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

FORM 8-K

CURRENT REPORT

Pursuant to section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of Earliest Event Reported): November 1, 2021

New Mountain Finance Corporation
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

814-00832
(Commission
File Number)

27-2978010
(IRS Employer
Identification Number)

1633 Broadway, 48th Floor,
New York, NY 10019
(Address of principal executive offices) (zip code)

Registrant's telephone number, including area code (212) 720-0300

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

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

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

Title of each class	Trading Symbol (s)	Name of each exchange on which registered
Common stock, par value \$0.01 per share	NMFC	The NASDAQ Global Select Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

Emerging growth company

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

Item 1.01. Entry into a Material Definitive Agreement.

Amendment No. 1 to the Investment Advisory and Management Agreement

On November 1, 2021, New Mountain Finance Corporation, a Delaware corporation (the "**Company**") and New Mountain Finance Advisers BDC, L.L.C., a Delaware limited liability company (the "**Adviser**"), the Company's registered investment adviser, entered Amendment No. 1 (the "**Amendment**") to the Investment Advisory and Management Agreement, dated as of May 8, 2014 (the "**Management Agreement**"). Pursuant to the Amendment, Section 3 of the Management Agreement was amended and restated for the sole purpose of reducing the Base Management Fee (as defined in the Management Agreement) from 1.75% of the Company's gross assets to 1.4% of the Company's gross assets. No other changes were made to the Management Agreement.

The description above is qualified in its entirety by reference to the copy of the Amendment which is filed as Exhibit 10.1 to this current report on Form 8-K and is incorporated herein by reference thereto.

Fee Waiver Letter

On November 2, 2021, the Adviser delivered a Fee Waiver Letter (the "*Fee Waiver Letter*") to the Company for the purpose of extending the term of that certain fee waiver letter dated May 4, 2021 (the "*Initial Fee Waiver Letter*") provided to the Company by the Adviser. Pursuant to the Fee Waiver Letter, the Adviser extended the term of the Initial Fee Waiver Letter to be effective through the quarter ending December 31, 2023, rather than the quarter ending December 31, 2022.

Pursuant to the Fee Waiver Letter, the Adviser agreed to voluntarily reduce the Base Management Fee (as defined in the Management Agreement) payable to the Adviser by the Company under the Management Agreement, as amended by the Amendment (the "*Amended Management Agreement*"). Effective as of and for the quarter ended March 31, 2021 (the "*Effective Date*") through the quarter ending December 31, 2023 (the "*Termination Date*"), the Adviser has agreed to calculate the Base Management Fee as set forth herein (defined below as the "*Reduced Base Management Fee*"), and to waive such portion of the Base Management Fee payable under the Amended Management Agreement that is in excess of the Reduced Base Management Fee.

Pursuant to the Amended Management Agreement, the Adviser, for its services to the Company, is entitled to receive a Base Management Fee from the Company calculated at an annual rate of 1.4% of the Company's gross assets, as presented in the Company's consolidated financial statements prepared in conformity with accounting principles generally accepted in the United States of America ("*GAAP*"), less cash and cash equivalents. The Base Management Fee is payable quarterly in arrears, and is calculated based on the average value of the Company's gross assets at the end of each of the two most recently completed calendar quarters, and appropriately adjusted on a pro rata basis for any equity capital raised or repurchased during the current calendar quarter. The Base Management Fee for any partial month or quarter will be appropriately pro-rated.

Under the Fee Waiver Letter, as of the Effective Date and through the Termination Date, the Reduced Base Management Fee will be calculated at an annual rate of 1.25% of the Company's gross assets, as presented in the Company's consolidated financial statements prepared in conformity with GAAP. The Reduced Base Management Fee will be payable quarterly in arrears, and will be calculated based on the average value of the Company's gross assets at the end of each of the two most recently completed calendar quarters, and appropriately adjusted on a pro rata basis for any equity capital raised or repurchased during the current calendar quarter.

