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

FORM 10-Q

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

For the Quarter Ended March 31, 2020

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

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

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	New York Stock Exchange
5.75% Notes due 2023	NMFX	New York Stock Exchange

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 (the "Exchange Act") during the preceding 12 months and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit 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.

Large accelerated filer ☒	Accelerated filer ☐
Non-accelerated filer ☐	Smaller reporting company ☐
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. ☐

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

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

Description	Shares as of May 6, 2020
Common stock, par value $0.01 per share	96,827,342

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

New Mountain Finance Corporation

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

	March 31, 2020	December 31, 2019
Assets		
Investments at fair value		
Non-controlled/non-affiliated investments (cost of $2,627,761 and $2,619,408, respectively)	$ 2,481,871	$ 2,613,801
Non-controlled/affiliated investments (cost of $79,794 and $82,825, respectively)	59,660	73,527
Controlled investments (cost of $478,950 and $449,308, respectively)	449,786	472,952
Total investments at fair value (cost of $3,186,505 and $3,151,541, respectively)	2,991,317	3,160,280
Securities purchased under collateralized agreements to resell (cost of $30,000 and $30,000, respectively)	21,422	21,422
Cash and cash equivalents	22,108	48,574
Interest and dividend receivable	32,650	31,800
Receivable from unsettled securities sold	30,964	—
Receivable from affiliates	545	277
Other assets	4,526	3,702
Total assets	$ 3,103,532	$ 3,266,055
Liabilities		
Borrowings		
Holdings Credit Facility	$ 569,163	$ 661,563
Unsecured Notes	453,250	453,250
SBA-guaranteed debentures	300,000	225,000
DB Credit Facility	270,000	230,000
Convertible Notes	201,597	201,623
NMFC Credit Facility	188,500	188,500
Deferred financing costs (net of accumulated amortization of $29,542 and $28,390, respectively)	(18,318)	(17,640)
Net borrowings	1,964,192	1,942,296
Payable for unsettled securities purchased	—	1,780
Management fee payable	20,613	10,298
Incentive fee payable	15,472	7,646
Interest payable	10,965	16,484
Payable to affiliates	1,025	673
Deferred tax liability	14	912
Other liabilities	1,811	2,498
Total liabilities	2,014,092	1,982,587
Commitments and contingencies (See Note 9)		
Net assets		
Preferred stock, par value $0.01 per share, 2,000,000 shares authorized, none issued	—	—
Common stock, par value $0.01 per share, 200,000,000 and 200,000,000 shares authorized, respectively, and 96,827,342 and 96,827,342 shares issued and outstanding, respectively	968	968
Paid in capital in excess of par	1,287,853	1,287,853
Accumulated overdistributed earnings	(210,631)	(5,353)
Total net assets of New Mountain Finance Corporation	1,078,190	1,283,468
Non-controlling interest in New Mountain Net Lease Corporation	11,250	$ —
Total net assets	$ 1,089,440	$ 1,283,468
Total liabilities and net assets	$ 3,103,532	$ 3,266,055
Number of shares outstanding	96,827,342	96,827,342
Net asset value per share of New Mountain Finance Corporation	$ 11.14	$ 13.26

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

New Mountain Finance Corporation

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

	Three Months Ended	
	March 31, 2020	**March 31, 2019**
Investment income		
From non-controlled/non-affiliated investments:		
Interest income	$ 57,586	$ 44,457
Non-cash dividend income	2,324	1,974
Other income	1,471	2,254
From non-controlled/affiliated investments:		
Interest income	1,069	1,004
Dividend income	720	726
Non-cash dividend income	(3,418)	291
Other income	291	291
From controlled investments:		
Interest income	2,981	2,463
Dividend income	8,229	8,457
Non-cash dividend income	2,638	2,045
Other income	193	229
Total investment income	74,084	64,191
Expenses		
Incentive fee	7,826	6,863
Management fee	13,858	10,975
Interest and other financing expenses	22,194	19,146
Administrative expenses	1,040	1,095
Professional fees	905	766
Other general and administrative expenses	499	412
Total expenses	46,322	39,257
Less: management fees waived (See Note 5)	(3,543)	(2,533)
Net expenses	42,779	36,724
Net investment income before income taxes	31,305	27,467
Income tax expense	—	17
Net investment income	31,305	27,450
Net realized gains (losses):		
Non-controlled/non-affiliated investments	(702)	43
Controlled investments	4	3
New Mountain Net Lease Corporation	812	—
Net change in unrealized (depreciation) appreciation:		
Non-controlled/non-affiliated investments	(140,283)	9,763
Non-controlled/affiliated investments	(10,836)	(891)
Controlled investments	(52,808)	7,442
New Mountain Net Lease Corporation	(812)	—
Benefit for taxes	898	110
Net realized and unrealized (losses) gains	(203,727)	16,470
Net (decrease) increase in net assets resulting from operations	(172,422)	43,920
Less: Net decrease in net assets resulting from operations related to non-controlling interest in New Mountain Net Lease Corporation	(65)	—
Net (decrease) increase in net assets resulting from operations related to New Mountain Finance Corporation	$ (172,357)	$ 43,920
Basic earnings per share	$ (1.78)	$ 0.56
Weighted average shares of common stock outstanding - basic (See Note 11)	96,827,342	78,457,641
Diluted earnings per share	$ (1.78)	$ 0.49
Weighted average shares of common stock outstanding - diluted (See Note 11)	110,084,927	95,857,530
Distributions declared and paid per share	$ 0.34	$ 0.34

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

New Mountain Finance Corporation

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

	Three Months Ended	
	March 31, 2020	**March 31, 2019**
Increase (decrease) in net assets resulting from operations:		
Net investment income	$ 31,305	$ 27,450
Net realized gains on investments and New Mountain Net Lease Corporation	114	46
Net change in unrealized (depreciation) appreciation of investments and New Mountain Net Lease Corporation	(204,739)	16,314
Benefit for taxes	898	110
Net (decrease) increase in net assets resulting from operations	(172,422)	43,920
Less: Net decrease in net assets resulting from operations related to non-controlling interest in New Mountain Net Lease Corporation	(65)	—
Net (decrease) increase in net assets resulting from operations related to New Mountain Finance Corporation	(172,357)	43,920
Capital transactions		
Net proceeds from shares sold	—	59,297
Deferred offering costs	—	(229)
Distributions declared to stockholders from net investment income	(32,921)	(27,342)
Reinvestment of distributions	—	1,364
Total net (decrease) increase in net assets resulting from capital transactions	(32,921)	33,090
Net (decrease) increase in net assets	(205,278)	77,010
New Mountain Finance Corporation net assets at the beginning of the period	1,283,468	1,006,269
New Mountain Finance Corporation net assets at the end of the period	1,078,190	1,083,279
Non-controlling interest in New Mountain Net Lease Corporation	11,250	—
Net assets at the end of the period	$ 1,089,440	$ 1,083,279

Capital share activity		
Shares sold	—	4,312,500
Shares issued from the reinvestment of distributions	—	100,558
Net increase in shares outstanding	—	4,413,058

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

New Mountain Finance Corporation

Consolidated Statements of Cash Flows
(in thousands)
(unaudited)

	Three Months Ended	
	March 31, 2020	**March 31, 2019**
Cash flows from operating activities		
Net (decrease) increase in net assets resulting from operations	$ (172,422)	$ 43,920
Adjustments to reconcile net decrease (increase) in net assets resulting from operations to net cash (used in) provided by operating activities:		
Net realized (gains) losses on investments and New Mountain Net Lease Corporation	(114)	(46)
Net change in unrealized depreciation (appreciation) of investments and New Mountain Net Lease Corporation	204,739	(16,314)
Amortization of purchase discount	(3,528)	(835)
Amortization of deferred financing costs	1,152	1,651
Amortization of premium on Convertible Notes	(26)	(27)
Non-cash investment income	(5,131)	(6,842)
(Increase) decrease in operating assets:		
Proceeds from sale of non-controlling interest in New Mountain Net Lease Corporation	11,315	—
Purchase of investments and delayed draw facilities	(172,921)	(158,036)
Proceeds from sales and paydowns of investments	178,722	5,857
Cash received for purchase of undrawn portion of revolving credit or delayed draw facilities	211	46
Cash paid for purchase of drawn portion of revolving credit facilities	(8,996)	(338)
Cash paid on drawn revolvers	(33,639)	(9,026)
Cash repayments on drawn revolvers	9,620	5,182
Interest and dividend receivable	(850)	(4,289)
Receivable from unsettled securities sold	(30,964)	—
Receivable from affiliates	(268)	(287)
Other assets	(802)	(758)
Increase (decrease) in operating liabilities:		
Payable for unsettled securities purchased	(1,780)	295
Management fee payable	10,315	50
Incentive fee payable	7,826	(1)
Interest payable	(5,519)	(1,884)
Payable to affiliates	352	(223)
Deferred tax liability	(898)	(110)
Other liabilities	74	2,758
Net cash flows used in operating activities	(13,532)	(139,257)
Cash flows from financing activities		
Net proceeds from shares sold	—	59,297
Distributions paid	(32,921)	(25,978)
Offering costs paid	—	(265)
Proceeds from Holdings Credit Facility	16,000	69,500
Repayment of Holdings Credit Facility	(108,400)	(15,000)
Proceeds from SBA-guaranteed debentures	75,000	—
Proceeds from NMFC Credit Facility	—	110,000
Repayment of NMFC Credit Facility	—	(35,000)
Proceeds from DB Credit Facility	40,000	25,000
Repayment of DB Credit Facility	—	(32,000)
Deferred financing costs paid	(2,613)	(390)
Net cash flows (used) provided by financing activities	(12,934)	155,164
Net (decrease) increase in cash and cash equivalents	(26,466)	15,907
Cash and cash equivalents at the beginning of the period	48,574	49,664
Cash and cash equivalents at the end of the period	$ 22,108	$ 65,571
Supplemental disclosure of cash flow information		
Cash interest paid	$ 26,301	$ 19,085
Income taxes paid	—	3
Non-cash financing activities:		
Value of shares issued in connection with the distribution reinvestment plan	$ —	$ 1,364
Accrual for offering costs	86	92
Accrual for deferred financing costs	4	119

