)(8)(10)	Telecommunications	L + 8.00% (100% PIK)	9.00%	4/12/2019	10/12/2022	8,707	8,707	3,338	0.37
SolAero Technologies Corp. (Priority Facilities)	^ (2)(3)(10)(13)	Telecommunications	L + 6.00%	7.00%	4/12/2019	10/12/2022	2,460	2,429	2,460	0.27
First Lien Debt Total								\$ 14,302	\$ 7,012	0.77 %
Investments— controlled/affiliated										
Footnotes	Industry	Acquisition Date	Shares/ Units	Cost	Fair Value ⁽⁵⁾	% of Net Assets				
Equity Investments (0.00% of fair value)										
SolAero Technologies Corp.	^ (6)(10)	Telecommunications	4/12/2019	3	\$ 2,815	\$ —	— %			
Equity Investments Total					\$ 2,815	\$ —	— %			
Investments— controlled/affiliated										
Footnotes	Industry	Reference Rate & Spread⁽²⁾	Interest Rate⁽²⁾	Acquisition Date	Maturity Date	Par Amount/ LLC Interest	Cost	Fair Value⁽⁷⁾	% of Net Assets	
Investment Funds (15.5% of fair value)										
Middle Market Credit Fund II, LLC, Member's Interest	^ (10)(7)	Investment Funds	N/A	N/A	11/3/2020	12/31/2030	\$ 78,122	\$ 78,096	\$ 77,395	8.59 %
Middle Market Credit Fund, LLC, Subordinated Loan and Member's Interest	^ (10)(7)	Investment Funds	N/A	N/A	2/29/2016	3/1/2021	216,000	216,000	205,891	22.84
Middle Market Credit Fund, Mezzanine Loan	^ (2)(10)(7)(9)	Investment Funds	L + 9.00%	9.24%	6/30/2016	3/22/2021	—	—	—	—
Investment Fund Total							\$ 294,096	\$ 283,286	31.43 %	
Total investments—controlled/affiliated							\$ 311,213	\$ 290,298	32.20 %	
Total investments							\$ 1,922,966	\$ 1,825,749	202.56 %	

^ Denotes that all or a portion of the assets are owned by TCG BDC, Inc. (together with its consolidated subsidiaries, "we," "us," "our," "TCG BDC" or the "Company"). The Company has entered into a senior secured revolving credit facility (as amended, the "Credit Facility"). The lenders of the Credit Facility have a first lien security interest in substantially all of the portfolio investments held by the Company (see Note 7, Borrowings). Accordingly, such assets are not available to creditors of Carlyle Direct Lending CLO 2015-1R LLC (formerly known as Carlyle GMS Finance MM CLO 2015-1 LLC) (the "2015-1 Issuer").

* Denotes that all or a portion of the assets are owned by the Company's wholly owned subsidiary, the 2015-1 Issuer, and secure the notes issued in connection with a term debt securitization completed by the Company on June 26, 2015 (see Note 8, Notes Payable). Accordingly, such assets are not available to the creditors of the Company.

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

- (1) Unless otherwise indicated, issuers of debt and equity investments held by the Company are domiciled in the United States. Under the Investment Company Act of 1940, as amended (together with the rules and regulations promulgated thereunder, the "Investment Company Act"), the Company would be deemed to "control" a portfolio company if the Company owned more than 25% of its outstanding voting securities and/or held the power to exercise control over the management or policies of the portfolio company. As of December 31, 2020, the Company does not "control" any of these portfolio companies.

TCG BDC, INC.
CONSOLIDATED SCHEDULE OF INVESTMENTS (Continued)
As of December 31, 2020
(dollar amounts in thousands)

Under the Investment Company Act, the Company would be deemed an “affiliated person” of a portfolio company if the Company owns 5% or more of the portfolio company’s outstanding voting securities. As of December 31, 2020, the Company is not an “affiliated person” of any of these portfolio companies. Certain portfolio company investments are subject to contractual restrictions on sales.

- (2) Variable rate loans to the portfolio companies bear interest at a rate that is determined by reference to either LIBOR (“L”) or an alternate base rate (commonly based on the Federal Funds Rate or the U.S. Prime Rate), which generally resets quarterly. For each such loan, the Company has indicated the reference rate used and provided the spread and the interest rate in effect as of December 31, 2020. As of December 31, 2020, the reference rates for our 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 Directors of the Company (see Note 2, Significant Accounting Policies, and Note 3, Fair Value Measurements), pursuant to the Company’s valuation policy. The fair value of all first lien and second lien debt investments, equity investments and the investment fund was determined using significant unobservable inputs.
- (6) Security acquired in transaction exempt from registration under the Securities Act of 1933, as amended (the “Securities Act”), and may be deemed to be “restricted securities” under the Securities Act, unless otherwise noted. As of December 31, 2020, the aggregate fair value of these securities is \$33,877, or 3.73% of the Company’s net assets.
- (7) The Company has determined the indicated investments are non-qualifying assets under Section 55(a) of the Investment Company Act. Under the Investment Company Act, the Company may not acquire any non-qualifying assets unless, at the time such acquisition is made, qualifying assets represent at least 70% of the Company’s total assets.
- (8) Loan was on non-accrual status as of December 31, 2020.
- (9) Represents a corporate mezzanine loan, which is subordinated to senior secured term loans of the portfolio company/investment fund.
- (10) Under the Investment Company Act, the Company is deemed to be an “affiliated person” of and “control” this investment fund because the Company owns more than 25% of the investment fund’s outstanding voting securities and/or has the power to exercise control over management or policies of such investment fund. See Notes 5, Middle Market Credit Fund, LLC and 6, Middle Market Credit Fund II, LLC, for more details. Transactions related to investments in controlled affiliates for the year ended December 31, 2020, were as follows:

Investments—controlled/affiliated	Fair Value as of December 31, 2019	Additions/Purchases	Reductions/Sales/Paydowns	Net Realized Gain (Loss)	Net Change in Unrealized Appreciation (Depreciation)	Fair Value as of December 31, 2020	Dividend and Interest Income
Middle Market Credit Fund, LLC, Mezzanine Loan	\$ 93,000	\$ 63,500	\$ (156,500)	\$ —	\$ —	\$ —	\$ 3,049
Middle Market Credit Fund, LLC, Subordinated Loan and Member’s Interest	111,596	92,500	—	—	1,795	205,891	19,750
Middle Market Credit Fund II, LLC, Member’s Interest	—	78,096	—	—	(701)	77,395	1,446
Total investments—controlled/affiliated	\$ 204,596	\$ 234,096	\$ (156,500)	\$ —	\$ 1,094	\$ 283,286	\$ 24,245

Investments—controlled/affiliated	Fair Value as of December 31, 2019	Additions/Purchases	Reductions/Sales/Paydowns	Net Realized Gain (Loss)	Net Change in Unrealized Appreciation (Depreciation)	Fair Value as of December 31, 2020	Dividend and Interest Income
SolAero Technologies Corp. (Priority Term Loan)	9,612	—	(7,152)	—	—	2,460	52
SolAero Technologies Corp. (A1 Term Loan)	3,166	—	—	—	(1,952)	1,214	—
SolAero Technologies Corp. (A2 Term Loan)	8,707	—	—	—	(5,369)	3,338	—
Solaero Technology Corp. (Equity)	826	—	—	—	(826)	—	—
Total investments—controlled/affiliated	\$ 22,311	\$ —	\$ (7,152)	\$ —	\$ (8,147)	\$ 7,012	\$ 52

- (11) In addition to the interest earned based on the stated interest rate of this loan, which is the amount reflected in this schedule, the Company is entitled to receive additional interest as a result of an agreement among lenders. Pursuant to the agreement among lenders in respect of this loan, this investment represents a first lien/last out loan, which has a secondary priority behind the first lien/first out loan with respect to principal, interest and other payments.
- (12) Under the Investment Company Act, the Company is deemed an “affiliated person” of this portfolio company because the Company owns 5% or more of the portfolio company’s outstanding voting securities. Transactions related to the portfolio company during the year ended December 31, 2020 were as follows:

TCG BDC, INC.
CONSOLIDATED SCHEDULE OF INVESTMENTS (Continued)
As of December 31, 2020
(dollar amounts in thousands)

Investments—non-controlled/affiliated	Fair Value as of December 31, 2019	Additions/Purchases	Reductions/Sales/Paydowns	Net Realized Gain (Loss)	Net Change in Unrealized Appreciation (Depreciation)	Fair Value as of December 31, 2020	Dividend and Interest Income
Direct Travel, Inc.	\$ 36,757	\$ —	\$ (176)	\$ 1	\$ (11,633)	\$ 24,949	\$ —
Direct Travel, Inc.	—	1,231	—	—	—	1,231	18
Direct Travel, Inc. (Equity)	—	—	—	—	—	—	—
Total investments—non-controlled/affiliated	\$ 36,757	\$ 1,231	\$ (176)	\$ 1	\$ (11,633)	\$ 26,180	\$ 18

(13) As of December 31, 2020, the Company had the following unfunded commitments to fund delayed draw and revolving senior secured loans:

Investments—non-controlled/non-affiliated	Type	Unused Fee	Par/ Principal Amount	Fair Value
First and Second Lien Debt—unfunded delayed draw and revolving term loans commitments				
Advanced Web Technologies Holding Company	Delayed Draw	1.00%	\$ 2,299	\$ (46)
Advanced Web Technologies Holding Company	Revolver	0.50	854	(17)
Aimov, Inc.	Revolver	0.50	1,250	1
American Physician Partners, LLC	Revolver	0.50	550	(29)
AMS Group HoldCo, LLC	Revolver	0.50	2,315	(29)
Analogic Corporation	Revolver	0.50	168	—
Applied Technical Services	Delayed Draw	1.00	132	(3)
Applied Technical Services	Revolver	0.50	53	(1)
Apptio, Inc.	Revolver	0.50	2,367	36
Captive Resources Midco, LLC	Revolver	0.50	2,143	15
Chartis Holding, LLC	Delayed Draw	1.00	4,406	2
Chartis Holding, LLC	Revolver	0.50	2,401	1
Chemical Computing Group ULC (Canada)	Revolver	0.50	29	—
Cobblestone Intermediate Holdco LLC	Delayed Draw	1.00	11	—
Comar Holding Company, LLC	Revolver	0.50	2,935	11
Comar Holding Company, LLC	Delayed Draw	1.00	4,655	17
Cority Software Inc.(Canada)	Revolver	0.50	3,000	21
DermaRite Industries, LLC	Revolver	0.50	3,103	(29)
Diligent Corporation	Delayed Draw	1.00	141	2
Diligent Corporation	Revolver	0.50	47	1
Direct Travel, Inc.	Delayed Draw	0.50	3,029	—
Ethos Veterinary Health LLC	Delayed Draw	1.00	2,696	(37)
EvolveIP, LLC	Delayed Draw	1.00	3,333	(4)
EvolveIP, LLC	Revolver	0.50	2,941	(3)
FWR Holding Corporation	Revolver	0.50	4,444	(380)
Helios Buyer, Inc.	Revolver	0.50	1,326	(27)
Helios Buyer, Inc.	Delayed Draw	—	4,672	(93)
Hercules Borrower LLC	Revolver	0.50	2,160	(54)

TCG BDC, INC.
CONSOLIDATED SCHEDULE OF INVESTMENTS (Continued)
As of December 31, 2020
(dollar amounts in thousands)

Investments—non-controlled/non-affiliated	Type	Unused Fee	Par/ Principal Amount	Fair Value
Higginbotham Insurance Agency, Inc.	Delayed Draw	1.00	1,098	(16)
Individual FoodService Holdings, LLC	Revolver	0.50	436	(11)
Individual FoodService Holdings, LLC	Delayed Draw	1.00	645	(16)
Individual FoodService Holdings, LLC	Delayed Draw	1.00	165	(4)
Individual FoodService Holdings, LLC	Revolver	0.50	139	(3)
Innovative Business Services, LLC	Revolver	0.50	2,232	(41)
K2 Insurance Services, LLC	Revolver	0.50	2,290	—
K2 Insurance Services, LLC	Delayed Draw	1.00	1,571	—
Kaseya, Inc.	Delayed Draw	1.00	1,852	7
Kaseya, Inc.	Revolver	0.50	787	3
Lifelong Learner Holdings, LLC	Delayed Draw	1.00	1,690	(140)
Lifelong Learner Holdings, LLC	Revolver	0.50	1,377	(114)
Liqui-Box Holdings, Inc.	Revolver	0.50	1,262	(123)
Mailgun Technologies, Inc.	Revolver	0.50	1,342	(23)
National Technical Systems, Inc.	Revolver	0.50	835	(6)
NMI AcquisitionCo, Inc.	Revolver	0.50	1,280	(13)
Paramit Corporation	Delayed Draw	—	2,931	(59)
PF Growth Partners, LLC	Delayed Draw	1.00	823	(52)
PPC Flexible Packaging, LLC	Revolver	0.50	881	(3)
PricewaterhouseCoopers Public Sector LLP	Revolver	0.50	6,250	(32)
QW Holding Corporation	Delayed Draw	1.00	600	(29)
Redwood Services Group, LLC	Delayed Draw	3.63	4,639	18
RSC Acquisition, Inc.	Revolver	0.50	608	6
Sapphire Convention, Inc.	Revolver	0.50	3,655	(542)
Smile Doctors, LLC	Revolver	0.50	707	(14)
SolAero Technologies Corp. (Priority Facilities)	Revolver	0.50	2,068	—
SPay, Inc.	Revolver	0.50	655	(120)
Superior Health Linens, LLC	Revolver	0.50	1,667	(8)
T2 Systems, Inc.	Revolver	0.50	2,933	—
Tank Holding Corp.	Revolver	0.25	47	(1)
TCFI Aevox LLC	Delayed Draw	1.00	1,787	(7)
The Leaders Romans Bidco Limited (United Kingdom)	Delayed Draw	1.63	£ 204	26
Trump Card, LLC	Revolver	0.50	635	(12)
TSB Purchaser, Inc.	Revolver	0.50	1,891	(15)
Turbo Buyer, Inc.	Revolver	0.50	2,151	20
US INFRA SVCS Buyer, LLC	Revolver	0.50	2,275	(5)
US INFRA SVCS Buyer, LLC	Delayed Draw	1.00	26,153	(60)
USLS Acquisition, Inc.	Revolver	0.50	1,418	(91)
USLS Acquisition, Inc.	Delayed Draw	0.50	591	—

TCG BDC, INC.
CONSOLIDATED SCHEDULE OF INVESTMENTS (Continued)
As of December 31, 2020
(dollar amounts in thousands)

Investments—non-controlled/non-affiliated	Type	Unused Fee	Par/ Principal Amount	Fair Value
VRC Companies, LLC	Revolver	0.50	1,646	—
Westfall Technik, Inc.	Revolver	0.50	431	(30)
YLG Holdings, Inc.	Delayed Draw	1.00	596	(9)
Zemax Software Holdings, LLC	Revolver	0.50	642	(15)
Zenith Merger Sub, Inc.	Revolver	0.50	1,590	(12)
Zenith Merger Sub, Inc.	Delayed Draw	1.00	2,573	(19)
Total unfunded commitments			\$ 149,508	\$ (2,210)

As of December 31, 2020, investments at fair value consisted of the following:

Type	Amortized Cost	Fair Value	% of Fair Value
First Lien Debt	\$ 1,298,154	\$ 1,224,063	67.0 %
Second Lien Debt	297,962	284,523	15.6
Equity Investments	32,754	33,877	1.9
Investment Funds	294,096	283,286	15.5
Total	\$ 1,922,966	\$ 1,825,749	100.0 %

TCG BDC, INC.
CONSOLIDATED SCHEDULE OF INVESTMENTS (Continued)
As of December 31, 2020
(dollar amounts in thousands)

The rate type of debt investments at fair value as of December 31, 2020 was as follows:

Rate Type	Amortized Cost	Fair Value	% of Fair Value of First and Second Lien Debt
Floating Rate	\$ 1,583,061	\$ 1,494,850	99.1 %
Fixed Rate	13,055	13,736	0.9
Total	\$ 1,596,116	\$ 1,508,586	100.0 %

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

Industry	Amortized Cost	Fair Value	% of Fair Value
Aerospace & Defense	\$ 97,206	\$ 87,208	4.8 %
Automotive	57,109	58,730	3.2
Banking, Finance, Insurance & Real Estate	92,217	97,318	5.3
Beverage, Food & Tobacco	85,152	79,948	4.4
Business Services	134,316	132,526	7.3
Capital Equipment	47,446	48,134	2.6
Chemicals, Plastics & Rubber	27,457	25,733	1.4
Construction & Building	1,554	1,578	0.1
Consumer Services	35,103	34,017	1.9
Containers, Packaging & Glass	58,036	59,190	3.2
Durable Consumer Goods	10,302	10,992	0.6
Energy: Oil & Gas	40,135	40,109	2.2
Environmental Industries	63,536	62,238	3.4
Healthcare & Pharmaceuticals	154,547	118,486	6.5
High Tech Industries	205,975	205,709	11.3
Hotel, Gaming & Leisure	100,696	80,444	4.4
Investment Funds	294,096	283,286	15.5
Media: Advertising, Printing & Publishing	37,234	37,261	2.0
Media: Diversified & Production	19,636	19,600	1.1
Non-durable Consumer Goods	1,500	1,664	0.1
Retail	34,818	34,489	1.9
Software	87,026	85,727	4.7
Sovereign & Public Finance	37,055	37,621	2.1
Telecommunications	116,245	98,914	5.4
Transportation: Cargo	29,576	29,389	1.6
Transportation: Consumer	26,912	27,443	1.5
Wholesale	28,081	27,995	1.5
Total	\$ 1,922,966	\$ 1,825,749	100.0 %

TCG BDC, INC.
CONSOLIDATED SCHEDULE OF INVESTMENTS (Continued)
As of December 31, 2020
(dollar amounts in thousands)

The geographical composition of investments at fair value as of December 31, 2020 was as follows:

Geography	Amortized Cost	Fair Value	% of Fair Value
Canada	\$ 24,206	\$ 24,658	1.4 %
Cyprus	6,112	6,793	0.4
Luxembourg	32,093	29,970	1.6
United Kingdom	88,885	90,112	4.9
United States	1,771,670	1,674,216	91.7
Total	\$ 1,922,966	\$ 1,825,749	100.0 %

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

TCG BDC, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

As of September 30, 2021

(dollar amounts in thousands, except per share data)

1. ORGANIZATION

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

The Company’s investment objective is to generate current income and capital appreciation primarily through debt investments. The Company’s core investment strategy focuses on lending to U.S. middle market companies, which the Company defines as companies with approximately \$25 million to \$100 million of earnings before interest, taxes, depreciation and amortization (“EBITDA”), which the Company believes is a useful proxy for cash flow. 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. The Company seeks to achieve its investment objective primarily through direct origination of secured debt instruments, including first lien senior secured loans (which may include stand-alone first lien loans, first lien/last out loans and “unitranche” loans) and second lien senior secured loans (collectively, “Middle Market Senior Loans”), with the balance of its assets invested in higher yielding investments (which may include unsecured debt, mezzanine debt and investments in equities). The Middle Market Senior Loans are generally made to private U.S. middle market companies that are, in many cases, controlled by private equity firms. Depending on market conditions, the Company expects that between 70% and 80% of the value of its assets will be invested in Middle Market Senior Loans. The Company expects that the composition of its portfolio will change over time given the Investment Adviser’s view on, among other things, the economic and credit environment (including with respect to interest rates) in which the Company is operating.

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

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

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

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

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

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

On February 29, 2016, the Company and Credit Partners USA LLC (“Credit Partners”) entered into an amended and restated limited liability company agreement, which was subsequently amended on June 24, 2016 and February 22, 2021 (as amended, the “Limited Liability Company Agreement”) to co-manage Middle Market Credit Fund, LLC (“Credit Fund”). Credit Fund primarily invests in first lien loans of middle market companies. Credit Fund is managed by a six-member board of managers, on which the Company and Credit Partners each have equal representation. The Company and Credit Partners each have 50% economic ownership of Credit Fund and have commitments to fund, from time to time, capital of up to \$250,000 each. Refer to Note 5, Middle Market Credit Fund, LLC, for details.

On May 5, 2020, the Company issued and sold 2,000,000 shares of cumulative convertible preferred stock, par value \$0.01 per share (the “Preferred Stock”), to an affiliate of Carlyle in a private placement at a price of \$25 per share. See Note 10, Net Assets, for further information about the Preferred Stock.

On November 3, 2020, the Company and Cliffwater Corporate Lending Fund (“CCLF”), an investment vehicle managed by Cliffwater LLC, entered into a limited liability company agreement to co-manage Middle Market Credit Fund II, LLC (“Credit Fund II”). Credit Fund II invests in senior secured loans of middle market companies. Credit Fund II is managed by a four-member board of managers, on which the Company and CCLF each have equal representation. The Company and CCLF have approximately 84.13% and 15.87% economic ownership of Credit Fund II, respectively. The Company contributed certain senior secured debt investments with an aggregate principal balance of approximately \$250 million to Credit Fund II in exchange for its 84.13% economic interest and gross cash proceeds of approximately \$170 million. See Note 6, Middle Market Credit Fund II, LLC, to these consolidated financial statements for details.

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

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

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

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

The interim financial statements have been prepared in accordance with U.S. GAAP for interim financial information and pursuant to the requirements for reporting on Form 10-Q and Articles 6 and 10 of Regulation S-X. Accordingly, certain disclosures accompanying the annual consolidated financial statements prepared in accordance with U.S. GAAP are omitted. In the opinion of management, all adjustments considered necessary for the fair presentation of consolidated financial statements for the interim periods presented have been included. These adjustments are of a normal, recurring nature. This Form 10-Q should be read in conjunction with the Company's annual report on Form 10-K for the year ended December 31, 2020. The results of operations for the three and nine month periods ended September 30, 2021 are not necessarily indicative of the operating results to be expected for the full year.

Use of Estimates

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

Investments

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

Cash, Cash Equivalents and Restricted Cash

Cash, cash equivalents and restricted cash consist of demand deposits and highly liquid investments (e.g., money market funds, U.S. treasury notes) with original maturities of three months or less. Cash equivalents are carried at amortized cost, which approximates fair value. The Company's cash, cash equivalents and restricted cash are held with two large financial institutions and cash held in such financial institutions may, at times, exceed the Federal Deposit Insurance Corporation insured limit. As of September 30, 2021 and December 31, 2020, the Company had restricted cash balances of \$21,787 and \$16,184, respectively, which represent amounts that are collected by trustees who have been appointed as custodians of the assets securing certain of the Company's financing transactions, and held for payment of interest expense and principal on the outstanding borrowings, or reinvestment into new assets.