For the avoidance of doubt, the purpose of the Fee Waiver Letter was to reduce the base management fees payable to the Adviser by the Company for the quarter ended March 31, 2021 through the quarter ending December 31, 2023. In order to ensure that the Reduced Base Management Fee is less than the Base Management Fee that would otherwise be payable under the Amended Management Agreement, the Adviser will, for each quarterly period during the term of the Fee Waiver Letter, calculate the Reduced Base Management Fee and the Base Management Fee under the terms of the Amended Management Agreement. If, for any quarterly period during the term of the Fee Waiver Letter, the Reduced Base Management Fee would be greater than the Base Management Fee calculated under the terms of the Amended Management Agreement, the Adviser shall only be entitled to the lesser of those two amounts.

The description above is qualified in its entirety by reference to the copy of the Fee Waiver Letter, which is filed as Exhibit 10.2 to this current report on Form 8-K and is incorporated herein by reference thereto.

Item 9.01 Financial Statements and Exhibits

- (a) Not applicable.
- (b) Not applicable.
- (c) Not applicable.
- (d) Exhibits.

Exhibit No.

[10.1 Amendment No. 1 to the Investment Advisory and Management Agreement by and between New Mountain Finance Corporation and New Mountain Finance Advisers BDC, L.L.C.](#)

[10.2 Fee Waiver Letter Delivered to New Mountain Finance Corporation by New Mountain Finance Advisers BDC, L.L.C.](#)

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this Current Report on Form 8-K to be signed on its behalf by the undersigned hereunto duly authorized.

NEW MOUNTAIN FINANCE CORPORATION

Date: November 3, 2021

By: /s/ Karrie J. Jerry
Name: Karrie J. Jerry
Title: Corporate Secretary

AMENDMENT NO. 1 TO THE
INVESTMENT ADVISORY AND MANAGEMENT AGREEMENT

BETWEEN

NEW MOUNTAIN FINANCE CORPORATION

AND

NEW MOUNTAIN FINANCE ADVISERS BDC, L.L.C.

This AMENDMENT NO. 1 (this "Amendment"), dated as of November 1, 2021, is made with respect to the Investment Advisory and Management Agreement, dated as of May 8, 2014 (the "Agreement"), by and between New Mountain Finance Corporation, a Delaware corporation (the "Company"), and New Mountain Finance Advisers BDC, L.L.C., a Delaware limited liability company (the "Adviser"). Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Agreement.

In consideration of the promises and the mutual agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

Section 3 of the Agreement is hereby amended and restated as set forth below for the sole purpose of reducing the Base Management Fee from 1.75% of the Company's gross assets to 1.4% of the Company's gross assets.

3. Compensation of the Adviser.

The Company agrees to pay, and the Adviser agrees to accept, as compensation for the services provided by the Adviser hereunder, a base management fee ("Base Management Fee") and an incentive fee ("Incentive Fee") as hereinafter set forth. The Company shall make any payments due hereunder to the Adviser or to the Adviser's designee as the Adviser may otherwise direct. To the extent permitted by applicable law, the Adviser may elect, or the Company may adopt a deferred compensation plan pursuant to which the Adviser may elect, to defer all or a portion of its fees hereunder for a specified period of time.

(a) The Base Management Fee shall be calculated at an annual rate of 1.4% of the Company's gross assets, as presented in the Company's consolidated financial statements prepared in conformity with accounting principles generally accepted in the United States of America, less cash and cash equivalents. For services rendered under this Agreement, the Base Management Fee will be payable quarterly in arrears. The Base Management Fee will be calculated based on the average value of the Company's gross assets at the end of each of the two most recently completed calendar quarters, and appropriately adjusted on a pro rata basis for any equity capital raised or repurchased during the current calendar quarter. Base Management Fees for any partial month or quarter will be appropriately pro rated.