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

New Mountain Finance Corporation

Consolidated Schedule of Investments
March 31, 2020
(in thousands, except shares)
(unaudited)

Portfolio Company, Location and Industry (1)	Type of Investment	Interest Rate (12)	Acquisition Date	Maturity / Expiration Date	Principal Amount, Par Value or Shares	Cost	Fair Value	Percent of Net Assets
Non-Controlled/Non-Affiliated Investments								
Funded Debt Investments - Canada								
Dentalcorp Health Services ULC (fka Dentalcorp Perfect Smile ULC)**								
Healthcare Services	Second lien (3)(10)	8.50% (L + 7.50%/M)	6/1/2018	6/8/2026	$ 28,613	$ 28,396	$ 26,301	
	Second lien (8)(10)	8.50% (L + 7.50%/M)	6/1/2018	6/8/2026	7,500	7,446	6,894	
					36,113	35,842	33,195	3.05 %
Wolfpack IP Co.**								
Software	First lien (2)(10)	7.50% (L + 6.50%/M)	6/14/2019	6/13/2025	9,091	9,010	8,997	0.83 %
Total Funded Debt Investments - Canada					**$ 45,204**	**$ 44,852**	**$ 42,192**	**3.88 %**
Funded Debt Investments - United Arab Emirates								
GEMS Menasa (Cayman) Limited**								
Education	First lien (8)	6.61% (L + 5.00%/Q)	7/30/2019	7/31/2026	$ 33,321	$ 33,162	$ 29,656	2.72 %
Total Funded Debt Investments - United Arab Emirates					**$ 33,321**	**$ 33,162**	**$ 29,656**	**2.72 %**
Funded Debt Investments - United Kingdom								
Shine Acquisition Co. S.à.r.l / Boing US Holdco Inc.**								
Consumer Services	Second lien (2)(10)	8.50% (L + 7.50%/M)	9/25/2017	10/3/2025	$ 37,853	$ 37,677	$ 36,433	
	Second lien (8)(10)	8.50% (L + 7.50%/M)	9/25/2017	10/3/2025	6,000	5,972	5,775	
					43,853	43,649	42,208	3.87 %
Aston FinCo S.a r.l. / Aston US Finco, LLC**								
Software	Second lien (8)(10)	10.13% (L + 8.25%/Q)	10/8/2019	10/8/2027	34,459	34,193	31,982	2.94 %
Total Funded Debt Investments - United Kingdom					**$ 78,312**	**$ 77,842**	**$ 74,190**	**6.81 %**
Funded Debt Investments - United States								
PhyNet Dermatology LLC								
Healthcare Services	First lien (2)(10)	6.50% (L + 5.50%/M)	9/17/2018	8/16/2024	$ 50,240	$ 49,849	$ 46,487	
	First lien (3)(10)(11) - Drawn	6.50% (L + 5.50%/M)	9/17/2018	8/16/2024	28,068	27,944	25,972	
					78,308	77,793	72,459	6.65 %
GS Acquisitionco, Inc.								
Software	First lien (2)(10)	6.83% (L + 5.75%/S)	8/7/2019	5/24/2024	26,842	26,694	26,369	
	First lien (5)(10)	6.83% (L + 5.75%/S)	8/7/2019	5/24/2024	22,363	22,239	21,969	
	First lien (3)(10)(11) - Drawn	6.83% (L + 5.75%/S)	8/7/2019	5/24/2024	20,868	20,742	20,501	
	First lien (3)(10)(11) - Drawn	6.83% (L + 5.75%/S)	8/7/2019	5/24/2024	3,134	3,115	3,079	
					73,207	72,790	71,918	6.60 %

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

New Mountain Finance Corporation

Consolidated Schedule of Investments (Continued)
March 31, 2020
(in thousands, except shares)
(unaudited)

Portfolio Company, Location and Industry (1)	Type of Investment	Interest Rate (12)	Acquisition Date	Maturity / Expiration Date	Principal Amount, Par Value or Shares	Cost	Fair Value	Percent of Net Assets
Benevis Holding Corp.								
Healthcare Services	First lien (2)(10)	8.09% (L + 6.32%/Q)	3/15/2018	3/15/2024	$ 62,572	$ 62,572	$ 46,528	
	First lien (8)(10)	8.09% (L + 6.32%/Q)	3/15/2018	3/15/2024	15,352	15,352	11,416	
	First lien (3)(10)	7.96% (L + 6.32%/Q)	3/29/2019	3/15/2024	7,665	7,665	5,699	
					85,589	85,589	63,643	5.84 %
Associations, Inc.								
Business Services	First lien (2)(10)	8.91% (L + 4.00% + 3.00% PIK/Q)*	7/30/2018	7/30/2024	44,899	44,684	43,866	
	First lien (8)(10)	8.91% (L + 4.00% + 3.00% PIK/Q)*	7/30/2018	7/30/2024	5,154	5,130	5,035	
	First lien (3)(10)(11) - Drawn	8.90% (L + 4.00% + 3.00% PIK/Q)*	7/30/2018	7/30/2024	7,433	7,395	7,262	
	First lien (3)(10)(11) - Drawn	7.01% (L + 6.00%/M)	7/30/2018	7/30/2024	2,033	2,020	1,986	
					59,519	59,229	58,149	5.34 %
iCIMS, Inc.								
Software	First lien (8)(10)	7.50% (L + 6.50%/M)	9/12/2018	9/12/2024	46,636	46,247	46,636	
	First lien (8)(10)	7.50% (L + 6.50%/M)	6/14/2019	9/12/2024	8,667	8,591	8,667	
					55,303	54,838	55,303	5.08 %
Nomad Buyer, Inc.								
Healthcare Services	First lien (2)(10)	5.61% (L + 5.00%/M)	8/3/2018	8/1/2025	56,296	54,786	54,940	5.04 %
ConnectWise, LLC								
Software	First lien (2)(10)	7.07% (L + 6.00%/S)	11/26/2019	2/28/2025	55,473	55,145	54,031	4.96 %
Salient CRGT Inc.								
Federal Services	First lien (2)(10)	7.57% (L + 6.50%/S)	1/6/2015	2/28/2022	39,031	38,798	37,177	
	First lien (8)(10)	7.57% (L + 6.50%/S)	6/6/2019	2/28/2022	13,338	12,942	12,704	
	First lien (3)(10)(11) - Drawn	8.00% (P + 4.75%/Q)	6/26/2018	11/29/2021	2,100	1,932	2,000	
					54,469	53,672	51,881	4.76 %
CentralSquare Technologies, LLC								
Software	Second lien (3)(10)	8.95% (L + 7.50%/Q)	8/15/2018	8/31/2026	47,838	47,312	43,762	
	Second lien (8)(10)	8.95% (L + 7.50%/Q)	8/15/2018	8/31/2026	7,500	7,417	6,861	
					55,338	54,729	50,623	4.65 %
Frontline Technologies Group Holdings, LLC								
Software	First lien (4)(10)	6.75% (L + 5.75%/M)	9/18/2017	9/18/2023	22,109	22,003	21,507	
	First lien (2)(10)	6.75% (L + 5.75%/M)	9/18/2017	9/18/2023	18,632	18,578	18,125	
	First lien (2)(10)	6.75% (L + 5.75%/M)	9/18/2017	9/18/2023	7,690	7,642	7,481	
					48,431	48,223	47,113	4.31 %

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

New Mountain Finance Corporation

Consolidated Schedule of Investments (Continued)
March 31, 2020
(in thousands, except shares)
(unaudited)