Revenue Recognition

Interest from Investments and Realized Gain/Loss on Investments

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

The Company has loans in its portfolio that contain payment-in-kind ("PIK") provisions. PIK represents interest that is accrued and recorded as interest income at the contractual rates, increases the loan principal on the respective capitalization dates, and is generally due at maturity. Such income is included in interest income in the Consolidated Statements of Operations. As of September 30, 2021 and December 31, 2020, the fair value of the loans in the portfolio with PIK provisions was \$254,295 and \$240,861, respectively, which represents approximately 13.1% and 13.2% of total investments at fair value, respectively. For the three month and nine month periods ended September 30, 2021, the Company earned \$2,441 and \$6,884 in PIK income, respectively. For the three month and nine month periods ended September 30, 2020, the Company earned \$1,810

and \$3,655 in PIK income, respectively. PIK income is included in interest income in the accompanying Consolidated Statements of Operations.

Dividend Income

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

Other Income

Other income may include income such as consent, waiver, amendment, unused, underwriting, arranger and prepayment fees associated with the Company's investment activities as well as any fees for managerial assistance services rendered by the Company to the portfolio companies. Such fees are recognized as income when earned or the services are rendered. The Company may receive fees for guaranteeing the outstanding debt of a portfolio company. Such fees are amortized into other income over the life of the guarantee. The unamortized amount, if any, is included in other assets in the accompanying Consolidated Statements of Assets and Liabilities. For the three month and nine month periods ended September 30, 2021, the Company earned \$759 and \$4,636 in other income, respectively. For the three month and nine month periods ended September 30, 2020, the Company earned \$2,110 and \$8,001 in other income, respectively.

Non-Accrual Income

Loans are generally placed on non-accrual status when principal or interest payments are past due 30 days or more or when there is reasonable doubt that principal or interest will be collected in full. Accrued and unpaid interest is generally reversed when a loan is placed on non-accrual status. Interest payments received on non-accrual loans may be recognized as income or applied to principal depending upon management's judgment regarding collectability. Non-accrual loans are restored to accrual status when past due principal and interest are paid current and, in management's judgment, are likely to remain current. Management may determine not to place a loan on non-accrual status if the loan has sufficient collateral value and is in the process of collection. As of September 30, 2021 and December 31, 2020, the fair value of the loans in the portfolio on non-accrual status was \$67,465 and \$58,136, respectively. The remaining first and second lien debt investments were performing and current on their interest payments as of September 30, 2021 and December 31, 2020.

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

The Company entered into a senior secured revolving credit facility (as amended, the "Credit Facility") and the SPV entered into a senior secured credit facility (as amended, the "SPV Credit Facility", and together with the Credit Facility, the "Facilities"), which was terminated on December 11, 2020. Interest expense and unused commitment fees on the Facilities are recorded on an accrual basis. Unused commitment fees are included in credit facility fees in the accompanying Consolidated Statements of Operations.

On December 30, 2019, the Company closed a private offering of \$115.0 million in aggregate principal amount of 4.750% Senior Unsecured Notes due December 31, 2024 (the "2019 Notes"). On December 11, 2020, the Company issued \$75.0 million in aggregate principal amount of 4.500% Senior Unsecured Notes due December 31, 2024 (the "2020 Notes", and together with the 2019 Notes, the "Senior Notes"). The Facilities, the 2015-1R Notes and the Senior Notes are recorded at carrying value, which approximates fair value.

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

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

Income Taxes

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

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

In addition, based on the excise distribution requirements, the Company is subject to a 4% nondeductible federal excise tax on undistributed income unless the Company distributes in a timely manner an amount at least equal to the sum of (1) 98% of its ordinary income for each calendar year, (2) 98.2% of capital gain net income (both long-term and short-term) for the one-year period ending October 31 in that calendar year and (3) any income realized, but not distributed, in the preceding year. For this purpose, however, any ordinary income or capital gain net income retained by the Company that is subject to corporate income tax is considered to have been distributed. For the three month and nine month periods ended September 30, 2021, the Company incurred \$163 and \$426 in excise tax expense, respectively. For the three month and nine month periods ended September 30, 2020, the Company incurred \$387 and \$539 in excise tax expense, respectively.

The Company evaluates tax positions taken or expected to be taken in the course of preparing its consolidated financial statements to determine whether the tax positions are "more likely than not" to be sustained by the applicable tax authority. The SPV and the 2015-1 Issuer are disregarded entities for tax purposes and are consolidated with the tax return of the Company. All penalties and interest associated with income taxes, if any, are included in income tax expense.

Dividends and Distributions to Common Stockholders

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

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

Functional Translations

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

Earnings Per Common Share

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

Recent Accounting Standards Updates

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

In March 2020, the FASB issued ASU No. 2020-04, "Reference Rate Reform (Topic 848)," which provides optional expedients and exceptions for applying GAAP to contracts, hedging relationships, and other transactions affected by reference rate reform if certain criteria are met. The amendments apply only to contracts, hedging relationships, and other transactions that reference London Interbank Offered Rate ("LIBOR") or another reference rate expected to be discontinued because of reference rate reform. In January 2021, the FASB issued ASU No. 2021-01, Reference Rate Reform (Topic 848), which expanded the scope of Topic 848 to include derivative instruments impacted by discounting transition. ASU 2020-04 and ASU 2021-01 are effective for all entities through December 31, 2022. The expedients and exceptions provided by the amendments do not apply to contract modifications and hedging relationships entered into or evaluated after December 31, 2022, except for hedging transactions as of December 31, 2022, that an entity has elected certain optional expedients for and that are retained through the end of the hedging relationship. The Company is currently evaluating the impact of the adoption of ASU 2020-04 and 2021-01 on its consolidated financial statements.

3. FAIR VALUE MEASUREMENTS

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

Securities/instruments that are illiquid or for which the pricing source does not provide a valuation or methodology or provides a valuation or methodology that, in the judgment of the Investment Adviser or the Company's Board of Directors, does not represent fair value shall each be valued as of the measurement date using all techniques appropriate under the circumstances and for which sufficient data is available. These valuation techniques may vary by investment and include comparable public market valuations, comparable precedent transaction valuations and/or discounted cash flow analyses. The process generally used to determine the applicable value is as follows: (i) the value of each portfolio company or investment is initially reviewed by the investment professionals responsible for such portfolio company or investment and, for non-traded investments, a standardized template designed to approximate fair market value based on observable market inputs, updated credit statistics and unobservable inputs is used to determine a preliminary value, which is also reviewed alongside consensus pricing, where available; (ii) preliminary valuation conclusions are documented and reviewed by a valuation committee comprised of members of senior management; (iii) the Board of Directors engages a third-party valuation firm to provide positive assurance on portions of the Middle Market Senior Loans and equity investments portfolio each quarter (such that each

non-traded investment other than Credit Fund is reviewed by a third-party valuation firm at least once on a rolling twelve month basis) including a review of management's preliminary valuation and conclusion on fair value; (iv) the Audit Committee of the Board of Directors (the "Audit Committee") reviews the assessments of the Investment Adviser and the third-party valuation firm and provides the Board of Directors with any recommendations with respect to changes to the fair value of each investment in the portfolio; and (v) the Board of Directors discusses the valuation recommendations of the Audit Committee and determines the fair value of each investment in the portfolio in good faith based on the input of the Investment Adviser and, where applicable, the third-party valuation firm.

All factors that might materially impact the value of an investment are considered, including, but not limited to the assessment of the following factors, as relevant:

- the nature and realizable value of any collateral;
- call features, put features and other relevant terms of debt;
- the portfolio company's leverage and ability to make payments;
- the portfolio company's public or private credit rating;
- the portfolio company's actual and expected earnings and discounted cash flow;
- prevailing interest rates and spreads for similar securities and expected volatility in future interest rates;
- the markets in which the portfolio company does business and recent economic and/or market events; and
- comparisons to comparable transactions and publicly traded securities.

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

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

In addition, changes in the market environment and other events that may occur over the life of the investments may cause the realized gains or losses on investments to be different from the net change in unrealized appreciation or depreciation currently reflected in the consolidated financial statements as of September 30, 2021 and December 31, 2020.

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

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

- Level 1—inputs to the valuation methodology are quoted prices available in active markets for identical investments as of the reporting date. Financial instruments in this category generally include unrestricted securities, including equities and derivatives, listed in active markets. The Company does not adjust the quoted price for these investments, even in situations where the Company holds a large position and a sale could reasonably impact the quoted price.
- Level 2—inputs to the valuation methodology are either directly or indirectly observable as of the reporting date and are those other than quoted prices in active markets. Financial instruments in this category generally include less liquid and restricted securities listed in active markets, securities traded in other than active markets, government and agency securities, and certain over-the-counter derivatives where the fair value is based on observable inputs.
- Level 3—inputs to the valuation methodology are unobservable and significant to overall fair value measurement. The inputs into the determination of fair value require significant management judgment or estimation. Financial instruments in this category generally include investments in privately-held entities, collateralized loan obligations, and certain over-the-counter derivatives where the fair value is based on unobservable inputs.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the overall fair value measurement. The Investment Adviser's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the investment. Investments in Credit Fund and Credit Fund II are valued based on the legal form of investment. For those structured through LLC membership interest, the practical expedient, or net asset value method, is used. For those structured through subordinated notes, a discounted cash flow method is used.

Transfers between levels, if any, are recognized at the beginning of the quarter in which the transfers occur. For the three month and nine month periods ended September 30, 2021 and 2020, there were no transfers between levels.

The following tables summarize the Company's investments measured at fair value on a recurring basis by the above fair value hierarchy levels as of September 30, 2021 and December 31, 2020:

	September 30, 2021			
	Level 1	Level 2	Level 3	Total
Assets				
First Lien Debt	\$ —	\$ —	\$ 1,275,553	\$ 1,275,553
Second Lien Debt	—	—	352,570	352,570
Equity Investments	—	—	52,665	52,665
Investment Funds				
Mezzanine Loan	—	—	—	—
Subordinated Loan and Member's Interest	—	—	189,275	189,275
Total	\$ —	\$ —	\$ 1,870,063	\$ 1,870,063
Investments measured at net asset value ⁽¹⁾				78,143
Total				\$ 1,948,206

	December 31, 2020			
	Level 1	Level 2	Level 3	Total
Assets				
First Lien Debt	\$ —	\$ —	\$ 1,224,063	\$ 1,224,063
Second Lien Debt	—	—	284,523	284,523
Equity Investments	—	—	33,877	33,877
Investment Funds				
Mezzanine Loan	—	—	—	—
Subordinated Loan and Member's Interest	—	—	205,891	205,891
Total	\$ —	\$ —	\$ 1,748,354	\$ 1,748,354
Investments measured at net asset value ⁽¹⁾				77,395
Total				\$ 1,825,749

(1) Amount represents the Company's investment in Credit Fund II. The Company, as a practical expedient, estimates the fair value of this investment using the net asset value of the Company's member's interest in Credit Fund II. As such, the fair value of the Company's investment in Credit Fund II has not been categorized within the fair value hierarchy.

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

Financial Assets					
For the three month period ended September 30, 2021					
	First Lien Debt	Second Lien Debt	Equity Investments	Investment Fund - Subordinated Loan and Member's Interest	Total
Balance, beginning of period	\$ 1,246,018	\$ 313,130	\$ 53,379	\$ 181,343	\$ 1,793,870
Purchases	213,790	57,365	1,490	—	272,645
Sales	(122,671)	(3,038)	(8,942)	—	(134,651)
Paydowns	(72,567)	(15,130)	(436)	—	(88,133)
Accretion of discount	1,987	502	12	—	2,501
Net realized gains (losses)	590	(12)	6,987	—	7,565
Net change in unrealized appreciation (depreciation)	8,406	(247)	175	7,932	16,266
Balance, end of period	<u>\$ 1,275,553</u>	<u>\$ 352,570</u>	<u>\$ 52,665</u>	<u>\$ 189,275</u>	<u>\$ 1,870,063</u>
Net change in unrealized appreciation (depreciation) included in earnings related to investments still held at the reporting date included in net change in unrealized appreciation (depreciation) on investments on the Consolidated Statements of Operations	<u>\$ 8,359</u>	<u>\$ (207)</u>	<u>\$ 2,046</u>	<u>\$ 7,932</u>	<u>\$ 18,130</u>

Financial Assets					
For the nine month period ended September 30, 2021					
	First Lien Debt	Second Lien Debt	Equity Investments	Investment Fund - Subordinated Loan and Member's Interest	Total
Balance, beginning of period	\$ 1,224,063	\$ 284,523	\$ 33,877	\$ 205,891	\$ 1,748,354
Purchases	492,348	120,678	21,523	—	634,549
Sales	(277,066)	(7,913)	(14,151)	—	(299,130)
Paydowns	(198,882)	(57,526)	(436)	(23,000)	(279,844)
Accretion of discount	5,360	1,146	24	—	6,530
Net realized gains (losses)	2,218	(28)	8,993	—	11,183
Net change in unrealized appreciation (depreciation)	27,512	11,690	2,835	6,384	48,421
Balance, end of period	<u>\$ 1,275,553</u>	<u>\$ 352,570</u>	<u>\$ 52,665</u>	<u>\$ 189,275</u>	<u>\$ 1,870,063</u>
Net change in unrealized appreciation (depreciation) included in earnings related to investments still held at the reporting date included in net change in unrealized appreciation (depreciation) on investments on the Consolidated Statements of Operations	<u>\$ 24,914</u>	<u>\$ 11,847</u>	<u>\$ 4,553</u>	<u>\$ 6,384</u>	<u>\$ 47,698</u>

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

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

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

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

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

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

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

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

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

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

The following tables summarize the quantitative information related to the significant unobservable inputs for Level 3 instruments which are carried at fair value as of September 30, 2021 and December 31, 2020:

	Fair Value as of September 30, 2021	Valuation Techniques	Significant Unobservable Inputs	Range		Weighted Average
				Low	High	
Investments in First Lien Debt	\$ 1,034,819	Discounted Cash Flow	Discount Rate	3.68 %	14.29 %	7.95 %
			Indicative Quotes	95.75	100.00	98.16
		Income Approach	Discount Rate	11.27 %	12.63 %	11.92 %
			Market Approach	Comparable Multiple	3.15x	8.32x
Total First Lien Debt	1,275,553					
Investments in Second Lien Debt	252,002	Discounted Cash Flow	Discount Rate	7.18 %	14.44 %	9.30 %
			Consensus Pricing	97.25	98.31	97.81
Total Second Lien Debt	352,570					
Investments in Equity	52,665	Income Approach	Discount Rate	7.22 %	11.27 %	8.67 %
			Market Approach	Comparable Multiple	8.32x	16.43x
Total Equity Investments	52,665					
Investments in Investment Fund						
Subordinated Loan and Member's Interest	189,275	Discounted Cash Flow	Discount Rate	8.50 %	8.50 %	8.50 %
			Default Rate	3.00 %	3.00 %	3.00 %
			Recovery Rate	65.00 %	65.00 %	65.00 %
Total Investments in Investment Fund	189,275					
Total Level 3 Investments	\$ 1,870,063					

	Fair Value as of December 31, 2020	Valuation Techniques	Significant Unobservable Inputs	Range		
				Low	High	Weighted Average
Investments in First Lien Debt	\$ 879,159	Discounted Cash Flow	Discount Rate	3.96 %	16.60 %	8.80 %
	287,191	Consensus Pricing	Indicative Quotes	89.11	100.00	97.70
	57,713	Income Approach	Discount Rate	12.80 %	14.70 %	13.50 %
		Market Approach	Comparable Multiple	3.17x	6.99x	6.43x
Total First Lien Debt	1,224,063					
Investments in Second Lien Debt	238,785	Discounted Cash Flow	Discount Rate	7.14 %	15.27 %	9.67 %
	45,738	Consensus Pricing	Indicative Quotes	82.88	100.00	87.75
Total Second Lien Debt	284,523					
Investments in Equity	33,877	Income Approach	Discount Rate	7.22 %	12.80 %	8.84 %
		Market Approach	Comparable Multiple	6.99x	16.43x	10.50x
Total Equity Investments	33,877					
Investment in Investment Fund						
Mezzanine Loan	—	Collateral Analysis	Recovery Rate	100.00 %	100.00 %	100.00 %
Subordinated Loan and Member's Interest	205,891	Discounted Cash Flow	Discount Rate	8.50 %	8.50 %	8.50 %
		Discounted Cash Flow	Default Rate	3.00 %	3.00 %	3.00 %
		Discounted Cash Flow	Recovery Rate	65.00 %	65.00 %	65.00 %
Total Investments in Investment Fund	205,891					
Total Level 3 Investments	\$ 1,748,354					

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

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

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

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

Financial instruments disclosed but not carried at fair value

The following table presents the carrying value and fair value of the Company's secured borrowings and senior unsecured notes disclosed but not carried at fair value as of September 30, 2021 and December 31, 2020:

	September 30, 2021		December 31, 2020	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Secured borrowings	\$ 425,545	\$ 425,545	\$ 347,949	\$ 347,949
2019 Notes	115,000	116,250	115,000	116,250
2020 Notes	75,000	75,000	75,000	75,000
Total	\$ 615,545	\$ 616,795	\$ 537,949	\$ 539,199

The carrying values of the secured borrowings and Senior Notes approximate their respective fair values and are categorized as Level 3 within the hierarchy. Secured borrowings are valued generally using discounted cash flow analysis. The

significant unobservable inputs used in the fair value measurement of the Company's secured borrowings and senior unsecured notes are discount rates. Significant increases in discount rates would result in a significantly lower fair value measurement.

The following table represents the carrying values (before debt issuance costs) and fair values of the Company's 2015-1R Notes disclosed but not carried at fair value as of September 30, 2021 and December 31, 2020:

	September 30, 2021		December 31, 2020	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Aaa/AAA Class A-1-1-R Notes	\$ 234,800	\$ 234,917	\$ 234,800	\$ 230,996
Aaa/AAA Class A-1-2-R Notes	50,000	50,000	50,000	49,645
Aaa/AAA Class A-1-3-R Notes	25,000	25,038	25,000	25,017
AA Class A-2-R Notes	66,000	66,007	66,000	64,895
A Class B Notes	46,400	46,405	46,400	45,291
BBB- Class C Notes	27,000	26,849	27,000	24,592
Total	\$ 449,200	\$ 449,216	\$ 449,200	\$ 440,436

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

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

4. RELATED PARTY TRANSACTIONS

Investment Advisory Agreement

On April 3, 2013, the Company's Board of Directors, including a majority of the directors who are not "interested persons" as defined in Section 2(a)(19) of the Investment Company Act (the "Independent Directors"), approved an investment advisory agreement (the "Original Investment Advisory Agreement") between the Company and the Investment Adviser in accordance with, and on the basis of an evaluation satisfactory to such directors as required by, Section 15(c) of the Investment Company Act. The Original Investment Advisory Agreement was amended on September 15, 2017 and August 6, 2018 after receipt of requisite Board and stockholders' approvals, as applicable (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 Company's Board of Directors and by the vote of a majority of the Independent Directors. On May 26, 2021, 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. Pursuant to relief granted by the SEC in light of the COVID-19 pandemic (the "Order") and a determination by the Board of Directors that reliance on the order was appropriate due to circumstances related to the current or potential side-effects of COVID-19, the May 26 meeting was held by video- and telephone-conference. 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 Adviser provides investment advisory services to the Company. For providing these services, the 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 is calculated at an annual rate of 1.00% of the average value of the gross assets as of the end of the two most recently completed calendar quarters that exceeds the product of (A) 200% and (B) the average value of the Company's net asset value at the end of the two most recently completed calendar quarters. The base management fee will be appropriately adjusted for any share issuances or repurchases during such fiscal quarter and the base management fees for any partial month or quarter will be pro-rated. The Company's gross assets exclude any cash and cash equivalents and include assets acquired through the incurrence of debt from the use of leverage. 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 the Company's net assets at the end of the immediately preceding calendar quarter, has been compared to a "hurdle rate" of 1.50% per quarter (6% annualized) or a "catch-up rate" of 1.82% per quarter (7.28% annualized), as applicable.

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

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

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

Below is a summary of the base management fees and incentive fees incurred during the three month and nine month periods ended September 30, 2021 and 2020.

	For the three month periods ended		For the nine month periods ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
Base management fees	\$ 7,233	\$ 7,134	\$ 21,024	\$ 21,585
Incentive fees on pre-incentive fee net investment income	4,516	4,322	13,193	14,075
Realized capital gains incentive fees	—	—	—	—
Accrued capital gains incentive fees	—	—	—	—
Total capital gains incentive fees	—	—	—	—
Total incentive fees	4,516	4,322	13,193	14,075
Total base management fees and incentive fees	\$ 11,749	\$ 11,456	\$ 34,217	\$ 35,660

Accrued capital gains incentive fees are based upon the cumulative net realized and unrealized appreciation (depreciation) from inception. Accordingly, the accrual for any capital gains incentive fee under U.S. GAAP in a given period may result in an additional expense if such cumulative amount is greater than in the prior period or a reduction of previously recorded expense if such cumulative amount is less than in the prior period. If such cumulative amount is negative, then there is no accrual.

As of September 30, 2021 and December 31, 2020, \$11,752 and \$11,549, respectively, was included in base management and incentive fees payable in the accompanying Consolidated Statements of Assets and Liabilities.

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

Administration Agreement

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

Unless terminated earlier, the Administration Agreement will renew automatically for successive annual periods, provided that such continuance is specifically approved at least annually by (i) the vote of the Board of Directors or by a majority vote of the outstanding voting securities of the Company and (ii) the vote of a majority of the Company’s Independent Directors. On May 26, 2021, the Company’s Board of Directors, including a majority of the Independent Directors, approved the continuance of the Administration Agreement for a one-year period. The Administration Agreement may not be assigned by a party without the consent of the other party and may be terminated by either party without penalty upon at least 60 days’ written notice to the other party.

For the three month periods ended September 30, 2021 and 2020, the Company incurred \$400 and \$167, respectively, in fees under the Administration Agreement. For the nine month periods ended September 30, 2021 and 2020, the Company incurred \$1,057 and \$539, respectively, in fees under the Administration Agreement. These fees are included in administrative service fees in the accompanying Consolidated Statements of Operations. As of September 30, 2021 and December 31, 2020, \$661 and \$85, respectively, was unpaid and included in administrative service fees payable in the accompanying Consolidated Statements of Assets and Liabilities.

Sub-Administration Agreements

On April 3, 2013, the Administrator entered into a sub-administration agreement with Carlyle Employee Co. (the “Carlyle Sub-Administration Agreement”). Pursuant to the Carlyle Sub-Administration Agreement, Carlyle Employee Co. provides the Administrator with access to personnel.

On April 3, 2013, the Administrator entered into a sub-administration agreement with State Street Bank and Trust Company (“State Street” and, such agreement, the “State Street Sub-Administration Agreement” and, together with the Carlyle Sub-Administration Agreement, the “Sub-Administration Agreements”). Unless terminated earlier, the State Street Sub-Administration Agreement will renew automatically for successive annual periods, provided that such continuance is specifically approved at least annually by (i) the vote of the Board of Directors or by the vote of a majority of the outstanding voting securities of the Company and (ii) the vote of a majority of the Company’s Independent Directors. On May 26, 2021, the Company’s Board of Directors, including a majority of the Independent Directors, approved the continuance of the State Street Sub-Administration Agreement for a one-year period. The State Street Sub-Administration Agreement may be terminated upon at least 60 days’ written notice and without penalty by the vote of a majority of the outstanding securities of the Company, or by the vote of the Board of Directors or by either party to the State Street Sub-Administration Agreement.