(b) The Incentive Fee shall consist of two parts, as follows:

(i) One part will be calculated and payable quarterly in arrears based on the Company's "Pre-Incentive Fee Net Investment Income" for the immediately preceding calendar quarter. For this purpose, 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 by the Company during the calendar quarter, minus the Company's operating expenses for the quarter (including the Base Management Fee, expenses payable under the administration agreement with the Administrator, and any interest expense and distributions paid on any issued and outstanding preferred membership units, but excluding the Incentive Fee). Pre-Incentive Fee Net Investment Income includes, in the case of investments with a deferred interest feature (such as original issue discount, debt instruments with pay in kind interest and zero coupon securities), 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, will be compared to a "hurdle rate" of 2% per quarter (8% annualized), subject to a "catch-up" provision measured as of the end of each calendar quarter. The Company's net investment income used to calculate this part of the Incentive Fee is also included in the amount of its gross assets used to calculate the 1.5% Base Management Fee. The Company will keep track of the transferred value of each of its assets acquired on May 19, 2011 and for purposes of the incentive fee calculation, adjust Pre-Incentive Fee Net Investment Income to eliminate the effect of additional amortization of purchase discount or original issue discount taken into account in each period as a result of the lower original purchase price of assets acquired on May 19, 2011 as to the transferred value of that date. The Company will pay the Adviser an Incentive Fee with respect to the Company's Pre-Incentive Fee Net Investment Income in each calendar quarter as follows: (1) no Incentive Fee in any calendar quarter in which the Company's Pre-Incentive Fee Net Investment Income does not exceed the hurdle rate of 2% (the "preferred return" or "hurdle"); (2) 100% of the Company's 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 or equal to 2.5% in any calendar quarter (10% annualized); this portion of the Pre-Incentive Fee Net Investment Income (which exceeds the hurdle rate but is less than or equal to 2.5%) is referred to herein as the "catch-up." The "catch-up" is meant to provide the Adviser with an incentive fee of 20% on all of the Company's Pre-Incentive Fee Net Investment Income as if a hurdle rate did not apply when the Company's Pre-Incentive Fee Net Investment Income exceeds 2.5% in any calendar quarter; and (3) 20% of the amount of the Company's Pre-Incentive Fee Net Investment Income, if any, that exceeds 2.5% in any calendar quarter (10% annualized) payable to the Adviser once the hurdle is reached and the catch-up is achieved, (20% of all Pre-Incentive Fee Net Investment Income thereafter is allocated to the Adviser). These calculations will be appropriately pro rated for any period of less than three months and adjusted for any equity capital raises or repurchases during the relevant calendar quarter.

(ii) The second part of the Incentive Fee (the "Capital Gains Fee") will be determined and payable in arrears as of the end of each calendar year (or upon termination of this Agreement as set forth below), commencing on December 31, 2011, and will equal 20% of the Company's realized capital gains, if any, on a cumulative basis from inception through the end of each calendar year, computed net of all realized capital losses and unrealized capital depreciation on a cumulative basis, less the aggregate amount of any previously paid capital gain Incentive Fees; provided that the Incentive Fee determined as of December 31, 2011 will 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 and unrealized capital depreciation from inception. The Company will keep track of the transferred value of each of its assets acquired on May 19, 2011 and for purposes of the second part of the incentive fee calculation, adjust realized capital gains, realized capital losses, unrealized capital appreciation and unrealized capital depreciation to eliminate the effect of the difference in cost basis and calculate these amounts "as if" the GAAP built-in gain for each asset was zero on May 19, 2011.

(iii) The last day of each calendar quarter in which the Adviser is entitled to receive an Incentive Fee shall be referred to herein as an "Incentive Fee Date."

[Signature pages follow]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment No. 1 to the Investment Advisory and Management Agreement to be duly executed and delivered as of the day and year first above written.

NEW MOUNTAIN FINANCE CORPORATION

By: /s/ Shiraz Y. Kajee
Name: Shiraz Y. Kajee
Title: Chief Financial Officer

NEW MOUNTAIN FINANCE ADVISERS BDC, L.L.C.