Portfolio Company, Location and Industry (1)	Type of Investment	Interest Rate (12)	Acquisition Date	Maturity / Expiration Date	Principal Amount, Par Value or Shares	Cost	Fair Value	Percent of Net Assets
NM GRC Holdco, LLC								
Business Services	First lien (2)(10)	7.45% (L + 6.00%/Q)	2/9/2018	2/9/2024	$ 38,249	$ 38,116	$ 36,826	
	First lien (2)(10)	7.45% (L + 6.00%/Q)	2/9/2018	2/9/2024	10,631	10,591	10,235	
					48,880	48,707	47,061	4.32 %
Symplr Software Intermediate Holdings, Inc. (24)								
Symplr Software, Inc. (fka Caliper Software, Inc.)								
Healthcare Information Technology	First lien (2)(10)	6.57% (L + 5.50%/S)	11/30/2018	11/28/2025	30,484	30,279	30,200	
	First lien (4)(10)	6.57% (L + 5.50%/S)	11/30/2018	11/28/2025	14,813	14,718	14,675	
					45,297	44,997	44,875	4.12 %
Integro Parent Inc.								
Business Services	First lien (2)(10)	6.75% (L + 5.75%/M)	10/9/2015	10/31/2022	34,869	34,749	34,615	
	Second lien (8)(10)	10.25% (L + 9.25%/M)	10/9/2015	10/30/2023	10,000	9,945	10,000	
					44,869	44,694	44,615	4.10 %
Brave Parent Holdings, Inc.								
Software	Second lien (5)(10)	9.28% (L + 7.50%/Q)	4/17/2018	4/17/2026	22,500	22,407	20,977	
	Second lien (2)(10)	9.28% (L + 7.50%/Q)	4/17/2018	4/17/2026	16,624	16,484	15,498	
	Second lien (8)(10)	9.28% (L + 7.50%/Q)	4/17/2018	4/17/2026	6,000	5,949	5,594	
					45,124	44,840	42,069	3.86 %
Quest Software US Holdings Inc.								
Software	Second lien (2)(10)	10.03% (L + 8.25%/Q)	5/17/2018	5/18/2026	43,697	43,331	40,927	3.76 %
Tenawa Resource Holdings LLC (14)								
Tenawa Resource Management LLC								
Specialty Chemicals & Materials	First lien (3)(10)	10.50% (Base + 8.00%/Q)	5/12/2014	10/30/2024	38,900	38,852	38,900	3.57 %
Trader Interactive, LLC								
Business Services	First lien (2)(10)	7.57% (L + 6.50%/S)	6/15/2017	6/17/2024	31,850	31,702	30,943	
	First lien (8)(10)	7.57% (L + 6.50%/S)	6/15/2017	6/17/2024	4,937	4,914	4,796	
	First lien (3)(10)(11) - Drawn	7.72% (L + 6.50%/Q)	6/15/2017	6/15/2023	669	664	651	
					37,456	37,280	36,390	3.34 %
TDG Group Holding Company								
Consumer Services	First lien (2)(10)	6.57% (L + 5.50%/S)	5/22/2018	5/31/2024	24,797	24,705	23,693	
	First lien (8)(10)	6.57% (L + 5.50%/S)	5/22/2018	5/31/2024	4,937	4,919	4,717	
	First lien (2)(10)	6.57% (L + 5.50%/S)	5/22/2018	5/31/2024	3,312	3,300	3,165	
	First lien (3)(10)(11) - Drawn	6.35% (L + 5.50%/Q)	5/22/2018	5/31/2024	4,987	4,962	4,766	
					38,033	37,886	36,341	3.34 %

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

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Kronos Incorporated								
Software	Second lien (2)	10.01% (L + 8.25%/Q)	10/26/2012	11/1/2024	$ 26,148	$ 26,163	$ 24,658	
	Second lien (8)	10.01% (L + 8.25%/Q)	10/26/2012	11/1/2024	11,147	11,147	10,511	
					37,295	37,310	35,169	3.23 %
Definitive Healthcare Holdings, LLC								
Healthcare Information Technology	First lien (8)(10)	8.19% (L + 5.50% + 1.00% PIK/Q)*	8/7/2019	7/16/2026	33,483	33,329	33,034	
	First lien (3)(10)(11) - Drawn	6.70% (L + 5.50%/Q)	8/7/2019	7/16/2024	1,848	1,839	1,823	
					35,331	35,168	34,857	3.20 %
Peraton Holding Corp. (fka MHVC Acquisition Corp.)								
Federal Services	First lien (2)	6.87% (L + 5.25%/Q)	4/25/2017	4/29/2024	36,812	36,693	34,419	3.16 %
Apptio, Inc.								
Software	First lien (8)(10)	8.25% (L + 7.25%/M)	1/10/2019	1/10/2025	34,076	33,497	34,076	3.13 %
KAMC Holdings, Inc								
Business Services	Second lien (2)(10)	9.70% (L + 8.00%/Q)	8/14/2019	8/13/2027	18,750	18,617	16,910	
	Second lien (8)(10)	9.70% (L + 8.00%/Q)	8/14/2019	8/13/2027	18,750	18,617	16,910	
					37,500	37,234	33,820	3.10 %
Finalsite Holdings, Inc.								
Software	First lien (4)(10)	7.28% (L + 5.50%/Q)	9/28/2018	9/25/2024	22,163	22,031	21,834	
	First lien (2)(10)	7.28% (L + 5.50%/Q)	9/28/2018	9/25/2024	10,947	10,882	10,785	
					33,110	32,913	32,619	2.99 %
Affinity Dental Management, Inc.								
Healthcare Services	First lien (2)(10)	7.41% (L + 6.00%/Q)	9/15/2017	9/15/2023	27,028	26,974	22,158	
	First lien (4)(10)	7.41% (L + 6.00%/Q)	9/17/2019	9/15/2023	10,917	10,917	8,950	
	First lien (3)(10)(11) - Drawn	7.00% (P + 5.00%/M)	9/15/2017	3/15/2023	1,738	1,720	1,424	
					39,683	39,611	32,532	2.99 %
CoolSys, Inc.								
Industrial Services	First lien (5)(10)	7.00% (L + 6.00%/M)	11/20/2019	11/20/2026	22,444	22,335	21,932	
	First lien (2)(10)	7.00% (L + 6.00%/M)	11/20/2019	11/20/2026	10,374	10,324	10,138	
					32,818	32,659	32,070	2.94 %
DCA Investment Holding, LLC								
Healthcare Services	First lien (2)(10)	6.32% (L + 5.25%/S)	7/2/2015	7/2/2021	17,051	17,010	15,511	
	First lien (3)(10)	6.32% (L + 5.25%/S)	12/20/2017	7/2/2021	8,868	8,821	8,067	
	First lien (2)(10)	6.32% (L + 5.25%/S)	12/20/2017	7/2/2021	4,174	4,156	3,797	
	First lien (3)(10)(11) - Drawn	6.32% (L + 5.25%/S)	4/16/2019	7/2/2021	3,030	2,855	2,756	
	First lien (3)(10)(11) - Drawn	6.25% (L + 5.25%/M)	7/2/2015	7/2/2021	2,050	2,030	1,865	
					35,173	34,872	31,996	2.94 %

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Kaseya Traverse Inc.								
Software	First lien (8)(10)	8.91% (L + 4.00% + 3.00% PIK/S)*	5/9/2019	5/2/2025	$ 27,595	$ 27,354	$ 27,220	
	First lien (3)(10)(11) - Drawn	7.50% (L + 6.50%/M)	5/9/2019	5/2/2025	2,288	2,266	2,257	
	First lien (3)(10)(11) - Drawn	8.91% (L + 4.00% + 3.00% PIK/S)*	5/9/2019	5/2/2025	431	427	425	
					30,314	30,047	29,902	2.73 %
Integral Ad Science, Inc.								
Software	First lien (8)(10)	8.25% (L + 6.00% + 1.25% PIK/M)*	7/19/2018	7/19/2024	26,927	26,711	26,443	
	First lien (3)(10)	8.25% (L + 6.00% + 1.25% PIK/M)*	8/27/2019	7/19/2024	3,518	3,486	3,454	
					30,445	30,197	29,897	2.74 %
Conservice, LLC								
Business Services	First lien (2)(10)	6.51% (L + 5.25%/Q)	1/3/2019	11/29/2024	25,247	25,143	24,924	
	First lien (3)(10)(11) - Drawn	6.51% (L + 5.25%/Q)	1/3/2019	11/29/2024	4,407	4,388	4,351	
	First lien (3)(10)(11) - Drawn	6.30% (L + 5.25%/Q)	1/3/2019	11/29/2024	442	440	437	
					30,096	29,971	29,712	2.73 %
GC Waves Holdings, Inc.**								
Business Services	First lien (5)(10)	7.20% (L + 5.75%/Q)	10/31/2019	10/31/2025	22,500	22,340	22,331	
	First lien (2)(10)	7.20% (L + 5.75%/Q)	10/31/2019	10/31/2025	3,673	3,647	3,645	
	First lien (3)(10)(11) - Drawn	6.20% (L + 4.75%/Q)	10/31/2019	10/31/2025	1,481	1,467	1,470	
					27,654	27,454	27,446	2.52 %
Keystone Acquisition Corp.								
Healthcare Services	First lien (2)(10)	6.70% (L + 5.25%/Q)	5/10/2017	5/1/2024	24,419	24,312	23,040	
	Second lien (2)(10)	10.70% (L + 9.25%/Q)	5/10/2017	5/1/2025	4,500	4,467	4,380	
					28,919	28,779	27,420	2.52 %
Sovos Brands Intermediate, Inc.								
Food & Beverage	First lien (2)(10)	6.59% (L + 5.00%/Q)	11/16/2018	11/20/2025	27,887	27,768	26,548	2.44 %
MRI Software LLC								
Software	First lien (5)(10)	6.57% (L + 5.50%/S)	1/31/2020	2/10/2026	22,500	22,389	22,387	
	First lien (2)(10)	6.57% (L + 5.50%/S)	1/31/2020	2/10/2026	1,627	1,619	1,619	
	First lien (3)(10)	6.57% (L + 5.50%/S)	1/31/2020	2/10/2026	1,117	1,112	1,112	
	First lien (3)(10)(11) - Drawn	6.57% (L + 5.50%/S)	1/31/2020	2/10/2026	1,001	996	996	
					26,245	26,116	26,114	2.40 %
Instructure, Inc.**								
Software	First lien (8)(10)	8.21% (L + 7.00%/Q)	3/24/2020	3/24/2026	26,278	26,115	26,114	2.40 %