For the three month periods ended September 30, 2021 and 2020, the Company incurred \$169 and \$193, respectively, in fees under the State Street Sub-Administration Agreement. For the nine month periods ended September 30, 2021 and 2020, the Company incurred \$504 and \$578, respectively, in fees under the Administration Agreement. These fees are included in other general and administrative expenses in the accompanying Consolidated Statements of Operations. As of September 30, 2021 and December 31, 2020, \$502 and \$334, respectively, was unpaid and included in other accrued expenses and liabilities in the accompanying Consolidated Statements of Assets and Liabilities.

License Agreement

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

Board of Directors

The Company’s Board of Directors currently consists of seven members, five of whom are Independent Directors. The Board of Directors has established an Audit Committee, a Pricing Committee, a Nominating and Governance Committee and a Compensation Committee, the members of each of which consist entirely of the Company’s Independent Directors. The Board of Directors may establish additional committees in the future. For the three month periods ended September 30, 2021 and 2020, the Company incurred \$154 and \$86, respectively, in fees and expenses associated with its Independent Directors’ services on the Company’s Board of Directors and its committees. For the nine month periods ended September 30, 2021 and 2020, the Company incurred \$420 and \$303, respectively, in fees and expenses associated with its Independent Directors’ services on the Company’s Board of Directors and its committees. As of September 30, 2021 and December 31, 2020, \$147 and \$96, respectively, in fees or expenses associated with its Independent Directors were payable, and included in other accrued expenses and liabilities in the accompanying Consolidated Statements of Assets and Liabilities.

Transactions with Investment Funds

For the three and nine month periods ended September 30, 2021, the Company sold 5 and 8 investments, respectively, to Credit Fund for proceeds of \$67,519 and \$118,204, respectively, and realized gain (loss) of \$388 and \$1,075, respectively. For the three and nine month periods ended September 30, 2020, the Company sold 0 and 4 investments, respectively, to Credit Fund for proceeds of \$0 and \$62,754, respectively, and realized gain (loss) of \$0 and \$(2,289), respectively. See Note 5, Middle Market Credit Fund, LLC, for further information about Credit Fund. For the three and nine month periods ended September 30, 2021, the Company sold 5 and 10 investments, respectively, to Credit Fund II for proceeds of \$20,923 and \$40,687, respectively, and realized gain (loss) of \$155 and \$237, respectively. See Note 6, Middle Market Credit Fund II, LLC, for further information about Credit Fund II.

Cumulative Convertible Preferred Stock

On May 5, 2020, the Company issued and sold 2,000,000 shares of the Preferred Stock to an affiliate of Carlyle in a private placement at a price of \$25 per share. For the three and nine month periods ended September 30, 2021, the Company declared and paid a dividend on the Preferred Stock of \$875 and \$2,625, respectively. For the three month period ended

September 30, 2020 and for the period from May 5, 2020 through September 30, 2020, the Company declared and paid a dividend on the Preferred Stock of \$856 and \$1,410, respectively. See Note 10, Net Assets, for further information about the Preferred Stock.

5. MIDDLE MARKET CREDIT FUND, LLC

Overview

On February 29, 2016, the Company and Credit Partners entered into 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, October 6, 2017, November 26, 2018 and August 16, 2019, respectively. Credit Fund Sub, the 2017-1 Issuer, the 2019-2 Issuer and Credit Fund Warehouse II are wholly owned subsidiaries of Credit Fund and are consolidated in Credit Fund's consolidated financial statements commencing from the date of their respective formations. In December 2020, the 2017-1 Notes, as defined below, were redeemed in full and notes outstanding were repaid in full. In August 2021, the 2019-2 Notes, as defined below, were redeemed in full and the notes outstanding were repaid in full. Credit Fund Sub and Credit Fund Warehouse II primarily invest in first lien loans of middle market companies. Credit Fund and its wholly owned subsidiaries follow the same Internal Risk Rating System as the Company. Refer to "Debt" below for discussions regarding the credit facilities entered into and the notes issued by such wholly-owned subsidiaries.

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

Selected Financial Data

Since inception of Credit Fund and through September 30, 2021 and December 31, 2020, the Company and Credit Partners each made capital contributions of \$1 and \$1 in members' equity, respectively, and \$216,000 and \$216,000 in subordinated loans, respectively, to Credit Fund. On May 25, 2021, the Company and Credit Partners received a return of capital of \$46,000, of which the Company received \$23,000. Below is certain summarized consolidated financial information for Credit Fund as of September 30, 2021 and December 31, 2020.

	As of	
	September 30, 2021 (unaudited)	December 31, 2020
Selected Consolidated Balance Sheet Information		
ASSETS		
Investments, at fair value (amortized cost of \$1,086,729 and \$1,080,538, respectively)	\$ 1,078,265	\$ 1,056,381
Cash, cash equivalents and restricted cash ⁽¹⁾	62,544	119,796
Other assets	13,489	7,553
Total assets	\$ 1,154,298	\$ 1,183,730
LIABILITIES AND MEMBERS' EQUITY		
Secured borrowings	\$ 757,034	\$ 514,261
Notes payable, net of unamortized debt issuance costs of \$0 and \$1,559, respectively	—	253,933
Other liabilities	27,069	15,543
Subordinated loans and members' equity ⁽²⁾	370,195	399,993
Liabilities and members' equity	\$ 1,154,298	\$ 1,183,730

⁽¹⁾ As of September 30, 2021 and December 31, 2020, \$9,121 and \$83,574, respectively, of Credit Fund's cash and cash equivalents was restricted.

⁽²⁾ As of September 30, 2021 and December 31, 2020, the fair value of Company's ownership interest in the subordinated loans and members' equity was \$189,275 and \$205,891, respectively.

	For the three month periods ended		For the nine month periods ended	
	September 30, 2021 (unaudited)	September 30, 2020	September 30, 2021 (unaudited)	September 30, 2020 (unaudited)
Selected Consolidated Statement of Operations Information:				
Total investment income	\$ 17,124	\$ 22,863	\$ 50,951	\$ 64,276
Expenses				
Interest and credit facility expenses	6,701	7,696	17,437	31,175
Other expenses	510	602	1,532	1,695
Total expenses	7,211	8,298	18,969	32,870
Net investment income (loss)	9,913	14,565	31,982	31,406
Net realized gain (loss) on investments	220	—	(1,473)	—
Net change in unrealized appreciation (depreciation) on investments	1,500	18,351	15,693	(23,114)
Net increase (decrease) resulting from operations	\$ 11,633	\$ 32,916	\$ 46,202	\$ 8,292

Below is a summary of Credit Fund's portfolio, followed by a listing of the loans in Credit Fund's portfolio as of September 30, 2021 and December 31, 2020:

	As of	
	September 30, 2021	December 31, 2020
Senior secured loans ⁽¹⁾	\$ 1,091,142	\$ 1,084,491
Weighted average yields of senior secured loans based on amortized cost ⁽²⁾	6.07 %	6.03 %
Weighted average yields of senior secured loans based on fair value ⁽²⁾	6.09 %	6.15 %
Number of portfolio companies in Credit Fund	55	54
Average amount per portfolio company ⁽¹⁾	\$ 19,839	\$ 20,083
Number of loans on non-accrual status	—	—
Fair value of loans on non-accrual status	\$ —	\$ —
Percentage of portfolio at floating interest rates ⁽³⁾⁽⁴⁾	100.0 %	97.7 %
Percentage of portfolio at fixed interest rates ⁽⁴⁾	— %	2.3 %
Fair value of loans with PIK provisions	\$ —	\$ 24,113
Percentage of portfolio with PIK provisions ⁽⁴⁾	— %	2.3 %

(1) At par/principal amount.

(2) Weighted average yields include the effect of accretion of discounts and amortization of premiums and are based on interest rates as of September 30, 2021 and 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 original issue discount ("OID") and market discount earned on accruing debt included in such securities, divided by (b) total first lien and second lien debt at fair value included in such securities. Weighted average yield on debt and income producing securities at amortized cost is computed as (a) the annual stated interest rate or yield earned plus the net annual amortization of OID and market discount earned on accruing debt included in such securities, divided by (b) total first lien and second lien debt at amortized cost included in such securities. Actual yields earned over the life of each investment could differ materially from the yields presented above.

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

(4) Percentages based on fair value.

Consolidated Schedule of Investments as of September 30, 2021

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 (100.0% of fair value)									
ACR Group Borrower, LLC	^+	(2)(3)(6)	Aerospace & Defense	L + 4.50%	5.50%	3/31/2028	\$ 34,563	\$ 33,977	\$ 34,547
Acisure, LLC	+#	(2)(3)	Banking, Finance, Insurance & Real Estate	L + 3.50%	3.63%	2/15/2027	25,441	25,422	25,171
Alpha Packaging Holdings, Inc.	+	(2)(3)	Containers, Packaging & Glass	L + 6.00%	7.00%	5/12/2022	15,866	15,866	15,866
Alpine SG, LLC	+	(2)(3)	High Tech Industries	L + 5.75%	6.75%	11/16/2022	10,890	10,772	10,773
AmeriLife Holdings LLC	#	(2)(3)	Banking, Finance, Insurance & Real Estate	L + 4.00%	4.08%	3/18/2027	9,877	9,857	9,877
Analogic Corporation	^+	(2)(3)(6)	Capital Equipment	L + 5.25%	6.25%	6/22/2024	18,714	18,698	18,534
Anchor Packaging, Inc.	+#	(2)(3)	Containers, Packaging & Glass	L + 4.00%	4.08%	7/18/2026	24,535	24,443	24,483
API Technologies Corp.	^+#	(2)(3)	Aerospace & Defense	L + 4.25%	4.33%	5/9/2026	14,663	14,614	14,223
Aptean, Inc.	+#	(2)(3)	Software	L + 4.25%	4.33%	4/23/2026	12,188	12,141	12,084
Astra Acquisition Corp.	+#	(2)(3)	Software	L + 4.75%	5.50%	2/28/2027	28,639	28,290	28,639
Avalign Technologies, Inc.	+#	(2)(3)	Healthcare & Pharmaceuticals	L + 4.50%	4.63%	12/22/2025	14,480	14,390	14,364
Avenu Holdings, LLC	+	(2)(3)	Sovereign & Public Finance	L + 5.25%	6.25%	9/28/2024	23,410	23,410	23,410
BK Medical Holding Company, Inc.	^+	(2)(3)(6)	Healthcare & Pharmaceuticals	L + 5.25%	6.25%	6/22/2024	23,983	23,814	23,983
BMS Holdings III Corp.	+	(2)(3)	Construction & Building	L + 5.50%	6.50%	9/30/2026	11,272	11,166	11,157
Chartis Holding, LLC	+	(2)(3)(6)	Business Services	L + 5.50%	6.50%	5/1/2025	6,982	6,982	6,982
Chemical Computing Group ULC (Canada)	^+	(2)(3)(6)	Software	L + 4.50%	5.50%	8/30/2024	13,948	13,453	13,883
Chudy Group, LLC	^+	(2)(3)(6)	Healthcare & Pharmaceuticals	L + 5.75%	6.75%	6/30/2027	33,103	32,526	32,912
Diligent Corporation	^+	(2)(3)(6)	Telecommunications	L + 6.25%	7.25%	8/4/2025	9,072	8,828	9,301
Divisions Holding Corporation	+#	(2)(3)	Business Services	L + 4.75%	5.50%	5/27/2028	25,000	24,759	25,077
DTI Holdco, Inc.	+	(2)(3)	High Tech Industries	L + 4.75%	5.75%	9/30/2023	18,543	18,491	18,130
Eliassen Group, LLC	+	(2)(3)	Business Services	L + 4.25%	4.33%	11/5/2024	9,927	9,895	9,877
EPS Nass Parent, Inc.	^+	(2)(3)(6)	Utilities: Electric	L + 5.75%	6.75%	4/19/2028	31,670	30,970	31,316
EvolveIP, LLC	^+	(2)(3)(6)	Telecommunications	L + 5.75%	6.75%	6/7/2023	39,925	39,840	39,924
Exactech, Inc.	+#	(2)(3)	Healthcare & Pharmaceuticals	L + 3.75%	4.75%	2/14/2025	21,362	21,274	21,050
Excel Fitness Holdings, Inc.	+#	(2)(3)	Hotel, Gaming & Leisure	L + 5.25%	6.25%	10/7/2025	24,563	24,388	24,359
Frontline Technologies Holdings, LLC	+	(2)(3)	Software	L + 5.75%	6.75%	9/18/2023	14,773	14,249	14,773
Golden West Packaging Group LLC	+	(2)(3)	Containers, Packaging & Glass	L + 5.75%	6.75%	6/20/2023	27,305	27,228	27,237
Heartland Home Services, Inc	+	(2)(3)(6)	Consumer Services	L + 6.00%	7.00%	12/15/2026	18,325	18,325	18,380
HMT Holding Inc.	^+	(2)(3)(6)	Energy: Oil & Gas	L + 5.75%	6.75%	11/17/2023	32,568	32,301	31,623
Integrity Marketing Acquisition, LLC	+	(2)(3)(6)	Banking, Finance, Insurance & Real Estate	L + 5.50%	6.25%	8/27/2025	15,574	15,111	15,479
Jensen Hughes, Inc.	+	(2)(3)(6)	Utilities: Electric	L + 4.50%	5.50%	3/22/2024	34,480	34,442	33,818
K2 Insurance Services, LLC	+	(2)(3)(6)	Banking, Finance, Insurance & Real Estate	L + 5.00%	6.00%	7/1/2026	12,961	12,961	12,772
KAMC Holdings, Inc.	+#	(2)(3)	Energy: Electricity	L + 4.00%	4.12%	8/14/2026	13,720	13,670	12,982
KBP Investments, LLC	^+	(2)(3)(6)	Beverage, Food & Tobacco	L + 5.00%	5.75%	5/25/2027	19,238	18,828	18,926

Consolidated Schedule of Investments as of September 30, 2021

Investments ⁽¹⁾		Footnotes	Industry	Reference Rate & Spread ⁽²⁾	Interest Rate ⁽²⁾	Maturity Date	Par/ Principal Amount	Amortized Cost ⁽⁴⁾	Fair Value ⁽⁵⁾
Marco Technologies, LLC	+	(2)(3)	Media: Advertising, Printing & Publishing	L + 4.00%	5.00%	10/30/2023	\$ 7,314	\$ 7,298	\$ 7,314
Mold-Rite Plastics, LLC	+	(2)(3)	Chemicals, Plastics & Rubber	L + 4.25%	5.25%	6/14/2022	14,408	14,402	14,408
Newport Group Holdings II, Inc.	+#	(2)(3)	Banking, Finance, Insurance & Real Estate	L + 3.50%	3.63%	9/13/2025	23,295	23,136	23,272
Odyssey Logistics & Technology Corp.	+#	(2)(3)	Transportation: Cargo	L + 4.00%	5.00%	10/12/2024	11,210	11,228	11,098
Output Services Group	^+	(2)(3)	Media: Advertising, Printing & Publishing	L + 4.50%	5.50%	3/27/2024	19,272	19,241	16,537
Premise Health Holding Corp.	+#	(2)(3)	Healthcare & Pharmaceuticals	L + 3.50%	3.63%	7/10/2025	13,480	13,443	13,442
Q Holding Company	+#	(2)(3)	Automotive	L + 5.00%	6.00%	12/31/2023	21,570	21,466	21,167
QW Holding Corporation	^+	(2)(3)(6)	Environmental Industries	L + 6.25%	7.25%	8/31/2024	13,324	13,064	12,800
Radiology Partners, Inc.	+#	(2)(3)	Healthcare & Pharmaceuticals	L + 4.25%	4.33%	7/9/2025	27,686	27,597	27,655
RevSpring Inc.	+#	(2)(3)	Media: Advertising, Printing & Publishing	L + 4.25%	4.38%	10/11/2025	29,224	29,068	29,125
Situs Group Holdings Corporation	+	(2)(3)	Banking, Finance, Insurance & Real Estate	L + 4.75%	5.75%	6/28/2025	14,669	14,591	14,638
Striper Buyer, LLC	+	(2)(3)	Containers, Packaging & Glass	L + 5.50%	6.25%	12/30/2026	14,887	14,751	14,887
T2 Systems, Inc.	^+	(2)(3)(6)	Transportation: Consumer	L + 6.75%	7.75%	9/28/2022	28,893	28,678	28,893
Turbo Buyer, Inc.	+	(2)(3)(6)	Automotive	L + 5.75%	6.75%	12/2/2025	13,995	13,995	13,697
U.S. TelePacific Holdings Corp.	+	(2)(3)	Telecommunications	L + 5.50%	6.50%	5/2/2023	6,660	6,640	5,448
VRC Companies, LLC	^+	(2)(3)(6)	Business Services	L + 5.50%	6.25%	6/29/2027	25,249	24,814	24,799
Water Holdings Acquisition LLC	^+	(2)(3)(6)	Utilities: Water	L + 5.00%	6.00%	12/18/2026	30,047	29,345	30,047
Welocalize, Inc.	+	(2)(3)(6)	Business Services	L + 4.75%	5.75%	12/23/2024	35,638	35,282	35,255
WRE Holding Corp.	^+	(2)(3)(6)	Environmental Industries	L + 5.50%	6.50%	1/3/2023	8,761	8,739	8,671
Yellowstone Buyer Acquisition, LLC	+	(2)(3)	Durable Consumer Goods	L + 5.75%	6.75%	9/13/2027	40,000	39,206	39,200
First Lien Debt Total							\$ 1,081,365	\$ 1,078,265	
Equity Investments (0.0% of fair value)									
DBI Holding, LLC	^		Transportation: Cargo				2,961	\$ —	\$ —
DBI Holding, LLC	^		Transportation: Cargo				13,996	5,364	—
Equity Investments Total							\$ 5,364	\$ —	
Total Investments							\$ 1,086,729	\$ 1,078,265	

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

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

- Unless otherwise indicated, issuers of investments held by Credit Fund are domiciled in the United States. As of September 30, 2021, the geographical composition of investments as a percentage of fair value was 1.3% in Canada and 98.7% in the United States. Certain portfolio company investments are subject to contractual restrictions on sales.
- Variable rate loans to the portfolio companies bear interest at a rate that is determined by reference to either LIBOR or an alternate base rate (commonly based on the Federal Funds Rate or the U.S. Prime Rate), which generally resets quarterly. For each such loan, Credit Fund has indicated the reference rate used and provided the spread and the interest rate in effect as of September 30, 2021. As of September 30, 2021, the reference rates for Credit Fund's variable rate loans were the 30-day LIBOR at 0.08%, the 90-day LIBOR at 0.13% and the 180-day LIBOR at 0.16%.
- 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) As of September 30, 2021, 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
ACR Group Borrower, LLC	Revolver	0.38%	\$ 7,350	\$ (3)
Analogic Corporation	Revolver	0.50	1,975	(17)
BK Medical Holding Company, INC.	Revolver	0.50	2,609	—
Chartis Holding, LLC	Revolver	0.50	2,183	—
Chemical Computing Group ULC (Canada)	Revolver	0.50	873	(4)
Chudy Group, LLC	Delayed Draw	1.00	5,517	(26)
Chudy Group, LLC	Revolver	0.50	1,379	(7)
Diligent Corporation	Delayed Draw	1.00	1,653	33
Diligent Corporation	Revolver	0.50	703	14
EPS Nass Parent, Inc.	Delayed Draw	1.00	3,136	(30)
EPS Nass Parent, Inc.	Revolver	0.50	2,195	(21)
EvolveIP, LLC	Delayed Draw	1.00	1,904	—
EvolveIP, LLC	Revolver	0.50	3,734	—
Helios Buyer, Inc.	Revolver	0.50	130	—
HMT Holding Inc.	Revolver	0.50	6,173	(151)
Integrity Marketing Acquisition, LLC	Delayed Draw	1.00	21,816	(56)
Jensen Hughes, Inc.	Revolver	0.50	2,000	(36)
K2 Insurance Services, LLC	Revolver	0.50	1,170	(16)
KBP Investments, LLC	Delayed Draw	1.00	20,190	(157)
KBP Investments, LLC	Delayed Draw	1.00	503	(4)
QW Holding Corporation	Delayed Draw	1.00	9,338	(179)
QW Holding Corporation	Revolver	0.50	4,619	(89)
T2 Systems, Inc.	Revolver	0.50	1,955	—
Turbo Buyer, Inc.	Revolver	0.50	933	(19)
VRC Companies, LLC	Delayed Draw	0.75	3,856	(58)
VRC Companies, LLC	Revolver	0.50	833	(12)
Water Holdings Acquisition LLC	Delayed Draw	1.00	5,326	—
Water Holdings Acquisition LLC	Revolver	0.50	4,421	—
Welocalize, Inc.	Revolver	0.50	2,025	(19)
Welocalize, Inc.	Revolver	0.50	2,250	(22)
WRE Holding Corp.	Delayed Draw	1.00	337	(3)
WRE Holding Corp.	Revolver	0.50	624	(6)
Total unfunded commitments			\$ 123,710	\$ (888)

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 (97.5% 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%	6.50%	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
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

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⁾
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 (2.3% 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 (0.2% 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 2.8% in Canada and 97.2% 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 these consolidated financial statements.

(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 Acquisition, 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)

Debt

Credit Fund Facilities

The Credit Fund, Credit Fund Sub and Credit Fund Warehouse II are party to separate credit facilities as described below. As of September 30, 2021 and December 31, 2020, Credit Fund, Credit Fund Sub and Credit Fund Warehouse II were in compliance with all covenants and other requirements of their respective credit facility agreements.

Below is a summary of the borrowings and repayments under the credit facilities for the three month and nine month periods ended 2021 and 2020, and the outstanding balances under the credit facilities for the respective periods.

	Credit Fund Facility		Credit Fund Sub Facility		Credit Fund Warehouse II Facility	
	2021	2020	2021	2020	2021	2020
Three Month Periods Ended September 30,						
Outstanding Borrowing, beginning of period	\$ —	\$ —	\$ 515,121	\$ 353,006	\$ 82,163	\$ 108,994
Borrowings	—	—	167,500	25,000	44,250	5,000
Repayments	—	—	(52,000)	—	—	(6,590)
Outstanding Borrowing, end of period	\$ —	\$ —	\$ 630,621	\$ 378,006	\$ 126,413	\$ 107,404
Nine Month Periods Ended September 30,						
Outstanding Borrowing, beginning of period	\$ —	\$ 93,000	\$ 420,859	\$ 343,506	\$ 93,402	\$ 97,571
Borrowings	—	63,500	393,000	125,000	52,250	38,373
Repayments	—	(156,500)	(183,238)	(90,500)	(19,239)	(28,540)
Outstanding Borrowing, end of period	\$ —	\$ —	\$ 630,621	\$ 378,006	\$ 126,413	\$ 107,404

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 May 21, 2022. 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, March 11, 2020 and May 3, 2021. 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 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 Credit Fund Warehouse II. The maturity date of the Credit Fund Warehouse II Facility is August 16, 2022. Amounts borrowed under the Credit Fund Warehouse II Facility bear interest at a rate of LIBOR plus 1.05% for the first 12 months, LIBOR plus 1.15% for the next 12 months, and LIBOR plus 1.50% in the final 12 months.