By: /s/ Adam B. Weinstein
Name: Adam B. Weinstein
Title: Authorized Person

Amendment No. 1 to Investment Advisory and Management Agreement

New Mountain Finance Advisers BDC, L.L.C.
1633 Broadway, 47th Floor
New York, New York 10019

November 2, 2021

Mr. Robert A. Hamwee
Chief Executive Officer
New Mountain Finance Corporation
787 Seventh Avenue, 48th Floor
New York, New York 10019

Re: Waiver of Base Management Fee

Dear Mr. Hamwee:

The purpose of this letter is to extend the term of that certain fee waiver letter agreement dated May 4, 2021 (the "*Initial Fee Waiver Letter*") provided to New Mountain Finance Corporation (the "*Company*") by New Mountain Finance Advisers BDC, L.L.C. (the "*Adviser*"). Pursuant to the Initial Fee Waiver Letter, the Adviser agreed to waive a certain amount of the Base Management Fee beginning with the quarter ended March 31, 2021 through the quarter ending December 31, 2022. The Adviser desires to extend the term of the Initial Fee Waiver Letter to be effective through the quarter ending December 31, 2023. In furtherance of the foregoing, the Initial Fee Waiver Letter is amended and restated as set forth below.

Reference is hereby made to the Investment Advisory and Management Agreement (the "*Investment Management Agreement*"), dated May 8, 2014, as amended by Amendment No. 1 thereto on November 1, 2021, by and between the Company and the Adviser. Capitalized terms used but not defined herein shall have the meaning ascribed to them in the Investment Management Agreement.

Effective as of and for the quarter ended March 31, 2021 (the "*Effective Date*") through the quarter ending December 31, 2023 (the "*Termination Date*"), we hereby agree to calculate the Base Management Fee as indicated below (defined below as the "*Reduced Base Management Fee*"), and to waive such portion of the Base Management Fee that is in excess of the Reduced Base Management Fee that the Adviser would otherwise be entitled to receive under the Investment Management Agreement prior to the Effective Date.

Pursuant to the Investment Management Agreement, the Adviser, for its services to the Company, is entitled to receive a Base Management Fee from the Company calculated at an annual rate of 1.4% of the Company's gross assets, as presented in the Company's consolidated financial statements prepared in conformity with accounting principles generally accepted in the United States of America ("*GAAP*"), less cash and cash equivalents. The Base Management Fee is payable quarterly in arrears, and is calculated based on the average value of the Company's gross assets at the end of each of the two most recently completed calendar quarters, and appropriately adjusted on a pro rata basis for any equity capital raised or repurchased during the current calendar quarter. Base Management Fees for any partial month or quarter will be appropriately pro-rated.

As of the Effective Date and through the Termination Date, the Base Management Fee will be calculated at an annual rate of 1.25% of the Company's gross assets, as presented in the Company's consolidated financial statements prepared in conformity with GAAP (the "*Reduced Base Management Fee*"). The Reduced Base Management Fee will be payable quarterly in arrears, and will be calculated based on the average value of the Company's gross assets at the end of each of the two most recently completed calendar quarters, and appropriately adjusted on a pro rata basis for any equity capital raised or repurchased during the current calendar quarter.

For the avoidance of doubt, the purpose of this waiver agreement is to reduce the base management fees payable to the Adviser by the Company for the quarter ended March 31, 2021 through the quarter ending December 31, 2023. In order to ensure that the Reduced Base Management Fee is less than the Base Management Fee that would otherwise be payable under the Investment Management Agreement, the Adviser will, for each quarterly period during the term of this waiver agreement, calculate the Reduced Base Management Fee and the Base Management Fee under the terms of the Investment Management Agreement. If, for any quarterly period during the term of this waiver agreement, the Reduced Base Management Fee would be greater than the Base Management Fee calculated under the terms of the Investment Management Agreement, the Adviser shall only be entitled to the lesser of those two amounts.

Unless otherwise agreed to in writing by the Adviser and the Company, and assuming the Investment Management Agreement remains in effect, beginning with the quarter ending March 31, 2024, the Company will pay the Adviser a Base Management Fee that complies with the terms of the Investment Management Agreement. The Fee Waiver Agreement does not change the calculation of the incentive fees payable under the Investment Management Agreement.

[Signature page to follow]

Sincerely yours,

New Mountain Finance Advisers BDC, L.L.C.

By: /s/ Adam B. Weinstein

Name: Adam B. Weinstein
Title: Authorized Signatory