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HS Purchaser, LLC / Help/Systems Holdings, Inc.								
Software	Second lien (5)(10)	9.00% (L + 8.00%/M)	11/14/2019	11/19/2027	$ 22,500	$ 22,383	$ 21,551	
	Second lien (2)(10)	9.00% (L + 8.00%/M)	11/14/2019	11/19/2027	4,208	4,167	4,030	
					26,708	26,550	25,581	2.35 %
Confluent Health, LLC								
Healthcare Services	First lien (2)(10)	6.01% (L + 5.00%/M)	6/21/2019	6/24/2026	27,294	27,168	24,600	2.26 %
Ansira Holdings, Inc.								
Business Services	First lien (8)(10)	7.36% (L + 5.75%/Q)	12/19/2016	12/20/2022	28,382	28,312	20,282	
	First lien (3)(10)(11) - Drawn	6.98% (L + 5.75%/Q)	12/19/2016	12/20/2022	4,731	4,724	3,381	
					33,113	33,036	23,663	2.17 %
Idera, Inc.								
Software	Second lien (4)(10)	10.08% (L + 9.00%/S)	6/27/2019	6/28/2027	22,500	22,341	22,415	2.06 %
Astra Acquisition Corp.								
Software	First lien (5)(10)	6.50% (L + 5.50%/M)	2/26/2020	3/1/2027	22,500	22,332	22,331	2.06 %
Convey Health Solutions, Inc.								
Healthcare Services	First lien (4)(10)	7.01% (L + 5.25%/Q)	9/9/2019	9/4/2026	22,388	22,152	21,805	2.00 %
Spring Education Group, Inc (fka SSH Group Holdings, Inc.)								
Education	Second lien (2)(10)	9.70% (L + 8.25%/Q)	7/26/2018	7/30/2026	24,533	24,478	21,626	1.99 %
YLG Holdings, Inc.								
Business Services	First lien (5)(10)	7.51% (L + 5.75%/Q)	11/1/2019	10/31/2025	18,367	18,280	17,884	
	First lien (3)(10)(11) - Drawn	6.75% (L + 5.75%/M)	11/1/2019	10/31/2025	3,571	3,554	3,477	
					21,938	21,834	21,361	1.96 %
TMK Hawk Parent, Corp.								
Distribution & Logistics	First lien (2)	4.58% (L + 3.50%/S)	6/24/2019	8/28/2024	16,865	14,554	10,710	
	First lien (8)	4.58% (L + 3.50%/S)	10/23/2019	8/28/2024	16,266	13,474	10,329	
					33,131	28,028	21,039	1.93 %
Avatar Topco, Inc. (23)								
EAB Global, Inc.								
Education	Second lien (3)(10)	9.49% (L + 7.50%/S)	11/17/2017	11/17/2025	13,950	13,787	13,345	
	Second lien (8)(10)	9.49% (L + 7.50%/S)	11/17/2017	11/17/2025	7,500	7,412	7,174	
					21,450	21,199	20,519	1.88 %
AAC Holding Corp.								
Education	First lien (2)(10)	9.84% (L + 8.25%/M)	9/30/2015	9/30/2022	25,079	24,996	19,794	1.82 %
Institutional Shareholder Services, Inc.								
Business Services	Second lien (3)(10)	9.57% (L + 8.50%/S)	3/5/2019	3/5/2027	20,372	20,094	19,521	1.79 %
MED Parentco, LP								
Healthcare Services	Second lien (8)(10)	9.24% (L + 8.25%/M)	8/2/2019	8/30/2027	20,857	20,707	19,337	1.76 %

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Xactly Corporation								
Software	First lien (4)(10)	8.25% (L + 7.25%/M)	7/31/2017	7/29/2022	$ 19,047	$ 18,936	$ 18,944	1.74 %
CRCI Longhorn Holdings, Inc.								
Business Services	Second lien (3)	8.05% (L + 7.25%/M)	8/2/2018	8/10/2026	14,349	14,302	12,161	
	Second lien (8)	8.05% (L + 7.25%/M)	8/2/2018	8/10/2026	7,500	7,476	6,356	
					21,849	21,778	18,517	1.70 %
FR Arsenal Holdings II Corp.								
Business Services	First lien (2)(10)	8.25% (L + 7.25%/Q)	9/29/2016	9/8/2022	18,308	18,211	18,282	1.68 %
Bullhorn, Inc.								
Software	First lien (2)(10)	6.57% (L + 5.50%/S)	9/24/2019	10/1/2025	17,131	17,011	16,792	
	First lien (3)(10)	6.57% (L + 5.50%/S)	9/24/2019	10/1/2025	283	281	278	
	First lien (3)(10)(11) - Drawn	6.50% (L + 5.50%/M)	9/24/2019	10/1/2025	852	845	835	
	First lien (3)(10)(11) - Drawn	6.57% (L + 5.50%/S)	9/24/2019	10/1/2025	213	211	208	
					18,479	18,348	18,113	1.66 %
DiversiTech Holdings, Inc.								
Distribution & Logistics	Second lien (2)(10)	8.95% (L + 7.50%/Q)	5/18/2017	6/2/2025	12,000	11,913	11,038	
	Second lien (8)(10)	8.95% (L + 7.50%/Q)	5/18/2017	6/2/2025	7,500	7,445	6,898	
					19,500	19,358	17,936	1.65 %
Bluefin Holding, LLC								
Software	Second lien (8)(10)	8.75% (L + 7.75%/Q)	9/6/2019	9/6/2027	18,000	18,000	17,143	1.57 %
Kele Holdco, Inc.								
Distribution & Logistics	First lien (5)(10)	7.12% (L + 6.00%/Q)	2/20/2020	2/20/2026	16,192	16,112	16,111	
	First lien (3)(10)(11) - Drawn	7.00% (L + 6.00%/M)	2/20/2020	2/20/2026	900	895	895	
					17,092	17,007	17,006	1.56 %
The Kleinfelder Group, Inc.								
Business Services	First lien (4)(10)	5.95% (L + 4.75%/Q)	12/18/2018	11/29/2024	17,281	17,211	16,566	1.52 %
Hill International, Inc.**								
Business Services	First lien (2)(10)	6.75% (L + 5.75%/M)	6/21/2017	6/21/2023	15,366	15,320	15,046	1.38 %
Coyote Buyer, LLC								
Specialty Chemicals & Materials	First lien (5)(10)	7.74% (L + 6.00%/M)	3/13/2020	2/6/2026	14,185	14,114	14,114	
	First lien (3)(10)(11) - Drawn	7.74% (L + 6.00%/M)	3/13/2020	2/6/2025	101	101	101	
					14,286	14,215	14,215	1.30 %
Bleriot US Bidco Inc.								
Federal Services	Second lien (2)(10)	9.95% (L + 8.50%/Q)	10/24/2019	10/29/2027	15,000	14,855	14,175	1.30 %

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Diligent Corporation								
Software	First lien (2)(10)	6.95% (L + 5.50%/S)	10/30/2019	4/14/2022	$ 6,825	$ 6,767	$ 6,683	
	First lien (3)(10)	6.93% (L + 5.50%/S)	12/19/2018	4/14/2022	5,352	5,326	5,240	
	First lien (3)(10)	7.42% (L + 5.50%/S)	12/19/2018	4/14/2022	2,061	2,051	2,018	
	First lien (2)(10)	6.95% (L + 5.50%/S)	10/30/2019	4/14/2022	140	139	137	
					14,378	14,283	14,078	1.29 %
Netsmart Inc. / Netsmart Technologies, Inc.								
Healthcare Information Technology	Second lien (2)	8.95% (L + 7.50%/Q)	4/18/2016	10/19/2023	15,000	14,787	13,856	1.27 %
JAMF Holdings, Inc.								
Software	First lien (8)(10)	8.70% (L + 7.00%/Q)	11/13/2017	11/11/2022	8,757	8,707	8,758	
	First lien (2)(10)	8.70% (L + 7.00%/Q)	11/8/2019	11/11/2022	4,582	4,552	4,582	
					13,339	13,259	13,340	1.22 %
BackOffice Associates Holdings, LLC								
Business Services	First lien (2)(10)	12.28% (L + 7.50% + 3.00% PIK/Q)*	8/25/2017	8/25/2023	13,090	13,020	12,437	
	First lien (3)(10)(11) - Drawn	12.28% (L + 7.50% + 3.00% PIK/Q)*	8/25/2017	8/25/2023	900	893	855	
					13,990	13,913	13,292	1.22 %
Ministry Brands, LLC								
Software	First lien (2)(10)	5.62% (L + 4.00%/M)	12/7/2016	12/2/2022	2,925	2,918	2,796	
	Second lien (8)(10)	10.51% (L + 9.25%/Q)	12/7/2016	6/2/2023	7,840	7,806	7,598	
	Second lien (3)(10)	10.51% (L + 9.25%/Q)	12/7/2016	6/2/2023	2,160	2,151	2,093	
	First lien (3)(10)(11) - Drawn	6.16% (L + 5.00%/M)	12/7/2016	12/2/2022	575	572	550	
					13,500	13,447	13,037	1.20 %
Alegeus Technologies Holding Corp.								
Healthcare Services	First lien (8)(10)	8.13% (L + 6.25%/Q)	9/5/2018	9/5/2024	13,444	13,390	13,013	1.19 %
Geo Parent Corporation								
Business Services	First lien (2)(10)	6.24% (L + 5.25%/M)	12/13/2018	12/19/2025	13,033	12,977	12,599	1.16 %
Transcendia Holdings, Inc.								
Packaging	Second lien (8)(10)	9.07% (L + 8.00%/M)	6/28/2017	5/30/2025	14,500	14,353	12,163	1.12 %
PaySimple, Inc.								
Software	First lien (2)(10)	6.46% (L + 5.50%/M)	8/19/2019	8/23/2025	9,833	9,742	9,597	
	First lien (3)(10)(11) - Drawn	6.56% (L + 5.50%/M)	8/19/2019	8/23/2025	2,174	2,132	2,122	
					12,007	11,874	11,719	1.08 %
Castle Management Borrower LLC								
Business Services	First lien (2)(10)	7.95% (L + 6.25%/Q)	5/31/2018	2/15/2024	13,217	13,168	11,299	1.04 %