2017-1 Notes

On December 19, 2017, Credit Fund completed the 2017-1 Debt Securitization. The notes offered in the 2017-1 Debt Securitization (the "2017-1 Notes") were issued by the 2017-1 Issuer, a wholly owned and consolidated subsidiary of Credit Fund, and are secured by a diversified portfolio of the 2017-1 Issuer consisting primarily of first and second lien senior secured loans. The 2017-1 Debt Securitization was executed through a private placement of the 2017-1 Notes, consisting of:

- \$231,700 of Aaa/AAA Class A-1 Notes, which bore interest at the three-month LIBOR plus 1.17%;
- \$48,300 of Aa2/AA Class A-2 Notes, which bore interest at the three-month LIBOR plus 1.50%;
- \$15,000 of A2/A Class B-1 Notes, which bore interest at the three-month LIBOR plus 2.25%;
- \$9,000 of A2/A Class B-2 Notes which bore interest at 4.30%;
- \$22,900 of Baa2/BBB Class C Notes which bore interest at the three-month LIBOR plus 3.20%; and
- \$25,100 of Ba2/BB Class D Notes which bore 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 did 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. As of the redemption date, the 2017-1 Issuer was in compliance with all covenants and other requirements of the indenture.

2019-2 Notes

On May 21, 2019, Credit Fund completed the 2019-2 Debt Securitization. The notes offered in the 2019-2 Debt Securitization (the "2019-2 Notes") were issued by the 2019-2 Issuer, a wholly owned and consolidated subsidiary of Credit Fund, and were 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 were 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 did not bear interest and had a nominal value of \$48,300 at closing.

The 2019-2 Notes were fully redeemed during the three months ended September 30, 2021. As of December 31, 2020, the outstanding balance of the 2019-2 Notes was \$255,832. As of the redemption date and as of December 31, 2020, the 2019-2 Issuer was in compliance with all covenants and other requirements of the indenture.

6. 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 consisted 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 II (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 is November 3, 2030. Amounts issued for the Class A-1 notes (the "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 (the "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 September 30, 2021 and 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 September 30, 2021, the Company and CCLF 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 September 30, 2021 and December 31, 2020.

	As of	
	September 30, 2021	December 31, 2020
ASSETS		
Investments, at fair value (amortized cost of \$243,412 and \$245,312, respectively)	\$ 244,388	\$ 24
Cash, cash equivalents and restricted cash ⁽¹⁾	3,139	
Other assets	7,003	
Total assets	\$ 254,530	\$ 25
LIABILITIES AND MEMBERS' EQUITY		
Notes payable, net of unamortized debt issuance costs of \$820 and \$875, respectively	\$ 156,679	\$ 15
Other liabilities	4,999	
Total members' equity ⁽²⁾	92,852	9
Total liabilities and members' equity	\$ 254,530	\$ 25

(1) As of September 30, 2021 and December 31, 2020, all of Credit Fund II's cash and cash equivalents was restricted.

(2) As of September 30, 2021 and December 31, 2020, the fair value of Company's ownership interest in the members' equity was \$78,143 and \$77,395, respectively.

	For the three month period ended	For the nine month period ended
	September 30, 2021	September 30, 2021
	(unaudited)	(unaudited)
Selected Consolidated Statement of Operations Information:		
Total investment income	\$ 4,838	14,205
Expenses		
Interest and credit facility expenses	1,190	3,588
Other expenses	177	558
Total expenses	1,367	4,146
Net investment income (loss)	3,471	10,059
Net realized gain (loss) on investments	—	—
Net change in unrealized appreciation (depreciation) on investments	(850)	(138)
Net increase (decrease) resulting from operations	\$ 2,621	9,921

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 September 30, 2021 and December 31, 2020:

	As of	
	September 30, 2021	December 31, 2020
Senior secured loans ⁽¹⁾	\$ 245,584	\$ 248,172
Weighted average yields of senior secured loans based on amortized cost ⁽²⁾	7.32 %	7.32 %
Weighted average yields of senior secured loans based on fair value ⁽²⁾	7.29 %	7.29 %
Number of portfolio companies in Credit Fund II	36	44
Average amount per portfolio company ⁽¹⁾	\$ 6,822	\$ 5,640
Percentage of portfolio at floating interest rates ⁽³⁾⁽⁴⁾	97.8 %	99.1 %
Percentage of portfolio at fixed interest rates ⁽⁴⁾	2.2 %	0.9 %
Fair value of loans with PIK provisions	\$ 17,440	\$ 8,856
Percentage of portfolio with PIK provisions ⁽⁴⁾	7.1 %	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 September 30, 2021 and 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 September 30, 2021

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 (89.2% of fair value)								
Aimov, Inc.	^ (2)(3)	Containers, Packaging & Glass	L + 5.00%	6.00%	12/19/2025	\$ 9,971	\$ 9,955	\$ 9,971
Alpine SG, LLC	^ (2)(3)	High Tech Industries	L + 5.75%	6.75%	11/16/2022	4,411	4,398	4,364
American Physician Partners, LLC	^ (2)(3)	Healthcare & Pharmaceuticals	L + 6.75%, 1.50% PIK	9.25%	12/21/2021	8,575	8,565	8,575
AMS Group HoldCo, LLC	^ (2)(3)	Transportation: Cargo	L + 6.00%	7.00%	9/29/2023	7,068	7,013	7,068
Apptio, Inc.	^ (2)(3)	Software	L + 7.25%	8.25%	1/10/2025	5,357	5,290	5,397
Aurora Lux FinCo S.Á.R.L. (Luxembourg)	^ (2)(3)	Software	L + 6.00%	7.00%	12/24/2026	4,367	4,280	3,966
Avenu Holdings, LLC	^ (2)(3)	Sovereign & Public Finance	L + 5.25%	6.25%	9/28/2024	990	982	990
BMS Holdings III Corp.	^ (2)(3)	Construction & Building	L + 5.50%	6.50%	9/30/2026	3,283	3,222	3,249
Captive Resources Midco, LLC	^ (2)(3)	Banking, Finance, Insurance & Real Estate	L + 5.75%	6.75%	5/31/2025	8,192	8,103	8,194
Chartis Holding, LLC	^ (2)(3)	Business Services	L + 5.50%	6.50%	5/1/2025	9,949	9,931	9,949
Comar Holding Company, LLC	^ (2)(3)	Containers, Packaging & Glass	L + 5.75%	6.75%	6/18/2024	8,732	8,646	8,726
Cority Software Inc. (Canada)	^ (2)(3)	Software	L + 5.00%	6.00%	7/2/2026	8,733	8,607	8,733
Ethos Veterinary Health LLC	^ (2)(3)	Consumer Services	L + 4.75%	4.83%	5/15/2026	8,146	8,089	8,146
EvolveIP, LLC	^ (2)(3)	Telecommunications	L + 5.75%	6.75%	6/7/2023	8,733	8,721	8,733
K2 Insurance Services, LLC	^ (2)(3)	Banking, Finance, Insurance & Real Estate	L + 5.00%	6.00%	7/1/2026	9,034	8,926	8,913
Kaseya, Inc.	^ (2)(3)	High Tech Industries	L + 4.00%, 3.00% PIK	8.00%	5/3/2025	9,023	8,910	8,865

Consolidated Schedule of Investments as of September 30, 2021

Investments ⁽¹⁾		Footnotes	Industry	Reference Rate & Spread ⁽²⁾	Interest Rate ⁽²⁾	Maturity Date	Par/Principal Amount	Amortized Cost ⁽⁴⁾	Fair Value ⁽⁵⁾
Mailgun Technologies, Inc.	^	(2)(3)	High Tech Industries	L + 5.00%	6.00%	3/26/2025	\$ 8,414	\$ 8,304	\$ 8,414
National Technical Systems, Inc.	^	(2)(3)	Aerospace & Defense	L + 5.50%	6.50%	6/12/2023	8,756	8,740	8,822
NMI AcquisitionCo, Inc.	^	(2)(3)	High Tech Industries	L + 5.00%	6.00%	9/6/2023	8,731	8,693	8,600
Redwood Services Group, LLC	^	(2)(3)	High Tech Industries	L + 6.00%	7.00%	6/6/2023	8,760	8,744	8,760
Reladyne, Inc.	^	(2)(3)	Wholesale	L + 5.00%	6.00%	7/22/2024	6,451	6,423	6,356
Riveron Acquisition Holdings, Inc.	^	(2)(3)	Banking, Finance, Insurance & Real Estate	L + 5.75%	6.75%	5/22/2025	8,194	8,088	8,194
RSC Acquisition, Inc.	^	(2)(3)	Banking, Finance, Insurance & Real Estate	L + 5.50%	6.50%	11/1/2026	8,422	8,293	8,422
Smile Doctors, LLC	^	(2)(3)	Healthcare & Pharmaceuticals	L + 6.00%	7.00%	10/6/2022	6,460	6,459	6,460
Superior Health Linens, LLC	^	(2)(3)	Business Services	L + 6.50%	7.50%	12/31/2021	6,924	6,924	6,924
T2 Systems, Inc.	^	(2)(3)	Transportation: Consumer	L + 6.75%	7.75%	9/28/2022	8,731	8,681	8,731
TCFI Aevex LLC	^	(2)(3)	Aerospace & Defense	L + 6.00%	7.00%	3/18/2026	1,705	1,679	1,539
Turbo Buyer, Inc.	^	(2)(3)	Automotive	L + 5.75%	6.75%	12/2/2025	8,113	7,962	7,950
US INFRA SVCS Buyer, LLC	^	(2)(3)	Environmental Industries	L + 6.50%	7.50%	4/13/2026	3,275	3,223	3,208
Zemax Software Holdings, LLC	^	(2)(3)	Software	L + 5.75%	6.75%	6/25/2024	4,353	4,324	4,353
Zenith Merger Sub, Inc.	^	(2)(3)	Business Services	L + 5.25%	6.25%	12/13/2023	7,386	7,361	7,386
First Lien Debt Total								\$ 217,536	\$ 217,958
Second Lien Debt (10.8% 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	\$ 5,410	\$ 5,720
AQA Acquisition Holdings, Inc.	^	(2)(3)	High Tech Industries	L + 7.50%	8.00%	3/3/2029	5,000	4,878	4,934
Quartz Holding Company	^	(2)(3)	Software	L + 8.00%	8.09%	4/2/2027	4,852	4,779	4,852
Tank Holding Corp.	^	(2)(3)	Capital Equipment	L + 8.25%	8.45%	3/26/2027	5,514	5,444	5,569
World 50, Inc.	^	(6)	Business Services	11.50%	11.50%	1/9/2027	5,465	5,365	5,355
Second Lien Debt Total								\$ 25,876	\$ 26,430
Total Investments								\$ 243,412	\$ 244,388

^ 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.

- Unless otherwise indicated, issuers of investments held by Credit Fund II are domiciled in the United States. As of September 30, 2021, 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.
- 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 September 30, 2021. As of September 30, 2021, the reference rates for Credit Fund II's variable rate loans were the 30-day LIBOR at 0.08%, the 90-day LIBOR at 0.13% and the 180-day LIBOR at 0.16%.
- Loan includes interest rate floor feature, which is generally 1.00%.
- Amortized cost represents original cost, including origination fees and upfront fees received that are deemed to be an adjustment to yield, adjusted for the accretion/amortization of discounts/premiums, as applicable, on debt investments using the effective interest method.
- Fair value is determined in good faith by or under the direction of the board of managers of Credit Fund 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.
- Represents a corporate mezzanine loan, which is subordinated to senior secured term loans of the portfolio company.

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)								
Aimov, 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)	(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.

- Unless otherwise indicated, issuers of investments held by Credit Fund II 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.
- 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%.
- Loan includes interest rate floor feature, which is generally 1.00%.
- Amortized cost represents original cost, including origination fees and upfront fees received that are deemed to be an adjustment to yield, adjusted for the accretion/amortization of discounts/premiums, as applicable, on debt investments using the effective interest method.
- Fair value is determined in good faith by or under the direction of the board of managers of Credit Fund 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.
- Represents a corporate mezzanine loan, which is subordinated to senior secured term loans of the portfolio company.

7. BORROWINGS

The Company is party to the Credit Facility and, until its termination on December 11, 2020, the SPV was party to the SPV Credit Facility as described below. In accordance with the Investment Company Act, the Company is currently only allowed to borrow amounts such that its asset coverage, as defined in the Investment Company Act, is at least 150% after such borrowing. For the purposes of the asset coverage ratio under the Investment Company Act, the Preferred Stock, as defined in Note 1, is considered a senior security and is included in the denominator of the calculation. As of September 30, 2021 and December 31, 2020, asset coverage was 180.23% and 182.09%, respectively.

Below is a summary of the borrowings and repayments under the Facilities for the three month and nine month periods ended September 30, 2021 and 2020, and the outstanding balances under the Facilities for the respective periods.

	For the three month periods ended		For the nine month periods ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
Outstanding Borrowing, beginning of period	\$ 365,060	\$ 474,386	\$ 347,949	\$ 616,543
Borrowings	157,552	36,500	337,031	293,792
Repayments	(95,000)	—	(257,500)	(397,484)
Foreign currency translation	(2,067)	2,446	(1,935)	481
Outstanding Borrowing, end of period	\$ 425,545	\$ 513,332	\$ 425,545	\$ 513,332

SPV Credit Facility

The SPV closed on the SPV Credit Facility on May 24, 2013, which was subsequently amended on June 30, 2014, June 19, 2015, June 9, 2016, May 26, 2017 and August 9, 2018. 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 an amount equal to the lesser of \$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. The SPV Credit Facility had a revolving period through May 21, 2021 and a maturity date of May 23, 2023. Borrowings under the SPV Credit Facility bore interest initially at the applicable commercial paper rate (if the lender is a conduit lender) or LIBOR (or, if applicable, a rate based on the prime rate or federal funds rate) plus 2.00% per year. The SPV was also required to pay an undrawn commitment fee of between 0.50% and 0.75% per year depending on the drawings under the SPV Credit Facility. Payments under the SPV Credit Facility were made quarterly. The lenders had a first lien security interest on substantially all of the assets of the SPV.

Credit Facility

The Company closed on the Credit Facility on March 21, 2014, which was subsequently amended on January 8, 2015, May 25, 2016, March 22, 2017, September 25, 2018, 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 to \$900,000 through the exercise by the Company of an uncommitted accordion feature through which existing and new lenders may, at their option, agree to provide additional financing. The Credit Facility includes a \$50,000 limit for swingline loans and a \$20,000 limit for letters of credit. The Company may borrow amounts in U.S. dollars or certain other permitted currencies. Amounts drawn under the Credit Facility, including amounts drawn in respect of letters of credit, bear interest at either LIBOR plus an applicable spread of 2.25%, or an "alternative base rate" (which is the highest of a prime rate, the federal funds effective rate plus 0.50%, or one month LIBOR plus 1.00%) plus an applicable spread of 1.25%. The Company may elect either the LIBOR or the "alternative base rate" at the time of drawdown, and loans may be converted from one rate to another at any time, subject to certain conditions. The Company also pays a fee of 0.375% on undrawn amounts under the Credit Facility and, in respect of each undrawn letter of credit, a fee and interest rate equal to the then-applicable margin under the Credit Facility while the letter of credit is outstanding. The availability period under the Credit Facility will terminate on October 28, 2024 and the Credit Facility will mature on October 28, 2025. During the period from October 29, 2024 to October 28, 2025, the Company will be obligated to make mandatory prepayments under the Credit Facility out of the proceeds of certain asset sales, other recovery events and equity and debt issuances.

Subject to certain exceptions, the Credit Facility is secured by a first lien security interest in substantially all of the portfolio investments held by the Company. The Credit Facility includes customary covenants, including certain financial covenants related to asset coverage, shareholders' equity and liquidity, certain limitations on the incurrence of additional indebtedness and liens, and other maintenance covenants, as well as usual and customary events of default for senior secured revolving credit facilities of this nature. As of September 30, 2021 and December 31, 2020, the Company was in compliance with all covenants and other requirements of its credit facility agreements.

Summary of Borrowings

The Credit Facility consisted of the following as of September 30, 2021 and December 31, 2020:

	September 30, 2021			
	Total Facility	Borrowings Outstanding	Unused Portion ⁽¹⁾	Amount Available ⁽²⁾
Credit Facility	\$ 688,000	\$ 425,545	\$ 262,455	\$ 261,252
Total	\$ 688,000	\$ 425,545	\$ 262,455	\$ 261,252

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

(1) The unused portion is the amount upon which commitment fees are based.

(2) Available for borrowing based on the computation of collateral to support the borrowings and subject to compliance with applicable covenants and financial ratios.

For the three month and nine month periods ended September 30, 2021 and 2020, the components of interest expense and credit facility fees were as follows:

	For the three month periods ended		For the nine month periods ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
Interest expense	\$ 2,638	\$ 2,985	\$ 6,809	\$ 13,564
Facility unused commitment fee	243	542	885	1,269
Amortization of deferred financing costs	192	159	574	754
Other fees	—	27	—	83
Total interest expense and credit facility fees	\$ 3,073	\$ 3,713	\$ 8,268	\$ 15,670
Cash paid for interest expense	\$ 2,730	\$ 3,287	\$ 7,094	\$ 14,959
Average principal debt outstanding	\$ 432,039	\$ 495,469	\$ 376,421	\$ 584,032
Weighted average interest rate	2.39 %	2.36 %	2.39 %	3.05 %

As of September 30, 2021 and December 31, 2020, the components of interest and credit facilities payable were as follows:

	As of	
	September 30, 2021	December 31, 2020
Interest expense payable	\$ 790	\$ 119
Unused commitment fees payable	55	4
Other credit facility fees payable	—	14
Interest and credit facilities payable	\$ 845	\$ 137
Weighted average interest rate (based on floating LIBOR rates)	2.36 %	2.59 %

8. NOTES PAYABLE

Senior Notes

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. 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 bear interest at an interest rate of 4.500% and the interest is payable quarterly, beginning December 31, 2020.

The interest rate on the Senior Notes is 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 Company is obligated to offer to repay the notes at par if certain change in control events occur. The Senior Notes are general unsecured obligations of the Company that rank pari passu with all outstanding and future unsecured unsubordinated indebtedness issued by the Company. Interest expense on the Senior Notes for the three month periods ended September 30, 2021 and 2020 was \$2,209 and \$1,366, respectively. Interest expense on the Senior Notes for the nine month periods ended September 30, 2021 and 2020 was \$6,628 and \$4,082, respectively.

The note purchase agreement for the Senior Notes contains customary terms and conditions for senior unsecured notes issued in a private placement, including, without limitation, affirmative and negative covenants such as information reporting, maintenance of the Company's status as a business development company within the meaning of the Investment Company Act and a regulated investment company under the Code, minimum asset coverage ratio and interest coverage ratio, and prohibitions on certain fundamental changes at the Company or any subsidiary guarantor, as well as customary events of default with customary cure and notice, including, without limitation, nonpayment, breach of covenant, material breach of representation or warranty under the note purchase agreement, cross-acceleration under other indebtedness of the Company or certain significant subsidiaries, certain judgments and orders, and certain events of bankruptcy. As of September 30, 2021, the Company was in compliance with these terms and conditions.

2015-1R Notes

On June 26, 2015, the Company completed the 2015-1 Debt Securitization. The 2015-1 Notes were issued by the 2015-1 Issuer, a wholly-owned and consolidated subsidiary of the Company. The 2015-1 Debt Securitization was executed through a private placement of the 2015-1 Notes, consisting of:

- \$160,000 of Aaa/AAA Class A-1A Notes;
- \$40,000 of Aaa/AAA Class A-1B Notes;
- \$27,000 of Aaa/AAA Class A-1C Notes; and
- \$46,000 of Aa2 Class A-2 Notes.

The 2015-1 Notes were issued at par and were scheduled to mature on July 15, 2027. The Company received 100% of the preferred interests issued by the 2015-1 Issuer (the "2015-1 Issuer Preferred Interests") on the closing date of the 2015-1 Debt Securitization in exchange for the Company's contribution to the 2015-1 Issuer of the initial closing date loan portfolio. The 2015-1 Issuer Preferred Interests do not bear interest and had a nominal value of \$125,900 at closing. In connection with the contribution, the Company made customary representations, warranties and covenants to the 2015-1 Issuer in the purchase agreement. The Class A-1A, Class A-1B and Class A-1C and Class A-2 Notes are included in these consolidated financial statements. The 2015-1 Issuer Preferred Interests were eliminated in consolidation.

On the closing date of the 2015-1 Debt Securitization, the 2015-1 Issuer effected a one-time distribution to the Company of a substantial portion of the proceeds of the private placement of the 2015-1 Notes, net of expenses, which distribution was used to repay a portion of certain amounts outstanding under the SPV Credit Facility and the Credit Facility. As part of the 2015-1 Debt Securitization, certain first and second lien senior secured loans were distributed by the SPV to the Company pursuant to a distribution and contribution agreement.

On August 30, 2018, the Company and the 2015-1 Issuer closed the 2015-1 Debt Securitization Refinancing. On the closing date of the 2015-1 Debt Securitization Refinancing, the 2015-1 Issuer, among other things:

- (a) refinanced the issued Class A-1A Notes by redeeming in full the Class A-1A Notes and issuing new AAA Class A-1-1-R Notes in an aggregate principal amount of \$234,800 which bear interest at the three-month LIBOR plus 1.55%;
- (b) refinanced the issued Class A-1B Notes by redeeming in full the Class A-1B Notes and issuing new AAA Class A-1-2-R Notes in an aggregate principal amount of \$50,000 which bear interest at the three-month LIBOR plus 1.48% for the first 24 months and the three-month LIBOR plus 1.78% thereafter;
- (c) refinanced the issued Class A-1C Notes by redeeming in full the Class A-1C Notes and issuing new AAA Class A-1-3-R Notes in an aggregate principal amount of \$25,000 which bear interest at 4.56%;
- (d) refinanced the issued Class A-2 Notes by redeeming in full the Class A-2 Notes and issuing new Class A-2-R Notes in an aggregate principal amount of \$66,000 which bear interest at the three-month LIBOR plus 2.20%;

- (e) issued new single-A Class B Notes and BBB- Class C Notes in aggregate principal amounts of \$46,400 and \$27,000, respectively, which bear interest at the three-month LIBOR plus 3.15% and the three-month LIBOR plus 4.00%, respectively;
- (f) reduced the 2015-1 Issuer Preferred Interests by approximately \$21,375 from a nominal value of \$125,900 to approximately \$104,525 at close; and
- (g) extended the reinvestment period end date and maturity date applicable to the 2015-1 Issuer to October 15, 2023 and October 15, 2031, respectively.

Following the 2015-1 Debt Securitization Refinancing, the Company retained the 2015-1 Issuer Preferred Interests. The 2015-1R Notes in the 2015-1 Debt Securitization Refinancing were issued by the 2015-1 Issuer and are secured by a diversified portfolio of the 2015-1 Issuer consisting primarily of first and second lien senior secured loans.

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

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

The Investment Adviser serves as collateral manager to the 2015-1 Issuer under a collateral management agreement (the "Collateral Management Agreement"). Pursuant to the Collateral Management Agreement, the 2015-1 Issuer pays management fees (comprised of base management fees, subordinated management fees and incentive management fees) to the Investment Adviser for rendering collateral management services. As per the Collateral Management Agreement, for the period the Company retains all of the 2015-1 Issuer Preferred Interests, the Investment Adviser does not earn management fees for providing such collateral management services. The Company currently retains all of the 2015-1 Issuer Preferred Interests, thus the Investment Adviser did not earn any management fees from the 2015-1 Issuer for the three and nine month periods ended September 30, 2021 and 2020. Any such waived fees may not be recaptured by the Investment Adviser.

Pursuant to an undertaking by the Company in connection with the 2015-1 Debt Securitization Refinancing, the Company has agreed to hold on an ongoing basis the 2015-1 Issuer Preferred Interests with an aggregate dollar purchase price at least equal to 5% of the aggregate outstanding amount of all collateral obligations by the 2015-1 Issuer for so long as any securities of the 2015-1 Issuer remain outstanding. As of September 30, 2021, the Company was in compliance with its undertaking.

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

As of September 30, 2021, the 2015-1R Notes were secured by 62 first lien and second lien senior secured loans with a total fair value of approximately \$523,848 and cash of \$21,787. The pool of loans in the securitization must meet certain requirements, including asset mix and concentration, term, agency rating, collateral coverage, minimum coupon, minimum spread and sector diversity requirements in the indenture governing the 2015-1R Notes.

For the nine month periods ended September 30, 2021 and 2020, the effective annualized weighted average interest rates, which include amortization of debt issuance costs on the 2015-1R Notes, were 2.33% and 2.56%, respectively, based on floating LIBOR rates. As of September 30, 2021 and December 31, 2020 the weighted average interest rates were 2.27% and 2.42% respectively, based on floating LIBOR rates.

For the for the three and nine month periods ended September 30, 2021 and 2020, the components of interest expense on the 2015-1R Notes were as follows:

	For the three month periods ended		For the nine month periods ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
Interest expense	\$ 2,609	\$ 2,878	\$ 7,926	\$ 11,081
Amortization of deferred financing costs	63	62	186	185
Total interest expense and credit facility fees	\$ 2,672	\$ 2,940	\$ 8,112	\$ 11,266
Cash paid for interest expense	\$ 2,637	\$ 3,708	\$ 8,028	\$ 12,667

As of September 30, 2021 and December 31, 2020, \$2,200 and \$2,302, respectively, of interest expense was included in interest and credit facility fees payable.

9. COMMITMENTS AND CONTINGENCIES

A summary of significant contractual payment obligations was as follows as of September 30, 2021 and December 31, 2020:

Payment Due by Period	September 30, 2021	December 31, 2020
Less than one year	\$ —	\$ —
1-3 years	—	—
3-5 years	615,545	537,949
More than 5 years	449,200	449,200
Total	<u>\$ 1,064,745</u>	<u>\$ 987,149</u>

In the ordinary course of its business, the Company enters into contracts or agreements that contain indemnification or warranties. Future events could occur that lead to the execution of these provisions against the Company. The Company believes that the likelihood of such an event is remote; however, the maximum potential exposure is unknown. No accrual has been made in the consolidated financial statements as of September 30, 2021 and December 31, 2020 for any such exposure.

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

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

	Par Value as of	
	September 30, 2021	December 31, 2020
Unfunded delayed draw commitments	\$ 99,450	\$ 73,292
Unfunded revolving loan commitments	83,539	76,216
Total unfunded commitments	<u>\$ 182,989</u>	<u>\$ 149,508</u>

10. NET ASSETS

The Company has the authority to issue 198,000,000 shares of common stock, par value \$0.01 per share, and 2,000,000 shares of preferred stock, par value \$0.01 per share.

Cumulative Convertible Preferred Stock

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

The Preferred Stock is convertible, in whole or in part, at the option of the holder of the Preferred Stock into the number of shares of common stock equal to the Liquidation Preference plus any accumulated but unpaid dividends, divided by an initial conversion price of \$9.50, subject to certain adjustments to prevent dilution as set forth in the Company's Articles Supplementary. The conversion price as of September 30, 2021 was \$9.48. At any time after May 5, 2023, the Company, with the approval of the Board of Directors, including a majority of the Independent Directors, will have the option to redeem all of the Preferred Stock for cash consideration equal to the Liquidation Preference plus any accumulated but unpaid dividends. The holders of the Preferred Stock will have the right to convert all or a portion of their shares of Preferred Stock prior to the date fixed for such redemption. At any time after May 5, 2027, the holders of the Preferred Stock will have the option to require the Company to redeem any or all of the then-outstanding Preferred Stock upon 90 days' notice. The form of consideration used in any such redemption is at the option of the Board of Directors, including a majority of the Independent Directors, and may be cash consideration equal to the Liquidation Preference plus any accumulated but unpaid dividends, or shares of common stock. Holders also have the right to redeem the Preferred Stock upon a Change in Control (as defined in the Article Supplementary).

The following table summarizes the Company's dividends declared on its preferred stock during the prior year and the current fiscal year to-date. 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
March 31, 2021	March 31, 2021	March 31, 2021		0.438
June 30, 2021	June 30, 2021	June 30, 2021		0.438
September 30, 2021	September 30, 2021	September 30, 2021		0.438
Total			\$	1.314

Company Stock Repurchase Program

On November 1, 2021, the Company's Board of Directors approved the continuation of the Company's \$150 million common stock repurchase program (the "Company Stock Repurchase Program") until November 5, 2022, or until the approved dollar amount has been used to repurchase shares of common stock. This program may be suspended, extended, modified or discontinued by the Company at any time, subject to applicable law. The Company's Stock Repurchase Program was originally approved by the Company's Board of Directors on November 5, 2018 and announced on November 6, 2018. Since the inception of the Company Stock Repurchase Program through September 30, 2021, the Company has repurchased 8,854,215 shares of the Company's common stock at an average cost of \$13.25 per share, or \$117,345 in the aggregate, resulting in accretion to net assets per share of \$0.48.

Changes in Net Assets

For the three and nine month periods ended September 30, 2021, the Company repurchased and extinguished 495,871 and 1,605,865 shares, respectively, for \$6,770 and \$20,497, respectively. The following tables summarize capital activity for the three and nine month periods ended September 30, 2021:

	Preferred Stock		Common Stock		Capital in Excess of Par Value	Offering Costs	Accumulated Net Investment Income (Loss)	Accumulated Net Realized Gain (Loss)	Accumulated Net Unrealized Appreciation (Depreciation)	Total Net Assets
	Shares	Amount	Shares	Amount						
Balance, July 1, 2021	2,000,000	\$ 50,000	54,210,315	\$ 542	\$ 1,067,720	\$ (1,633)	\$ 15,307	\$ (136,653)	\$ (70,452)	\$ 924,831
Repurchase of common stock	—	—	(495,871)	(5)	(6,765)	—	—	—	—	(6,770)
Net investment income (loss)	—	—	—	—	—	—	22,086	—	—	22,086
Net realized gain (loss)	—	—	—	—	—	—	—	7,556	—	7,556
Net change in unrealized appreciation (depreciation)	—	—	—	—	—	—	—	—	17,978	17,978
Dividends declared on common stock and preferred stock	—	—	—	—	—	—	(21,287)	—	—	(21,287)
Balance, September 30, 2021	2,000,000	\$ 50,000	53,714,444	\$ 537	\$ 1,060,955	\$ (1,633)	\$ 16,106	\$ (129,097)	\$ (52,474)	\$ 944,394

	Preferred Stock		Common Stock		Capital in Excess of Par Value	Offering Costs	Accumulated Net Investment Income (Loss)	Accumulated Net Realized Gain (Loss) on Investments	Accumulated Net Unrealized Appreciation (Depreciation)	Total Net Assets
	Shares	Amount	Shares	Amount						
Balance, January 1, 2021	2,000,000	\$ 50,000	55,320,309	\$ 553	\$ 1,081,436	\$ (1,633)	\$ 14,568	\$ (140,133)	\$ (103,428)	\$ 901,363
Repurchase of common stock	—	—	(1,605,865)	(16)	(20,481)	—	—	—	—	(20,497)
Issuance of Preferred Stock	—	—	—	—	—	—	—	—	—	—
Net investment income (loss)	—	—	—	—	—	—	64,402	—	—	64,402
Net realized gain (loss)	—	—	—	—	—	—	—	11,036	—	11,036
Net change in unrealized appreciation (depreciation)	—	—	—	—	—	—	—	—	50,954	50,954
Dividends declared on common stock and preferred stock	—	—	—	—	—	—	(62,864)	—	—	(62,864)
Balance, September 30, 2021	2,000,000	\$ 50,000	53,714,444	\$ 537	\$ 1,060,955	\$ (1,633)	\$ 16,106	\$ (129,097)	\$ (52,474)	\$ 944,394

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

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

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

Earnings Per Share

The Company calculates earnings per share in accordance with ASC 260. Basic earnings per share is calculated by dividing the net increase (decrease) in net assets resulting from operations, less preferred dividends, by the weighted average number of common shares outstanding. Diluted earnings per share gives effect to all dilutive potential common shares

outstanding using the if-converted method for the convertible Preferred Stock. Diluted earnings per share excludes all dilutive potential common shares if their effect is anti-dilutive. Basic and diluted earnings per common share were as follows:

	For the three month period ended September 30, 2021		For the nine month period ended September 30, 2021	
	Basic	Diluted	Basic	Diluted
Net increase (decrease) in net assets resulting from operations attributable to Common Stockholders	\$ 46,745	\$ 47,620	\$ 123,767	\$ 126,392
Weighted-average common shares outstanding	53,955,338	59,230,725	54,506,760	59,782,147
Basic and diluted earnings per share	\$ 0.87	\$ 0.80	\$ 2.27	\$ 2.11

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

Common Stock Dividends

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

Date Declared	Record Date	Payment Date	Per Common Share Amount
February 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
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
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
August 3, 2020	September 30, 2020	October 16, 2020	\$ 0.05
November 2, 2020	December 31, 2020	January 15, 2021	\$ 0.32
November 2, 2020	December 31, 2020	January 15, 2021	\$ 0.04
February 22, 2021	March 31, 2021	April 16, 2021	\$ 0.32
February 22, 2021	March 31, 2021	April 16, 2021	\$ 0.05
May 3, 2021	June 30, 2021	July 15, 2021	\$ 0.32
May 3, 2021	June 30, 2021	July 15, 2021	\$ 0.04
August 2, 2021	September 30, 2021	October 15, 2021	\$ 0.32
August 2, 2021	September 30, 2021	October 15, 2021	\$ 0.06

(1) Represents a special/supplemental dividend.

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

11. CONSOLIDATED FINANCIAL HIGHLIGHTS

The following is a schedule of consolidated financial highlights for the nine month periods ended September 30, 2021 and 2020:

	For the nine month periods ended	
	September 30, 2021	September 30, 2020
Per Common Share Data:		
Net asset value per common share, beginning of period	\$ 15.39	\$ 16.56
Net investment income (loss) ⁽¹⁾	1.13	1.16
Net realized gain (loss) and net change in unrealized appreciation (depreciation) on investments and non-investment assets and liabilities	1.14	(1.74)
Net increase (decrease) in net assets resulting from operations	2.27	(0.58)
Dividends declared ⁽²⁾	(1.11)	(1.11)
Other	0.03	—
Accretion due to share repurchases	0.07	0.14
Net asset value per common share, end of period	\$ 16.65	\$ 15.01
Market price per common share, end of period	\$ 13.41	\$ 8.91
Number of common shares outstanding, end of period	53,714,444	56,308,616
Total return based on net asset value ⁽³⁾	15.40%	(2.66)%
Total return based on market price ⁽⁴⁾	41.52%	(25.11)%
Net assets attributable to Common Stockholders, end of period	\$ 894,394	\$ 845,222
Ratio to average net assets attributable to Common Stockholders⁽⁵⁾:		
Expenses before incentive fees	5.71%	6.87%
Expenses after incentive fees	7.22%	8.51%
Net investment income (loss)	7.40%	7.62%
Interest expense and credit facility fees	2.64%	3.61%
Ratios/Supplemental Data:		
Asset coverage, end of period	180.23%	174.96%
Portfolio turnover	30.72%	21.94%
Weighted-average shares outstanding	54,506,760	56,575,498

- (1) Net investment income (loss) per common share was calculated as net investment income (loss) less the preferred dividend for the period divided by the weighted average number of common shares outstanding for the period.
- (2) Dividends declared per common share was calculated as the sum of dividends on common stock declared during the period divided by the number of common shares outstanding at each respective quarter-end date (refer to Note 10, Net Assets).
- (3) Total return based on net asset value (not annualized) is based on the change in net asset value per common share during the period plus the declared dividends on common stock, assuming reinvestment of dividends in accordance with the dividend reinvestment plan, divided by the beginning net asset value for the period.
- (4) Total return based on market value (not annualized) is calculated as the change in market value per common share during the period plus the declared dividends on common stock, assuming reinvestment of dividends in accordance with the dividend reinvestment plan, divided by the beginning market price for the period.
- (5) These ratios to average net assets attributable to Common Stockholders have not been annualized.

12. LITIGATION

The Company may become party to certain lawsuits in the ordinary course of business. The Company does not believe that the outcome of current matters, if any, will materially impact the Company or its consolidated financial statements. As of September 30, 2021 and December 31, 2020, the Company was not subject to any material legal proceedings, nor, to the Company's knowledge, is any material legal proceeding threatened against the Company.

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

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 September 30, 2021 and December 31, 2020.

In the normal course of business, the Company is subject to examination by federal and certain state, local and foreign tax regulators. As of September 30, 2021 and December 31, 2020, the Company had filed tax returns and therefore is subject to examination.

The Company's taxable income for each period is an estimate and will not be finally determined until the Company files its tax return for each year. Therefore, the final taxable income, and the taxable income earned in each period and carried forward for distribution in the following period, may be different than this estimate. The estimated tax character of dividends declared on preferred stock and common stock for nine month periods ended September 30, 2021 and 2020 was as follows:

	For the nine month periods ended	
	September 30, 2021	September 30, 2020
Ordinary income	\$ 62,864	\$ 63,912
Tax return of capital	\$ —	\$ —

14. SUBSEQUENT EVENTS

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

On November 1, 2021, the Board of Directors declared a base quarterly common dividend of \$0.32 plus a supplemental common dividend of \$0.07, which are payable on January 14, 2022 to common stockholders of record on December 31, 2021.

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

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

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

- our, or our portfolio companies’, future business, operations, operating results or prospects, including our and their ability to achieve our respective objectives as a result of the current COVID-19 pandemic;
- the return or impact of current and future investments;
- the general economy and its impact on the industries in which we invest and the impact of the COVID-19 pandemic thereon;
- the impact of any protracted decline in the liquidity of credit markets on our business and the impact of the COVID-19 pandemic thereon;
- the impact of fluctuations in interest rates on our business, including from changes in or the discontinuation of LIBOR, on our business;
- the valuation of investments in portfolio companies, particularly those having no liquid trading market, and the impact of the COVID-19 pandemic thereon;
- the impact of changes in laws, policies or regulations (including the interpretation thereof) affecting our operations or the operations of our portfolio companies;
- the valuation of our investments in portfolio companies, particularly those having no liquid trading market, and the impact of the COVID-19 pandemic thereon;
- our ability to recover unrealized losses;
- market conditions and our ability to access alternative debt markets and additional debt and equity capital, and the impact of the COVID-19 pandemic thereon;
- our contractual arrangements and relationships with third parties;
- uncertainty surrounding the financial stability of the United States, Europe and China;
- the social, geopolitical, financial, trade and legal implications of the exit of the United Kingdom from the European Union, or Brexit;
- competition with other entities and our affiliates for investment opportunities;
- the speculative and illiquid nature of our investments;
- the use of borrowed money to finance a portion of our investments;
- our expected financings and investments;
- the adequacy of our cash resources and working capital;
- the timing, form and amount of any dividend distributions;
- the timing of cash flows, if any, from the operations of our portfolio companies and the impact of the COVID-19 pandemic thereon;
- the ability to consummate acquisitions;
- the ability of our investment adviser to locate suitable investments for us and to monitor and administer our investments;
- currency fluctuations could adversely affect the results of our investments in foreign companies, particularly to the extent that we receive payments denominated in foreign currency rather than U.S. dollars;
- the ability of The Carlyle Group Employee Co., L.L.C. to attract and retain highly talented professionals that can provide services to our investment adviser and administrator;

- our ability to maintain our status as a business development company; and
- our intent to satisfy the requirements of a regulated investment company under Subchapter M of the Internal Revenue Code of 1986, as amended.

We use words such as “anticipates,” “believes,” “expects,” “intends,” “will,” “should,” “may,” “plans,” “continue,” “believes,” “seeks,” “estimates,” “would,” “could,” “targets,” “projects,” “outlook,” “potential,” “predicts” and variations of these words and similar expressions to identify forward-looking statements, although not all forward-looking statements include these words. Our actual results and condition could differ materially from those implied or expressed in the forward-looking statements for any reason, including the factors set forth in “Risk Factors” in Part II, Item 1A of our annual report on Form 10-K for the year ended December 31, 2020 (our “2020 Form 10-K”).

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

OVERVIEW

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with Part I, Item 1 of this Form 10-Q “Financial Statements.” This discussion contains forward-looking statements and involves numerous risks and uncertainties, including, but not limited to those described in “Risk Factors” in Part I, Item 1A of our 2020 Form 10-K. Our actual results could differ materially from those anticipated by such forward-looking statements due to factors discussed under “Risk Factors” in our 2020 Form 10-K and “Cautionary Statements Regarding Forward-Looking Statements” appearing elsewhere in this Form 10-Q.

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

Our investment objective is to generate current income and capital appreciation primarily through debt investments in U.S. middle market companies. Our core investment strategy focuses on lending to U.S. middle market companies, which we define as companies with approximately \$25 million to \$100 million of EBITDA, which we believe is a useful proxy for cash flow. We complement this core strategy with additive, diversifying assets including, but not limited to, specialty lending investments. We seek to achieve our investment objective primarily through direct origination of Middle Market Senior Loans, with the balance of our assets invested in higher yielding investments (which may include unsecured debt, mezzanine debt and investments in equities). We generally make Middle Market Senior Loans to private U.S. middle market companies that are, in many cases, controlled by private equity firms. Depending on market conditions, we expect that between 70% and 80% of the value of our assets will be invested in Middle Market Senior Loans. We expect that the composition of our portfolio will change over time given our Investment Adviser’s view on, among other things, the economic and credit environment (including with respect to interest rates) in which we are operating.

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

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

We are externally managed by our Investment Adviser, an investment adviser registered under the Advisers Act. Our Administrator provides the administrative services necessary for us to operate. Both our Investment Adviser and our Administrator are wholly owned subsidiaries of Carlyle Investment Management L.L.C., a subsidiary of Carlyle. Our Investment Adviser’s five-person investment committee is responsible for reviewing and approving our investment opportunities. The members of the investment committee have experience investing through different credit cycles. Our Investment Adviser’s investment committee comprises five of the most senior credit professional within the Carlyle 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, relationships and resources of Carlyle, including our Investment Adviser and its affiliates. We have operated our business as a BDC since we began our investment activities in May 2013.

KEY COMPONENTS OF OUR RESULTS OF OPERATIONS

Investments

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

Revenue

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

Expenses

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

- administration fees payable under our Administration Agreement and Sub-Administration Agreements, including related expenses;
- the costs of any offerings of our common stock and other securities, if any;
- calculating individual asset values and our net asset value (including the cost and expenses of any independent valuation firms);
- expenses, including travel expenses, incurred by our Investment Adviser, or members of our Investment Adviser team managing our investments, or payable to third parties, performing due diligence on prospective portfolio companies and, if necessary, expenses of enforcing our rights;
- certain costs and expenses relating to distributions paid on our shares;
- debt service and other costs of borrowings or other financing arrangements;
- the allocated costs incurred by our Investment Adviser in providing managerial assistance to those portfolio companies that request it;
- amounts payable to third parties relating to, or associated with, making or holding investments;
- the costs associated with subscriptions to data service, research-related subscriptions and expenses and quotation equipment and services used in making or holding investments;
- transfer agent and custodial fees;
- costs of hedging;

- commissions and other compensation payable to brokers or dealers;
- federal and state registration fees;
- any U.S. federal, state and local taxes, including any excise taxes;
- independent director fees and expenses;
- costs of preparing financial statements and maintaining books and records, costs of preparing tax returns, costs of Sarbanes-Oxley Act compliance and attestation and costs of filing reports or other documents with the SEC (or other regulatory bodies), and other reporting and compliance costs, including registration and listing fees, and the compensation of professionals responsible for the preparation or review of the foregoing;
- the costs of any reports, proxy statements or other notices to our stockholders (including printing and mailing costs), the costs of any stockholders' meetings and the compensation of investor relations personnel responsible for the preparation of the foregoing and related matters;
- the costs of specialty and custom software for monitoring risk, compliance and overall portfolio, including any development costs incurred prior to the filing of our election to be regulated as a BDC;
- our fidelity bond;
- directors and officers/errors and omissions liability insurance, and any other insurance premiums;
- indemnification payments;
- direct fees and expenses associated with independent audits, agency, consulting and legal costs; and
- all other expenses incurred by us or our Administrator in connection with administering our business, including our allocable share of certain officers and their staff compensation.

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

PORTFOLIO AND INVESTMENT ACTIVITY

Below is a summary of certain characteristics of our investment portfolio as of September 30, 2021 and December 31, 2020.

	As of	
	September 30, 2021	December 31, 2020
Fair value of investments	\$ 1,948,206	\$ 1,825,749
Count of investments	163	160
Count of portfolio companies / investment funds	123	117
Count of industries	28	27
Percentage of total investment fair value:		
First lien debt	65.3%	67.0%
Second lien debt	18.1%	15.6%
Total secured debt	83.6%	82.6%
Investment Funds	13.7%	15.3%
Equity investments	2.7%	1.9%
Percentage of debt investment fair value:		
Floating rate ⁽¹⁾	98.3%	99.1%
Fixed interest rate	1.3%	0.9%

⁽¹⁾ Primarily subject to interest rate floors.