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Alert Holding Company, Inc. (15)								
Appriss Holdings, Inc.								
Business Services	First lien (8)(10)	6.49% (L + 5.50%/M)	5/24/2019	5/29/2026	$ 11,026	$ 10,940	$ 10,782	
	First lien (3)(10)(11) - Drawn	6.49% (L + 5.50%/M)	5/24/2019	5/30/2025	460	455	449	
					11,486	11,395	11,231	1.03 %
OEConnection LLC								
Business Services	Second lien (2)(10)	9.32% (L + 8.25%/S)	9/25/2019	9/25/2027	12,044	11,929	11,173	1.03 %
CHA Holdings, Inc.								
Business Services	Second lien (4)(10)	9.82% (L + 8.75%/S)	4/3/2018	4/10/2026	7,012	6,954	6,758	
	Second lien (3)(10)	9.82% (L + 8.75%/S)	4/3/2018	4/10/2026	4,453	4,416	4,291	
					11,465	11,370	11,049	1.01 %
PPVA Black Elk (Equity) LLC								
Business Services	Subordinated (3)(10)	—	5/3/2013	—	14,500	14,500	10,354	0.95 %
CFS Management, LLC								
Healthcare Services	First lien (2)(10)	7.34% (L + 5.75%/S)	8/6/2019	7/1/2024	11,703	11,651	10,335	0.95 %
NorthStar Financial Services Group, LLC								
Software	Second lien (5)(10)	8.49% (L + 7.50%/M)	5/23/2018	5/25/2026	10,607	10,585	10,000	0.92 %
Vectra Co.								
Business Products	Second lien (8)(10)	8.24% (L + 7.25%/M)	2/23/2018	3/8/2026	10,788	10,755	9,955	0.91 %
Masergy Holdings, Inc.								
Business Services	Second lien (2)(10)	8.56% (L + 7.50%/S)	12/14/2016	12/16/2024	10,500	10,460	9,953	0.91 %
AG Parent Holdings, LLC								
Healthcare Services	First lien (2)(10)	6.45% (L + 5.00%/Q)	7/30/2019	7/31/2026	9,975	9,929	9,695	0.89 %
Teneo Holdings, LLC								
Business Services	First lien (2)(10)	6.25% (L + 5.25%/Q)	7/15/2019	7/11/2025	9,950	9,770	9,553	0.88 %
Quartz Holding Company								
Software	Second lien (3)(10)	8.86% (L + 8.00%/M)	4/2/2019	4/2/2027	10,000	9,817	9,369	0.86 %
Zywave, Inc.								
Software	Second lien (4)(10)	10.80% (L + 9.00%/Q)	11/22/2016	11/17/2023	6,980	6,948	6,793	
	Second lien (4)(10)	10.80% (L + 9.00%/Q)	12/3/2019	11/17/2023	600	596	584	
	First lien (3)(10)(11) - Drawn	6.00% (L + 5.00%/M)	11/22/2016	11/17/2022	2,000	1,985	1,960	
					9,580	9,529	9,337	0.86 %
Stats Intermediate Holdings, LLC**								
Business Services	First lien (2)(10)	6.96% (L + 5.25%/Q)	5/22/2019	7/10/2026	9,975	9,860	9,329	0.86 %
VT Topco, Inc.								
Business Services	Second lien (4)(10)	8.45% (L + 7.00%/Q)	8/14/2018	7/31/2026	10,000	9,979	9,192	0.84 %

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Portfolio Company, Location and Industry (1)	Type of Investment	Interest Rate (12)	Acquisition Date	Maturity / Expiration Date	Principal Amount, Par Value or Shares	Cost	Fair Value	Percent of Net Assets
AgKnowledge Holdings Company, Inc.								
Business Services	First lien (4)(10)	5.82% (L + 4.75%/S)	11/30/2018	7/21/2023	$ 9,332	$ 9,297	$ 9,136	0.84 %
Wrike, Inc.								
Software	First lien (8)(10)	7.83% (L + 6.75%/S)	12/31/2018	12/31/2024	9,067	8,991	9,058	0.83 %
WD Wolverine Holdings, LLC								
Healthcare Services	First lien (2)(10)	6.50% (L + 5.50%/M)	2/22/2017	8/16/2022	8,901	8,762	8,795	0.81 %
Amerijet Holdings, Inc.								
Distribution & Logistics	First lien (4)(10)	9.00% (L + 8.00%/M)	7/15/2016	7/15/2021	7,513	7,496	7,449	
	First lien (4)(10)	9.00% (L + 8.00%/M)	7/15/2016	7/15/2021	1,252	1,249	1,242	
					8,765	8,745	8,691	0.80 %
Affordable Care Holding Corp.								
Healthcare Services	First lien (2)(10)	6.20% (L + 4.75%/Q)	3/18/2019	10/24/2022	9,871	9,726	8,602	0.79 %
Recorded Future, Inc.								
Software	First lien (8)(10)	7.25% (L + 6.25%/M)	8/26/2019	7/3/2025	6,250	6,221	6,219	
	First lien (3)(10)(11) - Drawn	7.25% (L + 6.25%/M)	8/26/2019	7/3/2025	500	498	497	
					6,750	6,719	6,716	0.62 %
DealerSocket, Inc.								
Software	First lien (2)(10)	6.84% (L + 5.25%/S)	4/16/2018	4/26/2023	6,593	6,561	6,345	0.58 %
DG Investment Intermediate Holdings 2, Inc. (aka Convergint Technologies Holdings, LLC)								
Business Services	Second lien (3)(10)	7.74% (L + 6.75%/M)	1/29/2018	2/2/2026	6,732	6,706	6,024	0.55 %
Restaurant Technologies, Inc.								
Business Services	Second lien (4)(10)	7.95% (L + 6.50%/Q)	9/24/2018	10/1/2026	6,722	6,707	6,005	0.55 %
CP VI Bella Midco, LLC								
Healthcare Services	Second lien (3)(10)	7.74% (L + 6.75%/M)	1/25/2018	12/29/2025	6,732	6,706	5,949	0.55 %
Solera LLC / Solera Finance, Inc.								
Software	Subordinated (3)	10.50%/S	2/29/2016	3/1/2024	5,000	4,852	4,931	0.45 %
ADG, LLC								
Healthcare Services	Second lien (3)(10)	11.92% (L + 10.00% PIK/S)*	10/3/2016	3/28/2024	5,422	5,375	2,753	0.25 %
Sphera Solutions, Inc.								
Software	First lien (2)(10)	8.50% (L + 7.00%/Q)	9/10/2019	6/14/2022	2,483	2,462	2,458	0.23 %

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Portfolio Company, Location and Industry (1)	Type of Investment	Interest Rate (12)	Acquisition Date	Maturity / Expiration Date	Principal Amount, Par Value or Shares	Cost	Fair Value	Percent of Net Assets
Education Management Corporation (13)								
Education Management II LLC								
Education	First lien (2)	8.75% (P + 5.50%/S)(25)	1/5/2015	7/2/2020	$ 208	$ 202	$ 2	
	First lien (3)	8.75% (P + 5.50%/S)(25)	1/5/2015	7/2/2020	117	114	1	
	First lien (2)	14.00% (P + 8.50%/M)(25)	1/5/2015	7/2/2020	300	292	—	
	First lien (3)	14.00% (P + 8.50%/M)(25)	1/5/2015	7/2/2020	169	165	—	
	First lien (2)	11.75% (P + 8.50%/Q)(25)	1/5/2015	7/2/2020	142	117	—	
	First lien (2)	11.75% (P + 8.50%/Q)(25)	1/5/2015	7/2/2020	4	3	—	
	First lien (3)	11.75% (P + 8.50%/Q)(25)	1/5/2015	7/2/2020	80	66	—	
	First lien (3)	11.75% (P + 8.50%/Q)(25)	1/5/2015	7/2/2020	2	2	—	
					1,022	961	3	— %
PPVA Fund, L.P.								
Business Services	Collateralized Financing (25)(26)	—	11/7/2014	—	—	—	—	— %
Total Funded Debt Investments - United States					**$ 2,412,269**	**$ 2,391,489**	**$ 2,259,871**	**207.43 %**
Total Funded Debt Investments					**$ 2,569,106**	**$ 2,547,345**	**$ 2,405,909**	**220.84 %**
Equity - Hong Kong								
Bach Special Limited (Bach Preference Limited)**								
Education	Preferred shares (3) (10)(22)	—	9/1/2017	—	77,537	$ 7,674	$ 7,722	0.71 %
Total Shares - Hong Kong						**$ 7,674**	**$ 7,722**	**0.71 %**
Equity - United States								
Avatar Topco, Inc. (23)								
Education	Preferred shares (3) (10)	—	11/17/2017	—	35,750	$ 47,619	$ 48,375	4.44 %
Symplr Software Intermediate Holdings, Inc. (24)								
Healthcare Information Technology	Preferred shares (4) (10)	—	11/30/2018	—	7,500	8,770	8,381	
	Preferred shares (3) (10)	—	11/30/2018	—	2,586	3,023	2,890	
						11,793	11,271	1.02 %
Tenawa Resource Holdings LLC (14)								
QID NGL LLC	Preferred shares (6) (10)	—	10/30/2017	—	1,623,385	1,623	1,937	
Specialty Chemicals & Materials	Ordinary shares (6)(10)	—	5/12/2014	—	5,290,997	5,291	4,732	
						6,914	6,669	0.61 %
Alert Holding Company, Inc. (15)								
Alert Intermediate Holdings I, Inc.								
Business Services	Preferred shares (3) (10)	—	5/31/2019	—	6,111	6,657	6,647	0.61 %

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Ancora Acquisition LLC								
Education	Preferred shares (9) (10)	—	8/12/2013	—	372	$ 83	$ 158	0.01 %
Education Management Corporation (13)								
Education	Preferred shares (2)	—	1/5/2015	—	3,331	200	—	
	Preferred shares (3)	—	1/5/2015	—	1,879	113	—	
	Ordinary shares (2)	—	1/5/2015	—	2,994,065	100	—	
	Ordinary shares (3)	—	1/5/2015	—	1,688,976	56	—	
						469	—	— %
Total Shares - United States						**$ 73,535**	**$ 73,120**	**6.70 %**
Total Shares						**$ 81,209**	**$ 80,842**	**7.41 %**
Warrants - United States								
ASP LCG Holdings, Inc.								
Education	Warrants (3)(10)	—	5/5/2014	5/5/2026	622	$ 37	$ 781	0.06 %
Ancora Acquisition LLC								
Education	Warrants (9)(10)	—	8/12/2013	8/12/2020	20	—	—	— %
Total Warrants - United States						**$ 37**	**$ 781**	**0.06 %**
Total Funded Investments						**$ 2,628,591**	**$ 2,487,532**	**228.31 %**
Unfunded Debt Investments - Canada								
Wolfpack IP Co.**								
Software	First lien (3)(10)(11) - Undrawn	—	6/14/2019	6/13/2025	$ 909	$ (9)	$ (9)	(0.00)%
Total Unfunded Debt Investments - Canada					**$ 909**	**$ (9)**	**$ (9)**	**(0.00)%**
Unfunded Debt Investments - United States								
JAMF Holdings, Inc.								
Software	First lien (3)(10)(11) - Undrawn	—	11/13/2017	11/11/2022	$ 1,086	$ (10)	$ —	— %
iCIMS, Inc.								
Software	First lien (3)(10)(11) - Undrawn	—	9/12/2018	9/12/2024	2,915	(29)	—	— %
Apptio, Inc.								
Software	First lien (3)(10)(11) - Undrawn	—	1/10/2019	1/10/2025	2,066	(41)	—	— %
Wrike, Inc.								
Software	First lien (3)(10)(11) - Undrawn	—	12/31/2018	12/31/2024	933	(9)	(1)	— %
TDG Group Holding Company								
Consumer Services	First lien (3)(10)(11) - Undrawn	—	5/22/2018	5/31/2024	57	—	(3)	— %

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Recorded Future, Inc.								
Software	First lien (3)(10)(11) - Undrawn	—	8/26/2019	1/3/2021	$ 500	$ (3)	$ (3)	
	First lien (3)(10)(11) - Undrawn	—	8/26/2019	7/3/2025	250	(1)	(1)	
					750	(4)	(4)	(0.00)%
Kele Holdco, Inc.								
Distribution & Logistics	First lien (3)(10)(11) - Undrawn	—	2/20/2020	2/20/2026	900	(4)	(4)	(0.00)%
Coyote Buyer, LLC								
Specialty Chemicals & Materials	First lien (3)(10)(11) - Undrawn	—	3/13/2020	2/6/2025	912	(5)	(5)	(0.00)%
Xactly Corporation								
Software	First lien (3)(10)(11) - Undrawn	—	7/31/2017	7/29/2022	992	(10)	(5)	(0.00)%
Alert Holding Company, Inc. (15)								
Appriss Holdings, Inc.								
Business Services	First lien (3)(10)(11) - Undrawn	—	5/24/2019	5/30/2025	470	(5)	(10)	(0.00)%
AgKnowledge Holdings Company, Inc.								
Business Services	First lien (3)(10)(11) - Undrawn	—	11/30/2018	7/21/2023	526	(3)	(11)	(0.00)%
Instructure, Inc.**								
Software	First lien (3)(10)(11) - Undrawn	—	3/24/2020	3/24/2026	2,036	(13)	(13)	(0.00)%
Bullhorn, Inc.								
Software	First lien (3)(10)(11) - Undrawn	—	9/24/2019	10/1/2021	923	(7)	(18)	(0.00)%
Ministry Brands, LLC								
Software	First lien (3)(10)(11) - Undrawn	—	12/7/2016	12/2/2022	425	(2)	(19)	(0.00)%
DealerSocket, Inc.								
Software	First lien (3)(10)(11) - Undrawn	—	4/16/2018	4/26/2023	560	(4)	(21)	(0.00)%
MRI Software LLC								
Software	First lien (3)(10)(11) - Undrawn	—	1/31/2020	2/10/2026	1,001	(5)	(5)	
	First lien (3)(10)(11) - Undrawn	—	1/31/2020	2/10/2022	4,389	—	(22)	
					5,390	(5)	(27)	(0.00)%
PaySimple, Inc.								
Software	First lien (3)(10)(11) - Undrawn	—	8/19/2019	8/24/2020	1,044	—	(25)	(0.00)%
Trader Interactive, LLC								
Business Services	First lien (3)(10)(11) - Undrawn	—	6/15/2017	6/15/2023	1,004	(8)	(29)	(0.00)%

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Integral Ad Science, Inc.								
Software	First lien (3)(10)(11) - Undrawn	—	7/19/2018	7/19/2023	$ 1,807	$ (18)	$ (33)	(0.00)%
Finalsite Holdings, Inc.								
Software	First lien (3)(10)(11) - Undrawn	—	9/25/2018	9/25/2024	2,521	(19)	(37)	(0.00)%
Kaseya Traverse Inc.								
Software	First lien (3)(10)(11) - Undrawn	—	5/9/2019	5/3/2021	2,873	—	(39)	
	First lien (3)(10)(11) - Undrawn	—	5/9/2019	5/2/2025	23	—	—	
					2,896	—	(39)	(0.00)%
Conservice, LLC								
Business Services	First lien (3)(10)(11) - Undrawn	—	1/3/2019	11/29/2024	918	(5)	(12)	
	First lien (3)(10)(11) - Undrawn	—	1/3/2019	6/30/2020	2,283	—	(29)	
					3,201	(5)	(41)	(0.00)%
Integro Parent Inc.								
Business Services	First lien (3)(10)(11) - Undrawn	—	6/8/2018	4/30/2022	6,743	(34)	(49)	(0.00)%
Bluefin Holding, LLC								
Software	First lien (3)(11) - Undrawn	—	9/6/2019	9/6/2024	1,515	(23)	(63)	(0.01)%
Associations, Inc.								
Business Services	First lien (3)(10)(11) - Undrawn	—	7/30/2018	7/30/2021	2,948	(18)	(68)	(0.01)%
YLG Holdings, Inc.								
Business Services	First lien (5)(10)(11) - Undrawn	—	11/1/2019	4/30/2021	2,381	—	(63)	
	First lien (3)(10)(11) - Undrawn	—	11/1/2019	10/31/2025	397	(2)	(10)	
					2,778	(2)	(73)	(0.01)%
GC Waves Holdings, Inc.**								
Business Services	First lien (3)(10)(11) - Undrawn	—	10/31/2019	11/1/2021	8,395	—	(63)	
	First lien (3)(10)(11) - Undrawn	—	10/31/2019	10/31/2025	3,951	(30)	(30)	
					12,346	(30)	(93)	(0.01)%
Definitive Healthcare Holdings, LLC								
Healthcare Information Technology	First lien (3)(10)(11) - Undrawn	—	8/7/2019	7/16/2021	7,391	—	(99)	(0.01)%
ConnectWise, LLC								
Software	First lien (3)(10)(11) - Undrawn	—	11/26/2019	2/28/2025	4,248	(27)	(110)	(0.01)%

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Portfolio Company, Location and Industry (1)	Type of Investment	Interest Rate (12)	Acquisition Date	Maturity / Expiration Date	Principal Amount, Par Value or Shares	Cost	Fair Value	Percent of Net Assets
Diligent Corporation								
Software	First lien (3)(10)(11) - Undrawn	—	12/19/2018	12/19/2020	$ 5,977	$ (37)	$ (124)	(0.01)%
CoolSys, Inc.								
Industrial Services	First lien (3)(10)(11) - Undrawn	—	11/20/2019	11/19/2021	5,600	—	(128)	(0.02)%
Salient CRGT Inc.								
Federal Services	First lien (3)(10)(11) - Undrawn	—	6/26/2018	11/29/2021	4,025	(322)	(191)	(0.03)%
GS Acquisitionco, Inc.								
Software	First lien (3)(10)(11) - Undrawn	—	8/7/2019	8/2/2021	17,947	—	(316)	
	First lien (3)(10)(11) - Undrawn	—	8/7/2019	5/24/2024	2,351	(15)	(41)	
					20,298	(15)	(357)	(0.03)%
CFS Management, LLC								
Healthcare Services	First lien (3)(10)(11) - Undrawn	—	8/6/2019	7/1/2024	3,468	(17)	(405)	(0.04)%
Ansira Holdings, Inc.								
Business Services	First lien (3)(10)(11) - Undrawn	—	12/19/2016	4/16/2020	2,437	(10)	(696)	(0.07)%
PhyNet Dermatology LLC								
Healthcare Services	First lien (3)(10)(11) - Undrawn	—	9/17/2018	8/16/2020	17,077	(85)	(1,276)	(0.12)%
DCA Investment Holding, LLC								
Healthcare Services	First lien (3)(10)(11) - Undrawn	—	7/2/2015	7/2/2021	50	—	(4)	
	First lien (3)(10)(11) - Undrawn	—	4/16/2019	4/16/2021	17,396	—	(1,571)	
					17,446	—	(1,575)	(0.14)%
Total Unfunded Debt Investments - United States					**$ 147,711**	**$ (821)**	**$ (5,652)**	**(0.52)%**
Total Unfunded Debt Investments					**$ 148,620**	**$ (830)**	**$ (5,661)**	**(0.52)%**
Total Non-Controlled/Non-Affiliated Investments						**$ 2,627,761**	**$ 2,481,871**	**227.79 %**