Our investment activity for the three month periods ended September 30, 2021 and 2020 is presented below (information presented herein is at amortized cost unless otherwise indicated):

	For the three month periods ended	
	September 30, 2021	September 30, 2020
Investments:		
Total investments, beginning of period	\$ 1,936,328	\$ 2,048,349
New investments purchased	272,645	59,887
Net accretion of discount on investments	2,501	1,451
Net realized gain (loss) on investments	7,565	(209)
Investments sold or repaid	(222,784)	(35,551)
Total Investments, end of period	\$ 1,996,255	\$ 2,073,927
Principal amount of investments funded:		
First Lien Debt	\$ 217,652	\$ 60,468
Second Lien Debt	58,857	—
Equity Investments	446	358
Investment Funds	—	—
Total	\$ 276,955	\$ 60,826
Principal amount of investments sold or repaid:		
First Lien Debt	\$ (195,020)	\$ (36,437)
Second Lien Debt	(18,230)	(4)
Equity Investments	(1,870)	—
Investment Funds	—	—
Total	\$ (215,120)	\$ (36,441)
Number of new funded investments	15	7
Average amount of new funded investments	\$ 10,319	\$ 5,877
Percentage of new funded debt investments at floating interest rates	100 %	100 %
Percentage of new funded debt investments at fixed interest rates	— %	— %

As of September 30, 2021 and December 31, 2020, investments consisted of the following:

	September 30, 2021		December 31, 2020	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
First Lien Debt	\$ 1,322,133	\$ 1,275,553	\$ 1,298,154	\$ 1,224,063
Second Lien Debt	354,319	352,570	297,962	284,523
Equity Investments	48,707	52,665	32,754	33,877
Investment Funds	271,096	267,418	294,096	283,286
Total	\$ 1,996,255	\$ 1,948,206	\$ 1,922,966	\$ 1,825,749

The weighted average yields ⁽¹⁾ for our first and second lien debt, based on the amortized cost and fair value as of September 30, 2021 and December 31, 2020, were as follows:

	September 30, 2021		December 31, 2020	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
First Lien Debt	7.31 %	7.58 %	7.21 %	7.65 %
Second Lien Debt	9.12 %	9.17 %	9.15 %	9.59 %
First and Second Lien Debt Total	7.69 %	7.92 %	7.57 %	8.01 %

(1) Weighted average yields include the effect of accretion of discounts and amortization of premiums and are based on interest rates as of September 30, 2021 and 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 original issue discount "OID" and market

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

Total weighted average yields (which includes the effect of accretion of discount and amortization of premiums) of our first and second lien debt investments as measured on an amortized cost basis increased from 7.57% to 7.69% from December 31, 2020 to September 30, 2021.

The following table summarizes the fair value of our performing and non-accrual/non-performing investments as of September 30, 2021 and December 31, 2020:

	September 30, 2021		December 31, 2020	
	Fair Value	Percentage	Fair Value	Percentage
Performing	\$ 1,880,741	96.5 %	\$ 1,767,613	96.8 %
Non-accrual ⁽¹⁾	67,465	3.5	58,136	3.2
Total	\$ 1,948,206	100.0 %	\$ 1,825,749	100.0 %

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

See the Consolidated Schedules of Investments as of September 30, 2021 and December 31, 2020 in our consolidated financial statements in Part I, Item 1 of this Form 10-Q for more information on these investments, including a list of companies and type and amount of investments.

As part of the monitoring process, our Investment Adviser has developed risk policies pursuant to which it regularly assesses the risk profile of each of our debt investments and rates each of them based on categories, which we refer to as “Internal Risk Ratings”. Pursuant to these risk policies, an Internal Risk Rating of 1 – 5, which are defined below, is assigned to each debt investment in our portfolio. Key drivers of internal risk ratings include financial metrics, financial covenants, liquidity and enterprise value coverage.

Internal Risk Ratings Definitions

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

Our Investment Adviser monitors and, when appropriate, changes the investment ratings assigned to each debt investment in our portfolio. Our Investment Adviser reviews our investment ratings in connection with our quarterly valuation process. The below table summarizes the Internal Risk Ratings as of September 30, 2021 and December 31, 2020.

	September 30, 2021		December 31, 2020	
	Fair Value	% of Fair Value	Fair Value	% of Fair Value
(dollar amounts in millions)				
Internal Risk Rating 1	\$ 3.8	0.2 %	\$ 19.1	1.3
Internal Risk Rating 2	1,245.1	76.5	1,047.5	69.4
Internal Risk Rating 3	311.8	19.2	361.1	23.9
Internal Risk Rating 4	28.1	1.7	48.2	3.2
Internal Risk Rating 5	39.4	2.4	32.8	2.2
Total	\$ 1,628.1	100.0 %	\$ 1,508.6	100.0

As of September 30, 2021 and December 31, 2020, the weighted average Internal Risk Rating of our debt investment portfolio was 2.3 and 2.4, respectively. As of September 30, 2021, five of our debt investments, with an aggregate fair value of \$67.5 million were assigned an Internal Risk Rating of 4-5. As of December 31, 2020, six of our debt investments, with an aggregate fair value of \$80.9 million were assigned an Internal Risk Rating of 4-5. As of September 30, 2021 and December 31, 2020, five and five of our debt investments were on non-accrual status, respectively. Our debt investments non-accrual status had a fair value of \$67.5 million and \$58.1 million, respectively, which represented approximately 3.5% and 3.2%, respectively, of our total investments at fair value as of September 30, 2021 and December 31, 2020. The remaining first and second lien debt investments were performing and current on their interest payments as of September 30, 2021 and December 31, 2020.

CONSOLIDATED RESULTS OF OPERATIONS

For the three month and nine month periods ended September 30, 2021 and 2020

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

Investment Income

Investment income for the three month and nine month periods ended September 30, 2021 and 2020 was as follows:

	For the three month periods ended		For the nine month periods ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
Investment income				
First Lien Debt	\$ 27,524	\$ 29,587	\$ 80,706	\$ 97,058
Second Lien Debt	7,790	7,084	21,319	22,814
Equity Investments	925	362	2,702	880
Investment Funds	7,523	5,750	22,539	17,799
Cash	—	1	—	53
Total investment income	\$ 43,762	\$ 42,784	\$ 127,266	\$ 138,604

The increase in investment income for the three month period ended September 30, 2021 from the comparable period in 2020 was primarily driven by higher income from Investment Funds. The decrease in investment income for the nine month period ended September 30, 2021 from the comparable period in 2020 was primarily driven by a lower average loan balance. As of September 30, 2021, the size of our portfolio decreased to \$1,996,255 from \$2,073,927 as of September 30, 2020, at amortized cost. As of September 30, 2021, the weighted average yield of our first and second lien debt investments increased to 7.69% from 7.44% as of September 30, 2020 on amortized cost, primarily due to new fundings being originated at a higher weighted average yield than the yield of positions being repaid or sold.

Interest income on our first and second lien debt investments is dependent on the composition and credit quality of the portfolio. Generally, we expect the portfolio to generate predictable quarterly interest income based on the terms stated in each loan's credit agreement. As of September 30, 2021 and 2020, five and six first lien debt investments, respectively, were on non-accrual status. Non-accrual investments had a fair value of \$67,465 and \$67,371 respectively, which represented approximately

3.5% and 3.5% of total investments at fair value, respectively, as of September 30, 2021 and 2020. The remaining first and second lien debt investments were performing and current on their interest payments as of September 30, 2021 and 2020.

For the three month periods ended September 30, 2021 and 2020, the Company earned \$759 and \$2,110, respectively, in other income. For the nine month periods ended September 30, 2021 and 2020, the Company earned \$4,636 and \$8,001, respectively, in other income. The decrease in other income for the three month period ended September 30, 2021 from the comparable period in 2020 was primarily driven by lower amendment and underwriting fees. The decrease in other income for the nine month period ended September 30, 2021 from the comparable period in 2020 was primarily driven by lower underwriting, amendment and prepayment fees.

For the three month periods ended September 30, 2021 and 2020, the Company earned \$7,523 and \$5,750, respectively, in dividend and interest income from the Investment Funds. For the nine month periods ended September 30, 2021 and 2020, the Company earned \$22,539 and \$17,799, respectively, in dividend and interest income from the Investment Funds. The increase for the three month period ended September 30, 2021 from the comparable period in 2020 was driven by the formation of Credit Fund II during the fourth quarter of 2020 and by a higher dividend from Credit Fund. The increase for the nine month period ended September 30, 2021 from the comparable period in 2020 was driven by the formation of Credit Fund II during the fourth quarter of 2020 and by a higher dividend from Credit Fund, partially offset by a decrease in interest income on the Mezzanine Loan to Credit Fund.

Net investment income (loss) for the three month and nine month periods ended September 30, 2021 and 2020 was as follows:

	For the three month periods ended		For the nine month periods ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
Total investment income	\$ 43,762	\$ 42,784	\$ 127,266	\$ 138,604
Net expenses (including excise tax expense)	(21,676)	(21,550)	(62,864)	(71,706)
Net investment income (loss)	\$ 22,086	\$ 21,234	\$ 64,402	\$ 66,898

Expenses

	For the three month periods ended		For the nine month periods ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
Base management fees	\$ 7,233	\$ 7,134	\$ 21,024	\$ 21,585
Incentive fees	4,516	4,322	13,193	14,075
Professional fees	836	937	2,444	2,282
Administrative service fees	400	167	1,057	539
Interest expense	7,519	7,291	21,549	28,913
Credit facility fees	435	728	1,459	2,106
Directors' fees and expenses	154	86	420	303
Other general and administrative	420	498	1,292	1,364
Excise tax expense	163	387	426	539
Expenses	\$ 21,676	\$ 21,550	\$ 62,864	\$ 71,706

Interest expense and credit facility fees for the three month and nine month periods ended September 30, 2021 and 2020 comprised the following:

	For the three month periods ended		For the nine month periods ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
Interest expense	\$ 7,519	\$ 7,291	\$ 21,549	\$ 28,913
Facility unused commitment fee	243	542	885	1,269
Amortization of deferred financing costs	192	159	574	754
Other fees	—	27	—	83
Total interest expense and credit facility fees	\$ 7,954	\$ 8,019	\$ 23,008	\$ 31,019
Cash paid for interest expense	\$ 7,575	\$ 8,361	\$ 21,750	\$ 31,708
Average principal debt outstanding	\$ 1,071,239	\$ 1,059,669	\$ 1,015,621	\$ 1,148,232
Weighted average interest rate	2.75 %	2.70 %	2.77 %	3.30 %

The decrease in interest expense and credit facility fees for the three month period ended September 30, 2021 compared to the comparable period in 2020 was primarily driven by lower unused commitment fees, largely offset by higher average principal balances outstanding and higher weighted average interest rates. The decrease in interest expense and credit facility fees for the nine month period ended September 30, 2021 compared to the comparable period in 2020 was primarily driven by lower average principal balances outstanding and lower weighted average interest rates.

Below is a summary of the base management fees and incentive fees incurred during the three month and nine month periods ended September 30, 2021 and 2020.

	For the three month periods ended		For the nine month periods ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
Base management fees	\$ 7,233	\$ 7,134	\$ 21,024	\$ 21,585
Incentive fees on pre-incentive fee net investment income	4,516	4,322	13,193	14,075
Realized capital gains incentive fees	—	—	—	—
Accrued capital gains incentive fees	—	—	—	—
Total capital gains incentive fees	—	—	—	—
Total incentive fees	4,516	4,322	13,193	14,075
Total base management fees and incentive fees	\$ 11,749	\$ 11,456	\$ 34,217	\$ 35,660

The increase in base management fees and incentive fees related to pre-incentive fee net investment income for the three month period ended September 30, 2021 from the comparable period in 2020 was driven by higher investment fair value and higher pre-incentive fee net investment income. The decrease in base management fees and incentive fees related to pre-incentive fee net investment income for the nine month period ended September 30, 2021 from the comparable period in 2020 was driven by lower investment fair value and lower pre-incentive fee net investment income.

For the three month and nine month periods ended September 30, 2021 and 2020, there were no accrued capital gains incentive fees based upon the cumulative net realized and unrealized appreciation (depreciation) as of September 30, 2021 and 2020. The accrual for any capital gains incentive fee under accounting principles generally accepted in the United States (“U.S. GAAP”) in a given period may result in an additional expense if such cumulative amount is greater than in the prior period or a reduction of previously recorded expense if such cumulative amount is less than in the prior period. If such cumulative amount is negative, then there is no accrual. See Note 4 to the consolidated financial statements included in Part I, Item 1 of this Form 10-Q for more information on the incentive and base management fees.

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

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

During the three month and nine month periods ended September 30, 2021, we had realized gains on 9 and 25 investments, respectively, totaling approximately \$7,692 and \$11,330, respectively, which was offset by realized losses on 4 and 6 investments, respectively, totaling approximately \$127 and \$147, respectively. During the three month and nine month periods ended September 30, 2020, we had realized gains on 2 and 8 investments, respectively, totaling approximately \$1,018 and \$1,775, respectively, which was offset by realized losses on 1 and 18 investments, respectively, totaling approximately \$1,227 and \$51,465, respectively. During the three month and nine month periods ended September 30, 2021, we had unrealized appreciation on 74 and 105 investments, respectively, totaling approximately \$28,462 and \$63,658, respectively, which was offset by unrealized depreciation on 81 and 73 investments, respectively, totaling approximately \$12,475 and \$14,524, respectively. During the three month and nine month periods ended September 30, 2020, we had unrealized appreciation on 104 and 59 investments, respectively, totaling approximately \$26,841 and \$51,354, respectively, which was offset by unrealized depreciation on 35 and 95 investments, respectively, totaling approximately \$11,801 and \$99,621, respectively.

Net realized gain (loss) and net change in unrealized appreciation (depreciation) by the type of investments for the three month and nine month periods ended September 30, 2021 and 2020 were as follows:

	For the three month periods ended		For the nine month periods ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
Net realized gain (loss) on investments	\$ 7,565	\$ (209)	\$ 11,183	\$ (49,690)
Net change in unrealized appreciation (depreciation) on investments	15,987	15,040	49,134	(48,267)
Net realized gain (loss) and net change in unrealized appreciation (depreciation) on investments	\$ 23,552	\$ 14,831	\$ 60,317	\$ (97,957)

Net realized gain (loss) and net change in unrealized appreciation (depreciation) by the type of investments for the three month and nine month periods ended September 30, 2021 and 2020 were as follows:

Type	For the three month periods ended				For the nine month periods ended			
	September 30, 2021		September 30, 2020		September 30, 2021		September 30, 2020	
	Net realized gain (loss)	Net change in unrealized appreciation (depreciation)	Net realized gain (loss)	Net change in unrealized appreciation (depreciation)	Net realized gain (loss)	Net change in unrealized appreciation (depreciation)	Net realized gain (loss)	Net change in unrealized appreciation (depreciation)
First Lien Debt	\$ 590	\$ 8,406	\$ (677)	\$ 3,236	\$ 2,218	\$ 27,512	\$ (50,302)	\$ (30,211)
Second Lien Debt	(12)	(247)	—	8,864	(28)	11,690	(213)	(19,162)
Equity Investments	6,987	175	468	867	8,993	2,835	825	866
Investment Funds	—	7,653	—	2,073	—	7,132	—	240
Total	\$ 7,565	\$ 15,987	\$ (209)	\$ 15,040	\$ 11,183	\$ 49,169	\$ (49,690)	\$ (48,267)

Net change in unrealized appreciation in our investments for the three month period ended September 30, 2021 improved compared to the comparable period in 2020 primarily due to improving credit fundamentals of underlying borrowers and an increase in the value of the investment in Credit Fund. Net change in unrealized appreciation in our investments for the nine month period ended September 30, 2021 improved compared to the comparable period in 2020 primarily due to improving credit fundamentals and tightening market yields in 2021, as well as an increase in the value of the investment in Credit Fund. Net change in unrealized appreciation (depreciation) is also driven by changes in other inputs utilized under our valuation methodology, including, but not limited to, enterprise value multiples, 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 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, October 6, 2017, November 26, 2018 and August 16, 2019, respectively. Credit Fund Sub, the 2017-1 Issuer, the 2019-2 Issuer and Credit Fund Warehouse II are wholly owned subsidiaries of Credit Fund and are consolidated in Credit Fund's consolidated financial statements commencing from the date of their respective formations. In December 2020, the 2017-1 Notes, as defined below, were redeemed in full and notes outstanding were repaid in full. In August 2021, the 2019-2 Notes, as defined below, were redeemed in full and the notes outstanding were repaid in full. Credit Fund Sub and Credit Fund Warehouse II primarily invest in first lien loans of middle market companies. Credit Fund and its wholly owned subsidiaries follow the same Internal Risk Rating System as the Company. Refer to "Debt" below for discussions regarding the credit facilities entered into and the notes issued by such wholly-owned subsidiaries.

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

Selected Financial Data

Since inception of Credit Fund and through September 30, 2021 and December 31, 2020, the Company and Credit Partners each made capital contributions of \$1 and \$1 in members' equity, respectively, and \$216,000 and \$216,000 in subordinated loans, respectively, to Credit Fund. On May 25, 2021, the Company and Credit Partners received a return of capital on the subordinated loans of \$46,000, of which the Company received \$23,000. Below is certain summarized consolidated financial information for Credit Fund as of September 30, 2021 and December 31, 2020.

	September 30, 2021 (unaudited)	December 31, 2020
Selected Consolidated Balance Sheet Information		
ASSETS		
Investments, at fair value (amortized cost of \$1,086,729 and \$1,080,538, respectively)	\$ 1,078,265	\$ 1,056,381
Cash, cash equivalents and restricted cash ⁽¹⁾	62,544	119,796
Other assets	13,489	7,553
Total assets	<u>\$ 1,154,298</u>	<u>\$ 1,183,730</u>
LIABILITIES AND MEMBERS' EQUITY		
Secured borrowings	\$ 757,034	\$ 514,261
Notes payable, net of unamortized debt issuance costs of \$0 and \$1,559, respectively	—	253,933
Other liabilities	27,069	15,543
Subordinated loans and members' equity ⁽²⁾	370,195	399,993
Liabilities and members' equity	<u>\$ 1,154,298</u>	<u>\$ 1,183,730</u>

⁽¹⁾ As of September 30, 2021 and December 31, 2020, \$9,121 and \$83,574, respectively, of Credit Fund's cash and cash equivalents was restricted.

⁽²⁾ As of September 30, 2021 and December 31, 2020, the fair value of the Company's ownership interest in the subordinated loans and members' equity was \$189,275 and \$205,891, respectively.

	For the three month periods ended		For the nine month periods ended	
	September 30, 2021 (unaudited)	September 30, 2020	September 30, 2021 (unaudited)	September 30, 2020 (unaudited)
Selected Consolidated Statement of Operations Information:				
Total investment income	\$ 17,124	\$ 22,863	\$ 50,951	\$ 64,276
Expenses				
Interest and credit facility expenses	6,701	7,696	17,437	31,175
Other expenses	510	602	1,532	1,695
Total expenses	7,211	8,298	18,969	32,870
Net investment income (loss)	9,913	14,565	31,982	31,406
Net realized gain (loss) on investments	220	—	(1,473)	—
Net change in unrealized appreciation (depreciation) on investments	1,500	18,351	15,693	(23,114)
Net increase (decrease) resulting from operations	<u>\$ 11,633</u>	<u>\$ 32,916</u>	<u>\$ 46,202</u>	<u>\$ 8,292</u>

Below is a summary of Credit Fund's portfolio, followed by a listing of the loans in Credit Fund's portfolio, as of September 30, 2021 and December 31, 2020:

	As of	
	September 30, 2021	December 31, 2020
Senior secured loans ⁽¹⁾	\$ 1,091,142	\$ 1,084,491
Weighted average yields of senior secured loans based on amortized cost ⁽²⁾	6.07 %	6.03 %
Weighted average yields of senior secured loans based on fair value ⁽²⁾	6.09 %	6.15 %
Number of portfolio companies in Credit Fund	55	54
Average amount per portfolio company ⁽¹⁾	\$ 19,839	\$ 20,083
Number of loans on non-accrual status	—	—
Fair value of loans on non-accrual status	\$ —	\$ —
Percentage of portfolio at floating interest rates ⁽³⁾⁽⁴⁾	100.0 %	97.7 %
Percentage of portfolio at fixed interest rates ⁽⁴⁾	— %	2.3 %
Fair value of loans with PIK provisions	\$ —	\$ 24,113
Percentage of portfolio with PIK provisions ⁽⁴⁾	— %	2.3 %

(1) At par/principal amount.

(2) Weighted average yields include the effect of accretion of discounts and amortization of premiums and are based on interest rates as of September 30, 2021 and 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 primarily subject to interest rate floors.

(4) Percentages based on fair value.