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Non-Controlled/Affiliated Investments (27)								
Funded Debt Investments - United States								
Permian Holdco 1, Inc.								
Permian Holdco 2, Inc.								
Permian Holdco 3, Inc.								
Energy	First lien (3)(10)	14.02% (L + 7.50% + 5.00% PIK/Q)*	6/14/2018	6/30/2022	$ 10,633	$ 10,633	$ 9,571	
	First lien (3)(10)(11) - Drawn	7.50% (L + 6.50%/M)	6/14/2018	6/30/2022	17,700	17,700	15,930	
	Subordinated (3)(10)	18.00% PIK/Q*	12/26/2018	6/30/2022	3,005	3,005	2,479	
	Subordinated (3)(10)	14.00% PIK/Q(25)*	10/31/2016	10/15/2021	2,735	2,735	1,853	
	Subordinated (3)(10)	14.00% PIK/Q(25)*	10/31/2016	10/15/2021	1,409	1,409	954	
					35,482	35,482	30,787	2.83 %
Sierra Hamilton Holdings Corporation								
Energy	Second lien (3)(10)	15.00% PIK/Q*	9/12/2019	9/12/2023	1,496	1,466	1,272	0.12 %
Total Funded Debt Investments - United States					**$ 36,978**	**$ 36,948**	**$ 32,059**	**2.95 %**
Equity - United States								
NMFC Senior Loan Program I LLC**								
Investment Fund	Membership interest (3)(10)	—	6/13/2014	—	—	$ 23,000	$ 22,073	2.03 %
Sierra Hamilton Holdings Corporation								
Energy	Ordinary shares (2)(10)	—	7/31/2017	—	25,000,000	11,501	5,181	
	Ordinary shares (3)(10)	—	7/31/2017	—	2,786,000	1,281	577	
						12,782	5,758	0.53 %
Permian Holdco 1, Inc.								
Energy	Preferred shares (3)(10)(17)(25)	—	10/31/2016	—	1,929,949	5,714	—	
	Ordinary shares (3)(10)	—	10/31/2016	—	1,366,452	1,350	—	
						$ 7,064	$ —	— %
Total Shares - United States						**$ 42,846**	**$ 27,831**	**2.56 %**
Total Funded Investments						**$ 79,794**	**$ 59,890**	**5.51 %**
Unfunded Debt Investments - United States								
Permian Holdco 3, Inc.								
Energy	First lien (3)(10)(11) - Undrawn	—	6/14/2018	6/30/2022	$ 2,300	$ —	$ (230)	(0.02)%
Total Unfunded Debt Investments - United States					**$ 2,250**	**$ —**	**$ (230)**	**(0.02)%**
Total Non-Controlled/Affiliated Investments						**$ 79,794**	**$ 59,660**	**5.49 %**

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Controlled Investments (28)								
Funded Debt Investments - United Kingdom								
Edmentum Ultimate Holdings, LLC (16)								
EducationCity Limited**								
Education	First lien (3)(10)(11) - Drawn	10.00%/S	1/24/2020	8/31/2020	$ 3,000	$ 3,000	$ 2,945	0.27 %
Total Funded Debt Investments - United Kingdom					**$ 3,000**	**$ 3,000**	**$ 2,945**	**0.27 %**
Funded Debt Investments - United States								
Edmentum Ultimate Holdings, LLC (16)								
Edmentum, Inc. (fka Plato, Inc.) (Archipelago Learning, Inc.)								
Education	First lien (2)(10)	10.28% (L + 4.50% + 4.00% PIK/Q)*	8/6/2018	6/9/2021	$ 10,170	$ 9,385	$ 9,983	
	First lien (3)(10)(11) - Drawn	10.00%/S	1/24/2020	8/31/2020	5,000	5,000	4,908	
	Second lien (3)(10)	7.00% PIK/Q*	2/23/2018	12/9/2021	12,213	11,844	11,410	
	Second lien (3)(10)(11) - Drawn	5.00% PIK/Q*	6/9/2015	12/9/2021	7,967	7,967	7,821	
	Subordinated (3)(10)	8.50% PIK/Q*	6/9/2015	12/9/2021	5,441	5,440	4,902	
	Subordinated (2)(10)	10.00% PIK/Q*	6/9/2015	12/9/2021	20,999	20,999	17,263	
	Subordinated (3)(10)	10.00% PIK/Q*	6/9/2015	12/9/2021	5,166	5,166	4,247	
					66,956	65,801	60,534	5.57 %
NHME Holdings Corp. (21)								
National HME, Inc.								
Healthcare Services	Second lien (3)(10)	12.00% PIK/Q*	11/27/2018	5/27/2024	17,033	13,688	12,349	
	Second lien (3)(10)	12.00% PIK/Q*	11/27/2018	5/27/2024	9,413	8,592	8,236	
					26,446	22,280	20,585	1.89 %
UniTek Global Services, Inc.								
Business Services	First lien (2)(10)	8.11% (L + 5.50% + 1.00% PIK/Q)*	6/29/2018	8/20/2024	12,447	12,447	10,997	
	First lien (3)(10)	8.11% (L + 5.50% + 1.00% PIK/Q)*	3/16/2020	8/20/2024	4,682	4,682	4,136	
	First lien (2)(10)	8.11% (L + 5.50% + 1.00% PIK/Q)*	6/29/2018	8/20/2024	2,490	2,490	2,199	
					19,619	19,619	17,332	1.59 %
Total Funded Debt Investments - United States					**$ 113,021**	**$ 107,700**	**$ 98,451**	**9.05 %**
Equity - Canada								
NM APP Canada Corp.**								
Net Lease	Membership interest (7)(10)	—	9/13/2016	—	—	$ 7,345	$ 10,481	0.96 %
Total Shares - Canada						**$ 7,345**	**$ 10,481**	**0.96 %**

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Equity - United States								
NMFC Senior Loan Program III LLC**								
Investment Fund	Membership interest (3)(10)	—	5/4/2018	—	—	$ 110,000	$ 106,271	9.75 %
NMFC Senior Loan Program II LLC**								
Investment Fund	Membership interest (3)(10)	—	5/3/2016	—	—	79,400	76,288	7.00 %
UniTek Global Services, Inc.								
Business Services	Preferred shares (3) (10)(20)	—	8/17/2018	—	9,024,006	9,024	7,933	
	Preferred shares (3) (10)(20)	—	8/29/2019	—	5,363,390	5,363	4,882	
	Preferred shares (3) (10)(19)	—	6/30/2017	—	16,495,268	16,495	13,435	
	Preferred shares (2) (10)(18)(25)	—	1/13/2015	—	29,326,545	26,946	15,279	
	Preferred shares (3) (10)(18)(25)	—	1/13/2015	—	8,104,462	7,447	4,223	
	Ordinary shares (2)(10)	—	1/13/2015	—	2,096,477	1,925	199	
	Ordinary shares (3)(10)	—	1/13/2015	—	1,993,749	532	189	
						67,732	46,140	4.24 %
NM NL Holdings, L.P.**								
Net Lease	Membership interest (7)(10)	—	6/20/2018	—	—	44,070	45,461	4.16 %
NM GLCR LP								
Net Lease	Membership interest (7)(10)	—	2/1/2018	—	—	14,750	22,282	2.05 %
NM CLFX LP								
Net Lease	Membership interest (7)(10)	—	10/6/2017	—	—	12,538	11,709	1.07 %
NM APP US LLC								
Net Lease	Membership interest (7)(10)	—	9/13/2016	—	—	5,080	6,529	0.60 %
NM YI, LLC								
Net Lease	Membership interest (7)(10)	—	9/30/2019	—	—	6,272	5,897	0.54 %
NM DRVT LLC								
Net Lease	Membership interest (7)(10)	—	11/18/2016	—	—	5,152	5,783	0.53 %
NHME Holdings Corp.(21)								
Healthcare Services	Ordinary shares (3)(10)	—	11/27/2018	—	640,000	4,000	4,000	0.37 %
NM JRA LLC								
Net Lease	Membership interest (7)(10)	—	8/12/2016	—	—	2,043	3,522	0.32 %
NM KRLN LLC								
Net Lease	Membership interest (7)(10)	—	11/15/2016	—	—	7,627	1,058	0.10 %
NM GP Holdco, LLC**								
Net Lease	Membership interest (7)(10)	—	6/20/2018	—	—	452	456	0.04 %

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

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(unaudited)

Portfolio Company, Location and Industry (1)	Type of Investment	Interest Rate (12)	Acquisition Date	Maturity / Expiration Date	Principal Amount, Par Value or Shares	Cost	Fair Value	Percent of Net Assets
Edmentum Ultimate Holdings, LLC(16)								
Education	Ordinary shares (3)(10)	—	6/9/2015	—	123,968	$ 11	$ 136	
	Ordinary shares (2)(10)	—	6/9/2015	—	107,143	9	118	
						20	254	0.02 %
Total Shares - United States						**$ 359,136**	**$ 335,650**	**30.79 %**
Total Shares						**$ 366,481**	**$ 346,131**	**31.75 %**
Warrants - United States								
Edmentum Ultimate Holdings, LLC(16)								
Education	Warrants (3)(10)	—	2/23/2018	5/5/2026	1,141,846	$ 769	$ 1,259	0.11 %
NHME Holdings Corp.(21)								
Healthcare Services	Warrants (3)(10)	—	11/27/2018	—	160,000	1,000	1,000	0.09 %
Total Warrants - United States						**$ 1,769**	**$ 2,259**	**0.20 %**
Total Funded Investments						**$ 478,950**	**$ 449,786**	**41.28 %**
Total Controlled Investments						**$ 478,950**	**$ 449,786**	**41.28 %**
Total Investments						**$ 3,186,505**	**$ 2,991,317**	**274.58 %**

(1) New Mountain Finance Corporation (the “Company”) generally acquires its investments in private transactions exempt from registration under the Securities Act of 1933, as amended (the “Securities Act”). These investments are generally subject to certain limitations on resale, and may be deemed to be “restricted securities” under the Securities Act.