Consolidated Schedule of Investments as of September 30, 2021

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 (100.0% of fair value)									
ACR Group Borrower, LLC	^+	(2)(3)(6)	Aerospace & Defense	L + 4.50%	5.50%	3/31/2028	\$ 34,563	\$ 33,977	\$ 34,547
Acisure, LLC	+#	(2)(3)	Banking, Finance, Insurance & Real Estate	L + 3.50%	3.63%	2/15/2027	25,441	25,422	25,171
Alpha Packaging Holdings, Inc.	+	(2)(3)	Containers, Packaging & Glass	L + 6.00%	7.00%	5/12/2022	15,866	15,866	15,866
Alpine SG, LLC	+	(2)(3)	High Tech Industries	L + 5.75%	6.75%	11/16/2022	10,890	10,772	10,773
AmeriLife Holdings LLC	#	(2)(3)	Banking, Finance, Insurance & Real Estate	L + 4.00%	4.08%	3/18/2027	9,877	9,857	9,877
Analogic Corporation	^+	(2)(3)(6)	Capital Equipment	L + 5.25%	6.25%	6/22/2024	18,714	18,698	18,534
Anchor Packaging, Inc.	+#	(2)(3)	Containers, Packaging & Glass	L + 4.00%	4.08%	7/18/2026	24,535	24,443	24,483
API Technologies Corp.		(2)(3)	Aerospace & Defense	L + 4.25%	4.33%	5/9/2026	14,663	14,614	14,223
Aptean, Inc.	+#	(2)(3)	Software	L + 4.25%	4.33%	4/23/2026	12,188	12,141	12,084
Astra Acquisition Corp.	+#	(2)(3)	Software	L + 4.75%	5.50%	2/28/2027	28,639	28,290	28,639
Avalign Technologies, Inc.	+#	(2)(3)	Healthcare & Pharmaceuticals	L + 4.50%	4.63%	12/22/2025	14,480	14,390	14,364
Avenu Holdings, LLC	+	(2)(3)	Sovereign & Public Finance	L + 5.25%	6.25%	9/28/2024	23,410	23,410	23,410
BK Medical Holding Company, Inc.	^+	(2)(3)(6)	Healthcare & Pharmaceuticals	L + 5.25%	6.25%	6/22/2024	23,983	23,814	23,983
BMS Holdings III Corp.	+	(2)(3)	Construction & Building	L + 5.50%	6.50%	9/30/2026	11,272	11,166	11,157
Chartis Holding, LLC	+	(2)(3)(6)	Business Services	L + 5.50%	6.50%	5/1/2025	6,982	6,982	6,982
Chemical Computing Group ULC (Canada)	^+	(2)(3)(6)	Software	L + 4.50%	5.50%	8/30/2024	13,948	13,453	13,883
Chudy Group, LLC	^+	(2)(3)(6)	Healthcare & Pharmaceuticals	L + 5.75%	6.75%	6/30/2027	33,103	32,526	32,912
Diligent Corporation	^+	(2)(3)(6)	Telecommunications	L + 6.25%	7.25%	8/4/2025	9,072	8,828	9,301
Divisions Holding Corporation	+#	(2)(3)	Business Services	L + 4.75%	5.50%	5/27/2028	25,000	24,759	25,077
DTI Holdco, Inc.	+	(2)(3)	High Tech Industries	L + 4.75%	5.75%	9/30/2023	18,543	18,491	18,130
Eliassen Group, LLC	+	(2)(3)	Business Services	L + 4.25%	4.33%	11/5/2024	9,927	9,895	9,877
EPS Nass Parent, Inc.	^+	(2)(3)(6)	Utilities: Electric	L + 5.75%	6.75%	4/19/2028	31,670	30,970	31,316
EvolveIP, LLC	^+	(2)(3)(6)	Telecommunications	L + 5.75%	6.75%	6/7/2023	39,925	39,840	39,924
Exactech, Inc.	+#	(2)(3)	Healthcare & Pharmaceuticals	L + 3.75%	4.75%	2/14/2025	21,362	21,274	21,050
Excel Fitness Holdings, Inc.	+#	(2)(3)	Hotel, Gaming & Leisure	L + 5.25%	6.25%	10/7/2025	24,563	24,388	24,359
Frontline Technologies Holdings, LLC	+	(2)(3)	Software	L + 5.75%	6.75%	9/18/2023	14,773	14,249	14,773
Golden West Packaging Group LLC	+	(2)(3)	Containers, Packaging & Glass	L + 5.75%	6.75%	6/20/2023	27,305	27,228	27,237
Heartland Home Services, Inc	+	(2)(3)(6)	Consumer Services	L + 6.00%	7.00%	12/15/2026	18,325	18,325	18,380
HMT Holding Inc.	^+	(2)(3)(6)	Energy: Oil & Gas	L + 5.75%	6.75%	11/17/2023	32,568	32,301	31,623
Integrity Marketing Acquisition, LLC		(2)(3)(6)	Banking, Finance, Insurance & Real Estate	L + 5.50%	6.25%	8/27/2025	15,574	15,111	15,479
Jensen Hughes, Inc.	+	(2)(3)(6)	Utilities: Electric	L + 4.50%	5.50%	3/22/2024	34,480	34,442	33,818
K2 Insurance Services, LLC	+	(2)(3)(6)	Banking, Finance, Insurance & Real Estate	L + 5.00%	6.00%	7/1/2026	12,961	12,961	12,772
KAMC Holdings, Inc.	+#	(2)(3)	Energy: Electricity	L + 4.00%	4.12%	8/14/2026	13,720	13,670	12,982
KBP Investments, LLC	^+	(2)(3)(6)	Beverage, Food & Tobacco	L + 5.00%	5.75%	5/25/2027	19,238	18,828	18,926

Consolidated Schedule of Investments as of September 30, 2021

Investments ⁽¹⁾		Footnotes	Industry	Reference Rate & Spread ⁽²⁾	Interest Rate ⁽²⁾	Maturity Date	Par/ Principal Amount	Amortized Cost ⁽⁴⁾	Fair Value ⁽⁵⁾
Marco Technologies, LLC	+	(2)(3)	Media: Advertising, Printing & Publishing	L + 4.00%	5.00%	10/30/2023	\$ 7,314	\$ 7,298	\$ 7,314
Mold-Rite Plastics, LLC	+	(2)(3)	Chemicals, Plastics & Rubber	L + 4.25%	5.25%	6/14/2022	14,408	14,402	14,408
Newport Group Holdings II, Inc.	+#	(2)(3)	Banking, Finance, Insurance & Real Estate	L + 3.50%	3.63%	9/13/2025	23,295	23,136	23,272
Odyssey Logistics & Technology Corp.	+#	(2)(3)	Transportation: Cargo	L + 4.00%	5.00%	10/12/2024	11,210	11,228	11,098
Output Services Group	^+	(2)(3)	Media: Advertising, Printing & Publishing	L + 4.50%	5.50%	3/27/2024	19,272	19,241	16,537
Premise Health Holding Corp.	+#	(2)(3)	Healthcare & Pharmaceuticals	L + 3.50%	3.63%	7/10/2025	13,480	13,443	13,442
Q Holding Company	+#	(2)(3)	Automotive	L + 5.00%	6.00%	12/31/2023	21,570	21,466	21,167
QW Holding Corporation	^+	(2)(3)(6)	Environmental Industries	L + 6.25%	7.25%	8/31/2024	13,324	13,064	12,800
Radiology Partners, Inc.	+#	(2)(3)	Healthcare & Pharmaceuticals	L + 4.25%	4.33%	7/9/2025	27,686	27,597	27,655
RevSpring Inc.	+#	(2)(3)	Media: Advertising, Printing & Publishing	L + 4.25%	4.38%	10/11/2025	29,224	29,068	29,125
Situs Group Holdings Corporation	+	(2)(3)	Banking, Finance, Insurance & Real Estate	L + 4.75%	5.75%	6/28/2025	14,669	14,591	14,638
Striper Buyer, LLC	+	(2)(3)	Containers, Packaging & Glass	L + 5.50%	6.25%	12/30/2026	14,887	14,751	14,887
T2 Systems, Inc.	^+	(2)(3)(6)	Transportation: Consumer	L + 6.75%	7.75%	9/28/2022	28,893	28,678	28,893
Turbo Buyer, Inc.	+	(2)(3)(6)	Automotive	L + 5.75%	6.75%	12/2/2025	13,995	13,995	13,697
U.S. TelePacific Holdings Corp.	+	(2)(3)	Telecommunications	L + 5.50%	6.50%	5/2/2023	6,660	6,640	5,448
VRC Companies, LLC	^+	(2)(3)(6)	Business Services	L + 5.50%	6.25%	6/29/2027	25,249	24,814	24,799
Water Holdings Acquisition LLC	^+	(2)(3)(6)	Utilities: Water	L + 5.00%	6.00%	12/18/2026	30,047	29,345	30,047
Welocalize, Inc.	+	(2)(3)(6)	Business Services	L + 4.75%	5.75%	12/23/2024	35,638	35,282	35,255
WRE Holding Corp.	^+	(2)(3)(6)	Environmental Industries	L + 5.50%	6.50%	1/3/2023	8,761	8,739	8,671
Yellowstone Buyer Acquisition, LLC	+	(2)(3)	Durable Consumer Goods	L + 5.75%	6.75%	9/13/2027	40,000	39,206	39,200
First Lien Debt Total							\$ 1,081,365	\$ 1,078,265	
Equity Investments (0.0% of fair value)									
DBI Holding, LLC	^		Transportation: Cargo				2,961	\$ —	\$ —
DBI Holding, LLC	^		Transportation: Cargo				13,996	5,364	—
Equity Investments Total							\$ 5,364	\$ —	
Total Investments							\$ 1,086,729	\$ 1,078,265	

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

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

- Unless otherwise indicated, issuers of investments held by Credit Fund are domiciled in the United States. As of September 30, 2021, the geographical composition of investments as a percentage of fair value was 1.3% in Canada and 98.7% in the United States. Certain portfolio company investments are subject to contractual restrictions on sales.
- Variable rate loans to the portfolio companies bear interest at a rate that is determined by reference to either LIBOR or an alternate base rate (commonly based on the Federal Funds Rate or the U.S. Prime Rate), which generally resets quarterly. For each such loan, Credit Fund has indicated the reference rate used and provided the spread and the interest rate in effect as of September 30, 2021. As of September 30, 2021, the reference rates for Credit Fund's variable rate loans were the 30-day LIBOR at 0.08%, the 90-day LIBOR at 0.13% and the 180-day LIBOR at 0.16%.
- Loan includes interest rate floor feature, which is generally 1.00%.

- (4) Amortized cost represents original cost, including origination fees and upfront fees received that are deemed to be an adjustment to yield, adjusted for the accretion/amortization of discounts/premiums, as applicable, on debt investments using the effective interest method.
- (5) Fair value is determined in good faith by or under the direction of the board of managers of Credit Fund, pursuant to Credit Fund's valuation policy, with the fair value of all investments determined using significant unobservable inputs, which is substantially similar to the valuation policy of the Company provided in Note 3, Fair Value Measurements to the Consolidated Financial Statements in Part I, Item 1 of this Form 10-Q.
- (6) As of September 30, 2021, 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
ACR Group Borrower, LLC	Revolver	0.38%	\$ 7,350	\$ (3)
Analogic Corporation	Revolver	0.50	1,975	(17)
BK Medical Holding Company, INC.	Revolver	0.50	2,609	—
Chartis Holding, LLC	Revolver	0.50	2,183	—
Chemical Computing Group ULC (Canada)	Revolver	0.50	873	(4)
Chudy Group, LLC	Delayed Draw	1.00	5,517	(26)
Chudy Group, LLC	Revolver	0.50	1,379	(7)
Diligent Corporation	Delayed Draw	1.00	1,653	33
Diligent Corporation	Revolver	0.50	703	14
EPS Nass Parent, Inc.	Delayed Draw	1.00	3,136	(30)
EPS Nass Parent, Inc.	Revolver	0.50	2,195	(21)
EvolveIP, LLC	Delayed Draw	1.00	1,904	—
EvolveIP, LLC	Revolver	0.50	3,734	—
Helios Buyer, Inc.	Revolver	0.50	130	—
HMT Holding Inc.	Revolver	0.50	6,173	(151)
Integrity Marketing Acquisition, LLC	Delayed Draw	1.00	21,816	(56)
Jensen Hughes, Inc.	Revolver	0.50	2,000	(36)
K2 Insurance Services, LLC	Revolver	0.50	1,170	(16)
KBP Investments, LLC	Delayed Draw	1.00	20,190	(157)
KBP Investments, LLC	Delayed Draw	1.00	503	(4)
QW Holding Corporation	Delayed Draw	1.00	9,338	(179)
QW Holding Corporation	Revolver	0.50	4,619	(89)
T2 Systems, Inc.	Revolver	0.50	1,955	—
Turbo Buyer, Inc.	Revolver	0.50	933	(19)
VRC Companies, LLC	Delayed Draw	0.75	3,856	(58)
VRC Companies, LLC	Revolver	0.50	833	(12)
Water Holdings Acquisition LLC	Delayed Draw	1.00	5,326	—
Water Holdings Acquisition LLC	Revolver	0.50	4,421	—
Welocalize, Inc.	Revolver	0.50	2,025	(19)
Welocalize, Inc.	Revolver	0.50	2,250	(22)
WRE Holding Corp.	Delayed Draw	1.00	337	(3)
WRE Holding Corp.	Revolver	0.50	624	(6)
Total unfunded commitments			\$ 123,710	\$ (888)

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 (97.5% of fair value)								
Acisure, 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%	6.50%	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
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

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⁾
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 (2.3% 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 (0.2% 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 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 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 the Credit Fund Warehouse II Facility. The lenders of the Credit Fund Warehouse II Facility have a first lien security interest in substantially all of the assets of the Credit Fund Warehouse II. Accordingly, such assets are not available to creditors of Credit Fund, Credit Fund Sub, or the 2019-2 Issuer.

- Unless otherwise indicated, issuers of investments held by Credit Fund are domiciled in the United States. As of December 31, 2020, the geographical composition of investments as a percentage of fair value was 2.8% in Canada and 97.2% in the United States. Certain portfolio company investments are subject to contractual restrictions on sales.
- Variable rate loans to the portfolio companies bear interest at a rate that is determined by reference to either LIBOR or an alternate base rate (commonly based on the Federal Funds Rate or the U.S. Prime Rate), which generally resets quarterly. For each such loan, Credit Fund has indicated the reference rate used and provided the spread and the interest rate in effect as of December 31, 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.
- (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 Acquisition, 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)

- (7) Loan was on non-accrual status as of December 31, 2020.

Debt

Credit Fund, Credit Fund Sub and Credit Fund Warehouse II are party to separate credit facilities as described below. In addition, until May 15, 2019, the 2019-2 Issuer (formerly known as Credit Fund Warehouse) was a party to the Credit Warehouse Facility. As of September 30, 2021 and December 31, 2020, Credit Fund, Credit Fund Sub and Credit Fund Warehouse II were in compliance with all covenants and other requirements of their respective credit facility agreements. Below is a summary of the borrowings and repayments under the credit facilities for the three month and nine month periods ended 2021 and 2020, and the outstanding balances under the credit facilities for the respective periods.

	Credit Fund Facility		Credit Fund Sub Facility		Credit Fund Warehouse II Facility	
	2021	2020	2021	2020	2021	2020
Three Month Periods Ended September 30,						
Outstanding Borrowing, beginning of period	\$ —	\$ —	\$ 515,121	\$ 353,006	\$ 82,163	\$ 108,994
Borrowings	—	—	167,500	25,000	44,250	5,000
Repayments	—	—	(52,000)	—	—	(6,590)
Outstanding Borrowing, end of period	\$ —	\$ —	\$ 630,621	\$ 378,006	\$ 126,413	\$ 107,404
Nine Month Periods Ended September 30,						
Outstanding Borrowing, beginning of period	\$ —	\$ 93,000	\$ 420,859	\$ 343,506	\$ 93,402	\$ 97,571
Borrowings	—	63,500	393,000	125,000	52,250	38,373
Repayments	—	(156,500)	(183,238)	(90,500)	(19,239)	(28,540)
Outstanding Borrowing, end of period	\$ —	\$ —	\$ 630,621	\$ 378,006	\$ 126,413	\$ 107,404

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 May 21, 2022. 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, March 11, 2020 and May 3, 2021. 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 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 Credit Fund Warehouse II. The maturity date of the Credit Fund Warehouse II Facility is August 16, 2022. Amounts borrowed under the Credit Fund Warehouse II Facility bear interest at a rate of LIBOR plus 1.05% for the first 12 months, LIBOR plus 1.15% for the next 12 months, and LIBOR plus 1.50% in the final 12 months.

2017-1 Notes

On December 19, 2017, Credit Fund completed the 2017-1 Debt Securitization. The notes offered in the 2017-1 Debt Securitization (the "2017-1 Notes") were issued by the 2017-1 Issuer, a wholly owned and consolidated subsidiary of Credit Fund, and are secured by a diversified portfolio of the 2017-1 Issuer consisting primarily of first and second lien senior secured loans. The 2017-1 Debt Securitization was executed through a private placement of the 2017-1 Notes, consisting of:

- \$231,700 of Aaa/AAA Class A-1 Notes, which bore interest at the three-month LIBOR plus 1.17%;
- \$48,300 of Aa2/AA Class A-2 Notes, which bore interest at the three-month LIBOR plus 1.50%;
- \$15,000 of A2/A Class B-1 Notes, which bore interest at the three-month LIBOR plus 2.25%;
- \$9,000 of A2/A Class B-2 Notes which bore interest at 4.30%;
- \$22,900 of Baa2/BBB Class C Notes which bore interest at the three-month LIBOR plus 3.20%; and
- \$25,100 of Ba2/BB Class D Notes which bore 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 did 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. As of the redemption date, the 2017-1 Issuer was in compliance with all covenants and other requirements of the indenture.

2019-2 Notes

On May 21, 2019, Credit Fund completed the 2019-2 Debt Securitization. The notes offered in the 2019-2 Debt Securitization (the “2019-2 Notes”) were issued by the 2019-2 Issuer, a wholly owned and consolidated subsidiary of Credit Fund, and were 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 bore interest at the three-month LIBOR plus 1.50%;
- \$48,000 of Aa2/AA Class A-2 Notes, which bore interest at the three-month LIBOR plus 2.40%;
- \$23,000 of A2/A Class B Notes, which bore interest at the three-month LIBOR plus 3.45%;
- \$27,000 of Baa2/BBB- Class C Notes which bore interest at the three-month LIBOR plus 4.55%; and
- \$21,000 of Ba2/BB- Class D Notes which bore interest at the three-month LIBOR plus 8.03%.

The 2019-2 Notes were 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 did not bear interest and had a nominal value of \$48,300 at closing.

The 2019-2 Notes were fully redeemed during the three months ended September 30, 2021. As of December 31, 2020, the outstanding balance of the 2019-2 Notes was \$255,832. As of the redemption date and 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 consisted 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 is November 3, 2030. Amounts issued for the Class A-1 notes (the "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 (the "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 September 30, 2021 and 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 September 30, 2021, the Company and CCLF 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 September 30, 2021 and December 31, 2020.

	As of	
	September 30, 2021 (unaudited)	December 31, 2020
ASSETS		
Investments, at fair value (amortized cost of \$243,412 and \$245,312, respectively)	\$ 244,388	\$ 245,312
Cash, cash equivalents and restricted cash ⁽¹⁾	3,139	3,139
Other assets	7,003	7,003
Total assets	\$ 254,530	\$ 255,454
LIABILITIES AND MEMBERS' EQUITY		
Notes payable, net of unamortized debt issuance costs of \$820 and \$875, respectively	\$ 156,679	\$ 156,679
Other liabilities	4,999	4,999
Total members' equity ⁽²⁾	92,852	93,776
Total liabilities and members' equity	\$ 254,530	\$ 255,454

(1) As of September 30, 2021 and December 31, 2020, all of Credit Fund II's cash and cash equivalents was restricted.

(2) As of September 30, 2021 and December 31, 2020, the fair value of Company's ownership interest in the members' equity was \$78,143 and \$77,395, respectively.

	For the three month period ended	For the nine month period ended
	September 30, 2021 (unaudited)	September 30, 2021 (unaudited)
Selected Consolidated Statement of Operations Information:		
Total investment income	\$ 4,838	14,205
Expenses		
Interest and credit facility expenses	1,190	3,588
Other expenses	177	558
Total expenses	1,367	4,146
Net investment income (loss)	3,471	10,059
Net realized gain (loss) on investments	—	—
Net change in unrealized appreciation (depreciation) on investments	(850)	(138)
Net increase (decrease) resulting from operations	\$ 2,621	9,921

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 September 30, 2021 and December 31, 2020:

	As of	
	September 30, 2021	December 31, 2020
Senior secured loans ⁽¹⁾	\$ 245,584	\$ 248,172
Weighted average yields of senior secured loans based on amortized cost ⁽²⁾	7.32 %	7.32 %
Weighted average yields of senior secured loans based on fair value ⁽²⁾	7.29 %	7.29 %
Number of portfolio companies in Credit Fund II	36	44
Average amount per portfolio company ⁽¹⁾	\$ 6,822	\$ 5,640
Percentage of portfolio at floating interest rates ^{(3) (4)}	97.8 %	99.1 %
Percentage of portfolio at fixed interest rates ⁽⁴⁾	2.2 %	0.9 %
Fair value of loans with PIK provisions	\$ 17,440	\$ 9
Percentage of portfolio with PIK provisions ⁽⁴⁾	7.1 %	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 September 30, 2021 and 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 September 30, 2021

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 (89.2% of fair value)								
Aimov, Inc.	^ (2)(3)	Containers, Packaging & Glass	L + 5.00%	6.00%	12/19/2025	\$ 9,971	\$ 9,955	\$ 9,971
Alpine SG, LLC	^ (2)(3)	High Tech Industries	L + 5.75%	6.75%	11/16/2022	4,411	4,398	4,364
American Physician Partners, LLC	^ (2)(3)	Healthcare & Pharmaceuticals	L + 6.75%, 1.50% PIK	9.25%	12/21/2021	8,575	8,565	8,575
AMS Group HoldCo, LLC	^ (2)(3)	Transportation: Cargo	L + 6.00%	7.00%	9/29/2023	7,068	7,013	7,068
Apptio, Inc.	^ (2)(3)	Software	L + 7.25%	8.25%	1/10/2025	5,357	5,290	5,397
Aurora Lux FinCo S.Á.R.L. (Luxembourg)	^ (2)(3)	Software	L + 6.00%	7.00%	12/24/2026	\$ 4,367	\$ 4,280	\$ 3,966
Avenu Holdings, LLC	^ (2)(3)	Sovereign & Public Finance	L + 5.25%	6.25%	9/28/2024	990	982	990
BMS Holdings III Corp.	^ (2)(3)	Construction & Building	L + 5.50%	6.50%	9/30/2026	3,283	3,222	3,249
Captive Resources Midco, LLC	^ (2)(3)	Banking, Finance, Insurance & Real Estate	L + 5.75%	6.75%	5/31/2025	8,192	8,103	8,194
Chartis Holding, LLC	^ (2)(3)	Business Services	L + 5.50%	6.50%	5/1/2025	9,949	9,931	9,949
Comar Holding Company, LLC	^ (2)(3)	Containers, Packaging & Glass	L + 5.75%	6.75%	6/18/2024	8,732	8,646	8,726
Cority Software Inc. (Canada)	^ (2)(3)	Software	L + 5.00%	6.00%	7/2/2026	8,733	8,607	8,733
Ethos Veterinary Health LLC	^ (2)(3)	Consumer Services	L + 4.75%	4.83%	5/15/2026	8,146	8,089	8,146
EvolveIP, LLC	^ (2)(3)	Telecommunications	L + 5.75%	6.75%	6/7/2023	8,733	8,721	8,733
K2 Insurance Services, LLC	^ (2)(3)	Banking, Finance, Insurance & Real Estate	L + 5.00%	6.00%	7/1/2026	9,034	8,926	8,913
Kaseya, Inc.	^ (2)(3)	High Tech Industries	L + 4.00%, 3.00% PIK	8.00%	5/3/2025	9,023	8,910	8,865

Consolidated Schedule of Investments as of September 30, 2021

Investments ⁽¹⁾		Footnotes	Industry	Reference Rate & Spread ⁽²⁾	Interest Rate ⁽²⁾	Maturity Date	Par/Principal Amount	Amortized Cost ⁽⁴⁾	Fair Value ⁽⁵⁾
Mailgun Technologies, Inc.	^	(2)(3)	High Tech Industries	L + 5.00%	6.00%	3/26/2025	\$ 8,414	\$ 8,304	\$ 8,414
National Technical Systems, Inc.	^	(2)(3)	Aerospace & Defense	L + 5.50%	6.50%	6/12/2023	8,756	8,740	8,822
NMI AcquisitionCo, Inc.	^	(2)(3)	High Tech Industries	L + 5.00%	6.00%	9/6/2023	8,731	8,693	8,600
Redwood Services Group, LLC	^	(2)(3)	High Tech Industries	L + 6.00%	7.00%	6/6/2023	8,760	8,744	8,760
Reladyne, Inc.	^	(2)(3)	Wholesale	L + 5.00%	6.00%	7/22/2024	6,451	6,423	6,356
Riveron Acquisition Holdings, Inc.	^	(2)(3)	Banking, Finance, Insurance & Real Estate	L + 5.75%	6.75%	5/22/2025	8,194	8,088	8,194
RSC Acquisition, Inc.	^	(2)(3)	Banking, Finance, Insurance & Real Estate	L + 5.50%	6.50%	11/1/2026	8,422	8,293	8,422
Smile Doctors, LLC	^	(2)(3)	Healthcare & Pharmaceuticals	L + 6.00%	7.00%	10/6/2022	6,460	6,459	6,460
Superior Health Linens, LLC	^	(2)(3)	Business Services	L + 6.50%	7.50%	12/31/2021	6,924	6,924	6,924
T2 Systems, Inc.	^	(2)(3)	Transportation: Consumer	L + 6.75%	7.75%	9/28/2022	8,731	8,681	8,731
TCFI Aevex LLC	^	(2)(3)	Aerospace & Defense	L + 6.00%	7.00%	3/18/2026	1,705	1,679	1,539
Turbo Buyer, Inc.	^	(2)(3)	Automotive	L + 5.75%	6.75%	12/2/2025	8,113	7,962	7,950
US INFRA SVCS Buyer, LLC	^	(2)(3)	Environmental Industries	L + 6.50%	7.50%	4/13/2026	3,275	3,223	3,208
Zemax Software Holdings, LLC	^	(2)(3)	Software	L + 5.75%	6.75%	6/25/2024	4,353	4,324	4,353
Zenith Merger Sub, Inc.	^	(2)(3)	Business Services	L + 5.25%	6.25%	12/13/2023	7,386	7,361	7,386
First Lien Debt Total								\$ 217,536	\$ 217,958
Second Lien Debt (10.8% 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	\$ 5,410	\$ 5,720
AQA Acquisition Holdings, Inc.	^	(2)(3)	High Tech Industries	L + 7.50%	8.00%	3/3/2029	5,000	4,878	4,934
Quartz Holding Company	^	(2)(3)	Software	L + 8.00%	8.09%	4/2/2027	4,852	4,779	4,852
Tank Holding Corp.	^	(2)(3)	Capital Equipment	L + 8.25%	8.45%	3/26/2027	5,514	5,444	5,569
World 50, Inc.	^	(6)	Business Services	0.115	11.50%	1/9/2027	5,465	5,365	5,355
Second Lien Debt Total								\$ 25,876	\$ 26,430
Total Investments								\$ 243,412	\$ 244,388

^ 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.

- Unless otherwise indicated, issuers of investments held by Credit Fund II are domiciled in the United States. As of September 30, 2021, 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.
- 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 September 30, 2021. As of September 30, 2021, the reference rates for Credit Fund II's variable rate loans were the 30-day LIBOR at 0.08%, the 90-day LIBOR at 0.13% and the 180-day LIBOR at 0.16%.
- Loan includes interest rate floor feature, which is generally 1.00%.
- Amortized cost represents original cost, including origination fees and upfront fees received that are deemed to be an adjustment to yield, adjusted for the accretion/amortization of discounts/premiums, as applicable, on debt investments using the effective interest method.
- Fair value is determined in good faith by or under the direction of the board of managers of Credit Fund 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.
- Represents a corporate mezzanine loan, which is subordinated to senior secured term loans of the portfolio company.

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 (90.1% of fair value)								
Aimov, 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 (9.9% 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.

- Unless otherwise indicated, issuers of investments held by Credit Fund II 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.
- 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%.
- Loan includes interest rate floor feature, which is generally 1.00%.
- Amortized cost represents original cost, including origination fees and upfront fees received that are deemed to be an adjustment to yield, adjusted for the accretion/amortization of discounts/premiums, as applicable, on debt investments using the effective interest method.
- Fair value is determined in good faith by or under the direction of the board of managers of Credit Fund 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.
- 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. We believe our current cash position, available capacity on our revolving credit facilities – which is well in excess of our unfunded commitments – and net cash provided by operating activities will provide us with sufficient resources to meet our obligations and continue to support our investment objectives, including reserving for the capital needs which may arise at our portfolio companies.

On March 21, 2014, the Company closed on the Credit Facility, 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 Credit Facility, see Note 7 to the consolidated financial statements in Part I, Item 1 of this Form 10-Q.

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;
- (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.

In connection with the contribution, we have made customary representations, warranties and covenants to the 2015-1 Issuer. The Class A-1-1-R, Class A-1-2-R, Class A-1-3-R, Class A-2-R, Class B and Class C Notes are included in the consolidated financial statements included in Part I, Item 1 of this Form 10-Q. The 2015-1 Issuer Preferred Interests were eliminated in consolidation. For more information on the 2015-1R Notes, see Note 8 to the consolidated financial statements in Part I, Item 1 of this Form 10-Q.

As of September 30, 2021 and December 31, 2020, we had \$46,164 and \$68,419, respectively, in cash, cash equivalents and restricted cash. The Credit Facility consisted of the following as of September 30, 2021 and December 31, 2020:

	September 30, 2021			
	Total Facility	Borrowings Outstanding	Unused Portion ⁽¹⁾	Amount Available ⁽²⁾
Credit Facility	\$ 688,000	\$ 425,545	\$ 262,455	\$ 261,252
Total	\$ 688,000	\$ 425,545	\$ 262,455	\$ 261,252

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

(1) The unused portion is the amount upon which commitment fees are based.

(2) Available for borrowing based on the computation of collateral to support the borrowings and subject to compliance with applicable covenants and financial ratios.

The following were the carrying values (before debt issuance costs) and fair values of the Company's 2015-1R Notes as of September 30, 2021 and December 31, 2020:

	September 30, 2021		December 31, 2020	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Aaa/AAA Class A-1-1-R Notes	\$ 234,800	\$ 234,917	\$ 234,800	\$ 230,996
Aaa/AAA Class A-1-2-R Notes	50,000	50,000	50,000	49,645
Aaa/AAA Class A-1-3-R Notes	25,000	25,038	25,000	25,017
AA Class A-2-R Notes	66,000	66,007	66,000	64,895
A Class B Notes	46,400	46,405	46,400	45,291
BBB- Class C Notes	27,000	26,849	27,000	24,592
Total	\$ 449,200	\$ 449,216	\$ 449,200	\$ 440,436

As of September 30, 2021 and December 31, 2020, we had a combined \$1,064,745 and \$987,149, respectively, of outstanding consolidated indebtedness under the Credit Facility, the 2015-1R Notes and the Senior Notes. Our annualized interest cost as of September 30, 2021 and December 31, 2020, was 2.73% and 2.89%, excluding fees (such as fees on undrawn amounts and amortization of upfront fees). For the three months ended September 30, 2021 and 2020, we incurred \$7,519 and \$7,291, respectively, of interest expense and \$435 and \$728, respectively, of unused commitment fees. For the nine month periods ended September 30, 2021 and 2020, we incurred \$21,549 and \$28,913, respectively, of interest expense and \$1,459 and \$2,106, respectively, of unused commitment fees.

Equity Activity

Common shares issued and outstanding as of September 30, 2021 and December 31, 2020 were 53,714,444 and 55,320,309, respectively.

The following table summarizes activity in the number of shares of our common stock outstanding during the nine month periods ended September 30, 2021 and 2020:

	For the nine month periods ended	
	September 30, 2021	September 30, 2020
Common shares outstanding, beginning of period	55,320,309	57,763,811
Repurchase of common stock ⁽¹⁾	(1,605,865)	(1,455,195)
Common shares outstanding, end of period	53,714,444	56,308,616

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

On May 5, 2020, we issued and sold 2,000,000 shares of Preferred Stock, par value \$0.01, to an affiliate of Carlyle in a private placement at a price of \$25 per share. Shares of Preferred Stock issued and outstanding were 2,000,000 as of September 30, 2021 and December 31, 2020.

Contractual Obligations

A summary of our significant contractual payment obligations was as follows as of September 30, 2021 and December 31, 2020:

Payment Due by Period	As of	
	September 30, 2021	December 31, 2020
Less than 1 Year	\$ —	\$ —
1-3 Years ⁽¹⁾	—	—
3-5 Years ⁽¹⁾	615,545	537,949
More than 5 Years ⁽²⁾	449,200	449,200
Total	\$ 1,064,745	\$ 987,149

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

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

OFF BALANCE SHEET ARRANGEMENTS

In the ordinary course of our business, we enter into contracts or agreements that contain indemnifications or warranties. Future events could occur which may give rise to liabilities arising from these provisions against us. We believe that the likelihood of such an event is remote; however, the maximum potential exposure is unknown. No accrual has been made in these consolidated financial statements as of September 30, 2021 and December 31, 2020 in Part I, Item 1 of this Form 10-Q for any such exposure.

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

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

	Principal Amount as of	
	September 30, 2021	December 31, 2020
Unfunded delayed draw commitments	\$ 99,450	\$ 73,292
Unfunded revolving commitments	83,539	76,216
Total unfunded commitments	\$ 182,989	\$ 149,508

Pursuant to an undertaking by us in connection with the 2015-1 Debt Securitization, we agreed to hold on an ongoing basis the 2015-1 Issuer Preferred Interests with an aggregate dollar purchase price at least equal to 5% of the aggregate outstanding amount of all collateral obligations by the 2015-1 Issuer for so long as any securities of the 2015-1 Issuer remains outstanding. As of September 30, 2021 and December 31, 2020, we were in compliance with this undertaking.

DIVIDENDS AND DISTRIBUTIONS

Prior to July 5, 2017, we had an “opt in” dividend reinvestment plan in respect of our common stock. Effective on July 5, 2017, we converted our “opt in” dividend reinvestment plan to an “opt out” dividend reinvestment plan that provides for reinvestment of our dividends and other distributions on behalf of our common stockholders, other than those common stockholders who have “opted out” of the plan. As a result of adopting the plan, if our Board of Directors authorizes, and we declare, a cash dividend or distribution on our common stock, our common stockholders who have not elected to “opt out” of our dividend reinvestment plan will have their cash dividends or distributions automatically reinvested in additional shares of our common stock, rather than receiving cash. Each registered common stockholder may elect to have such common stockholder’s dividends and distributions distributed in cash rather than participate in the plan. For any registered common stockholder that does not so elect, distributions on such common stockholder’s shares will be reinvested by State Street Bank and Trust Company, our plan administrator, in additional common shares. The number of common shares to be issued to the common stockholder will be determined based on the total dollar amount of the cash distribution payable, net of applicable

withholding taxes. We intend to use primarily newly issued common shares to implement the plan so long as the market value per share is equal to or greater than the net asset value per share on the relevant valuation date. If the market value per share is less than the net asset value per share on the relevant valuation date, the plan administrator would implement the plan through the purchase of common stock on behalf of participants in the open market, unless we instruct the plan administrator otherwise.

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

<u>Date Declared</u>	<u>Record Date</u>	<u>Payment Date</u>	<u>Per Share Amount</u>
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			<u>\$ 1.74</u>
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			<u>\$ 1.47</u>
2021			
February 22, 2021	March 31, 2021	April 16, 2021	\$ 0.32
February 22, 2021	March 31, 2021	April 16, 2021	0.05 ⁽¹⁾
May 3, 2021	June 30, 2021	July 15, 2021	\$ 0.32
May 3, 2021	June 30, 2021	July 15, 2021	\$ 0.04 ⁽¹⁾
August 2, 2021	September 30, 2021	October 15, 2021	\$ 0.32
August 2, 2021	September 30, 2021	October 15, 2021	\$ 0.06 ⁽¹⁾
Total			<u>\$ 1.11</u>

(1) Represents a special/supplemental dividend.

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

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

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

Date Declared	Record Date	Payment Date	Per Share Amount	
2020				
June 30, 2020	June 30, 2020	September 30, 2020	\$	0.277
September 30, 2020	September 30, 2020	September 30, 2020		0.423
December 31, 2020	December 31, 2020	December 31, 2020		0.438
Total			\$	1.138
2021				
March 31, 2021	March 31, 2021	March 31, 2021	\$	0.438
June 30, 2021	June 30, 2021	June 30, 2021		0.438
September 30, 2021	September 30, 2021	September 30, 2021		0.438
Total			\$	1.314

ASSET COVERAGE

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

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

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

As of September 30, 2021 and December 31, 2020, the Company had total senior securities of \$1,114,745 and \$1,037,149, respectively, consisting of secured borrowings under the Credit Facility, the Senior Notes, the 2015-1R Notes, and the Preferred Stock, and had asset coverage ratios of 180.23% and 182.09%, respectively.

CRITICAL ACCOUNTING POLICIES

The preparation of our consolidated financial statements requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses. Changes in the economic environment, financial markets, and any other parameters used in determining such estimates could cause actual results to differ. Our critical accounting policies, including those relating to the valuation of our investment portfolio, are described below. The critical accounting policies

should be read in connection with our consolidated financial statements in Part I, Item 1 of this Form 10-Q and in Part II, Item 8 of the Company's annual report on Form 10-K for the year ended December 31, 2020.

Fair Value Measurements

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

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

All factors that might materially impact the value of an investment are considered, including, but not limited to the assessment of the following factors, as relevant:

- the nature and realizable value of any collateral;
- call features, put features and other relevant terms of debt;
- the portfolio company's leverage and ability to make payments;
- the portfolio company's public or private credit rating;
- the portfolio company's actual and expected earnings and discounted cash flow;
- prevailing interest rates and spreads for similar securities and expected volatility in future interest rates;
- the markets in which the portfolio company does business and recent economic and/or market events; and
- comparisons to comparable transactions and publicly traded securities.

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

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

In addition, changes in the market environment and other events that may occur over the life of the investments may cause the realized gains or losses on investments to be different from the net change in unrealized appreciation or depreciation currently reflected in the consolidated financial statements as of September 30, 2021 and December 31, 2020.

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

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

Use of Estimates

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

Investments

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

Revenue Recognition

Interest from Investments and Realized Gain/Loss on Investments

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

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

Dividend Income

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

Other Income

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

Non-Accrual Income

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

Income Taxes

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

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

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

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

The 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.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

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

Valuation Risk

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

Interest Rate Risk

As of September 30, 2021, on a fair value basis, approximately 1.5% of our debt investments bear interest at a fixed rate and approximately 98.5% of our debt investments bear interest at a floating rate, which primarily are subject to interest rate floors. Additionally, our Credit Facility is also subject to floating interest rates and is currently paid based on floating LIBOR rates.

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

The following table estimates the potential changes in net cash flow generated from interest income, should interest rates increase or decrease by 100, 200 or 300 basis points. These hypothetical interest income calculations are based on a model of the settled debt investments in our portfolio, excluding our investments in Credit Fund and Credit Fund II, held as of September 30, 2021 and December 31, 2020, and are only adjusted for assumed changes in the underlying base interest rates and the impact of that change on interest income. Interest expense is calculated based on outstanding secured borrowings and notes payable as of September 30, 2021 and December 31, 2020 and based on the terms of our Credit Facility and notes payable. Interest expense on our Credit Facility and notes payable is calculated using the stated interest rate as of September 30, 2021 and December 31, 2020, adjusted for the hypothetical changes in rates, as shown below. We intend to continue to finance a portion of our investments with borrowings and the interest rates paid on our borrowings may impact significantly our net interest income.

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

Based on our Consolidated Statements of Assets and Liabilities as of September 30, 2021 and December 31, 2020, the following table shows the annual impact on net investment income of base rate changes in interest rates for our settled debt investments (considering interest rate floors for variable rate instruments), excluding our investments in Credit Fund and Credit Fund II, and outstanding secured borrowings and notes payable assuming no changes in our investment and borrowing structure:

Basis Point Change	September 30, 2021			December 31, 2020		
	Interest Income	Interest Expense	Net Investment Income	Interest Income	Interest Expense	Net Investment Income
Up 300 basis points	\$ 35,169	\$ (23,673)	\$ 11,496	\$ 35,024	\$ (23,164)	\$ 11,860
Up 200 basis points	\$ 19,519	\$ (15,782)	\$ 3,737	\$ 20,031	\$ (15,443)	\$ 4,588
Up 100 basis points	\$ 3,890	\$ (7,891)	\$ (4,001)	\$ 5,040	\$ (7,721)	\$ (2,681)
Down 100 basis points	\$ (146)	\$ 991	\$ 845	\$ (260)	\$ 1,570	\$ 1,310
Down 200 basis points	\$ (146)	\$ 991	\$ 845	\$ (260)	\$ 1,570	\$ 1,310
Down 300 basis points	\$ (146)	\$ 991	\$ 845	\$ (260)	\$ 1,570	\$ 1,310

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

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

Changes in Internal Controls over Financial Reporting

There have been no changes in our internal control over financial reporting during the three month period ended September 30, 2021 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings.

The Company may become party to certain lawsuits in the ordinary course of business. The Company is not currently subject to any material legal proceedings, nor, to our knowledge, is any material legal proceeding threatened against the Company. See also Note 12 to the consolidated financial statements in Part I, Item 1 of this Form 10-Q.

Item 1A. Risk Factors.

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

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

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

Purchases of Equity Securities by the Issuer and Affiliated Purchasers

The following table provides information regarding purchases of our common stock made by or on behalf of the Company or any “affiliated purchaser” (as defined in Rule 10b-18(a)(3) under the Exchange Act) during the three months ended September 30, 2021 for the periods indicated.

Period	Total Number of Shares Purchased ⁽¹⁾	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs ⁽¹⁾⁽²⁾	Maximum (or Approximate Dollar Value) of Shares that May Yet Be Purchased Under the Plans or Programs
July 1, 2021 through July 31, 2021	192,616	\$ 13.32	192,616	\$ 36,859
August 1, 2021 through August 31, 2021	150,826	13.93	150,826	34,758
September 1, 2021 through September 30, 2021	152,429	13.80	152,429	32,655
Total	495,871		495,871	

(1) On trade date basis.

(2) On November 1, 2021, the Company's Board of Directors approved the continuation of the Company's Stock Repurchase Program until November 5, 2022, or until the date the approved dollar amount has been used to repurchase shares. Pursuant to the program, the Company is authorized to repurchase up to \$150 million in the aggregate of the Company's outstanding stock in the open market and/or through privately negotiated transactions at prices not to exceed the Company's net asset value per share as reported in its most recent financial statements, in accordance with the guidelines specified in Rule 10b-18 of the Exchange Act. The timing, manner, price and amount of any repurchases will be determined by the Company, in its discretion, based upon the evaluation of economic and market conditions, stock price, available cash, applicable legal and regulatory requirements and other factors, and may include purchases pursuant to Rule 10b5-1 of the Exchange Act. The program does not require the Company to repurchase any specific number of shares and there can be no assurance as to the amount of shares repurchased under the program. The program may be suspended, extended, modified or discontinued by the Company at any time, subject to applicable law. Pursuant to the authorization described above, the Company adopted a 10b5-1 plan (the "Company 10b5-1 Plan"). The Company 10b5-1 Plan provides that purchases will be conducted on the open market in accordance with Rules 10b5-1 and 10b-18 under the Exchange Act and will otherwise be subject to applicable law, which may prohibit purchases under certain circumstances. The amount of purchases made under the Company 10b5-1 Plan or otherwise and how much will be purchased at any time is uncertain, dependent on prevailing market prices and trading volumes, all of which we cannot predict. The Company's Stock Repurchase Program was originally approved by the Company's Board of Directors on November 5, 2018 and announced on November 6, 2018.

Item 3. Defaults Upon Senior Securities.

Not applicable.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

On October 28, 2021, TCG BDC, Inc. held a special meeting of stockholders (the "Meeting") virtually. Stockholders considered one proposal, as described in the Company's proxy statement filed on September 13, 2021.

At the meeting, holders of the outstanding shares of the Company's common stock and the outstanding shares of the Company's convertible preferred stock, series A ("preferred stock"), voting together as a single class, voted upon the proposal described below. As of August 17, 2021, the record date for the Meeting, there were 54,073,293 shares of common stock of the Company and 2,000,000 shares of preferred stock of the Company outstanding and entitled to vote at the Meeting. There were 27,637,394 shares of common stock of the Company and 2,000,000 shares of preferred stock of the Company present or represented at the Meeting, constituting a quorum.

The final voting results for the proposal submitted to a vote of stockholders at the Meeting are set forth below. The proposal was approved by the requisite vote.

Proposal 1. The proposal to authorize the Company, with the approval of the Company's board of directors, to sell or otherwise issue shares of the Company's common stock, during the next 12 months following stockholder approval, at a price below the then-current net asset value per share, subject to certain limitations described in the proxy statement (including that the number of shares issued does not exceed 25% of the Company's then-outstanding common stock immediately prior to each such offering).

The vote on the proposal, including affiliated and unaffiliated shares, was as follows:

<u>For</u>	<u>Against</u>	<u>Abstain</u>	<u>Broker Non-Votes</u>
25,651,889	3,632,405	353,100	0

The vote on the proposal, adjusted for 2,934,505 affiliated shares, was as follows:

<u>For</u>	<u>Against</u>	<u>Abstain</u>	<u>Broker Non-Votes</u>
22,717,384	3,632,405	353,100	0

Item 6. Exhibits.

- 31.1 [Certification of Chief Executive Officer \(Principal Executive Officer\) Pursuant to Rule 13a-14\(a\) of the Securities Exchange Act of 1934, as amended.*](#)
- 31.2 [Certification of Chief Financial Officer \(Principal Financial Officer\) Pursuant to Rule 13a-14 of the Securities Exchange Act of 1934, as amended.*](#)
- 32.1 [Certification of Chief Executive Officer \(Principal Executive Officer\) Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.*](#)
- 32.2 [Certification of Chief Financial Officer \(Principal Financial Officer\) Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.*](#)

* Filed herewith

SIGNATURES

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

Dated: November 2, 2021

TCG BDC, INC.

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

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER

CERTIFICATION

I, Linda Pace, certify that:

1. I have reviewed this quarterly report on Form 10-Q of TCG BDC, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 2, 2021

/s/ Linda Pace

Linda Pace
Chief Executive Officer
(Principal Executive Officer)

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER

CERTIFICATION

I, Thomas M. Hennigan, certify that:

1. I have reviewed this quarterly report on Form 10-Q of TCG BDC, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 2, 2021

/s/ Thomas M. Hennigan

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

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER, SECTION 906

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

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

- the Form 10-Q of the Company for the quarter ended September 30, 2021 as filed with the Securities and Exchange Commission on the date hereof (the “Form 10-Q”), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and
- the information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: November 2, 2021

/s/ Linda Pace

**Linda Pace
Chief Executive Officer
(Principal Executive Officer)**

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

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER, SECTION 906

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

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

- the Form 10-Q of the Company for the quarter ended September 30, 2021 as filed with the Securities and Exchange Commission on the date hereof (the "Form 10-Q"), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and
- the information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: November 2, 2021

/s/ Thomas M. Hennigan

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

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