(2) Investment is pledged as collateral for the Holdings Credit Facility, a revolving credit facility among the Company as Collateral Manager, New Mountain Finance Holdings, L.L.C. (“NMF Holdings”) as the Borrower, Wells Fargo Bank, National Association as the Administrative Agent, and Collateral Custodian. See Note 7. *Borrowings*, for details.

(3) Investment is pledged as collateral for the NMFC Credit Facility, a revolving credit facility among the Company as the Borrower and Goldman Sachs Bank USA as the Administrative Agent and the Collateral Agent and Goldman Sachs Bank USA, Morgan Stanley Bank, N.A. and Stifel Bank & Trust as Lenders. See Note 7. *Borrowings*, for details.

(4) Investment is held in New Mountain Finance SBIC, L.P.

(5) Investment is held in New Mountain Finance SBIC II, L.P.

(6) Investment is held in NMF QID NGL Holdings, Inc.

(7) Investment is held in New Mountain Net Lease Corporation.

(8) Investment is pledged as collateral for the DB Credit Facility, a revolving credit facility among New Mountain Finance DB, L.L.C as the Borrower and Deutsche Bank AG, New York Branch as the Facility Agent. See Note 7. *Borrowings,* for details.

(9) Investment is held in NMF Ancora Holdings, Inc.

(10) The fair value of the Company's investment is determined using unobservable inputs that are significant to the overall fair value measurement. See Note 4. *Fair Value,* for details.

(11) Par Value amounts represent the drawn or undrawn (as indicated in type of investment) portion of revolving credit facilities or delayed draws. Cost amounts represent the cash received at settlement date net of the impact of paydowns and cash paid for drawn revolvers or delayed draws.

(12) All interest is payable in cash unless otherwise indicated. A majority of the variable rate debt investments bear interest at a rate that may be determined by reference to the London Interbank Offered Rate (L), the Prime Rate (P) and the alternative base rate (Base) and which resets daily (D), weekly (W), monthly (M), quarterly (Q), semi-annually (S) or annually (A). For each investment the current interest rate provided reflects the rate in effect as of March 31, 2020.

(13) The Company holds investments in Education Management Corporation and one related entity of Education Management Corporation. The Company holds series A-1 convertible preferred stock and common stock in Education Management Corporation and holds a tranche A first lien term loan and a tranche B first lien term loan in Education Management II LLC, which is an indirect subsidiary of Education Management Corporation.

(14) The Company holds investments in two related entities of Tenawa Resource Holdings LLC. The Company holds 4.77% of the common units in QID NGL LLC (which at closing represented 98.1% of the ownership in the common units in Tenawa Resource Holdings LLC), class A preferred units in QID NGL LLC and a first lien investment in Tenawa Resource Management LLC, a wholly-owned subsidiary of Tenawa Resource Holdings LLC.

(15) The Company holds investments in two wholly-owned subsidiaries of Alert Holding Company, Inc. The Company holds a first lien term loan and a first lien revolver in Appriss Holdings, Inc. and preferred equity in Alert Intermediate Holdings I, Inc. The preferred equity is entitled to receive preferential dividends at a rate of L + 10.0% per annum.

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

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(16) The Company holds investments in Edmentum Ultimate Holdings, LLC and its related entities. The Company holds subordinated notes, ordinary equity, and warrants in Edmentum Ultimate Holdings, LLC, holds a first lien promissory note in EducationCity Limited and holds a first lien term loan, first lien promissory note, second lien revolver and a second lien term loan in Edmentum, Inc. and Archipelago Learning, Inc., which are wholly-owned subsidiaries of Edmentum Ultimate Holdings, LLC.

(17) The Company holds preferred equity in Permian Holdco 1, Inc. that is entitled to receive cumulative preferential dividends at a rate of 12.0% per annum payable in additional shares.

(18) The Company holds preferred equity in UniTek Global Services, Inc. that is entitled to receive cumulative preferential dividends at a rate of 13.5% per annum payable in additional shares.

(19) The Company holds preferred equity in UniTek Global Services, Inc. that is entitled to receive cumulative preferential dividends at a rate of 19.0% per annum payable in additional shares.

(20) The Company holds preferred equity in UniTek Global Services, Inc. that is entitled to received cumulative preferential dividends at a rate of 20.0% per annum payable in additional shares.

(21) The Company holds ordinary shares and warrants in NHME Holdings Corp., as well as second lien term loans in National HME, Inc., a wholly-owned subsidiary of NHME Holdings Corp.

(22) The Company holds preferred equity in Bach Special Limited (Bach Preference Limited) that is entitled to receive cumulative preferential dividends at a rate of 12.25% per annum payable in additional shares.

(23) The Company holds preferred equity in Avatar Topco, Inc., and holds a second lien term loan investment in EAB Global, Inc., a wholly-owned subsidiary of Avatar Topco, Inc. The preferred equity is entitled to receive cumulative preferential dividends at a rate of L + 11.00% per annum.

(24) The Company holds preferred equity in Symplr Intermediate Holdings, Inc. and holds a first lien term loan investment in Symplr Software Inc, Inc. (fka Caliper Software, Inc.), a wholly-owned subsidiary of Symplr Software Intermediate Holdings, Inc. The preferred equity is entitled to receive preferential dividends at a rate of L + 10.50% per annum.

(25) Investment or a portion of the investment is on non-accrual status. See Note 3 *Investments*, for details.

(26) The Company holds one security purchased under a collateralized agreement to resell on its Consolidated Statement of Assets and Liabilities with a cost basis of $30,000 and a fair value $31,422 as of March 31, 2020. See Note 2. *Summary of Significant Accounting Policies,* for details.

(27) Denotes investments in which the Company is an "Affiliated Person", as defined in the Investment Company Act of 1940, as amended (the "1940 Act"), due to owning or holding the power to vote 5.0% or more of the outstanding voting securities of the investment but not controlling the company. Fair value as of March 31, 2020 and December 31, 2019, along with transactions during the three months ended March 31, 2020 in which the issuer was a non-controlled/affiliated investment, is as follows:

Portfolio Company	**Fair Value at December 31, 2019**	**Gross Additions (A)**	**Gross Redemptions (B)**	**Net Realized Gains (Losses)**	**Net Change In Unrealized Appreciation (Depreciation)**	**Fair Value at March 31, 2020**	**Interest Income**	**Dividend Income**	**Other Income**
NMFC Senior Loan Program I LLC	$ 23,000	$ —	$ —	$ —	$ (927)	$ 22,073	$ —	$ 720	$ 267
Permian Holdco 1, Inc. / Permian Holdco 2, Inc. / Permian Holdco 3, Inc.	40,621	(3,012)	(75)	—	(6,977)	30,557	1,013	(3,418)	15
Sierra Hamilton Holdings Corporation	9,906	56	—	—	(2,932)	7,030	56	—	9
Total Non-Controlled/Affiliated Investments	**$ 73,527**	**$ (2,956)**	**$ (75)**	**$ —**	**$ (10,836)**	**$ 59,660**	**$ 1,069**	**$ (2,698)**	**$ 291**

(A) Gross additions include increases in the cost basis of investments resulting from new portfolio investments, payment-in-kind ("PIK") interest or dividends, the amortization of discounts, reorganizations or restructurings and the movement of an existing portfolio company into this category from a different category.

(B) Gross redemptions include decreases in the cost basis of investments resulting from principal collections related to investment repayments or sales, reorganizations or restructurings and the movement of an existing portfolio company out of this category into a different category.

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

New Mountain Finance Corporation

Consolidated Schedule of Investments (Continued)
March 31, 2020
(in thousands, except shares)
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(28) Denotes investments in which the Company is in "Control", as defined in the 1940 Act, due to owning or holding the power to vote more than 25.0% of the outstanding voting securities of the investment. Fair value as of March 31, 2020 and December 31, 2019, along with transactions during the three months ended March 31, 2020 in which the issuer was a controlled investment, is as follows:

Portfolio Company	Fair Value at December 31, 2019	Gross Additions (A)	Gross Redemptions (B)	Net Realized Gains (Losses)	Net Change In Unrealized Appreciation (Depreciation)	Fair Value at March 31, 2020	Interest Income	Dividend Income	Other Income
Edmentum Ultimate Holdings, LLC/Edmentum Inc.	$ 79,112	$ 9,667	$ (42)	$ 4	$ (23,745)	$ 64,992	$ 1,702	$ —	$ 80
National HME, Inc./NHME Holdings Corp.	24,979	948	—	—	(342)	25,585	948	—	—
NM APP CANADA CORP	10,774	—	—	—	(293)	10,481	—	240	—
NM APP US LLC	6,834	—	—	—	(305)	6,529	—	137	—
NM CLFX LP	12,723	—	—	—	(1,014)	11,709	—	395	—
NM DRVT LLC	6,016	—	—	—	(233)	5,783	—	118	—
NM JRA LLC	3,700	—	—	—	(178)	3,522	—	67	—
NM GLCR LP	23,800	—	—	—	(1,518)	22,282	—	460	—
NM KRLN LLC	2,379	117	—	—	(1,438)	1,058	—	—	—
NM NL Holdings, L.P.	48,308	—	—	—	(2,847)	45,461	—	1,152	—
NM GP Holdco, LLC	487	—	—	—	(31)	456	—	12	—
NM YI LLC	6,339	—	—	—	(442)	5,897	—	193	—
NMFC Senior Loan Program II LLC	79,400	—	—	—	(3,112)	76,288	—	2,581	—
NMFC Senior Loan Program III LLC	100,000	10,000	—	—	(3,729)	106,271	—	2,874	—
UniTek Global Services, Inc.	68,101	9,001	(49)	—	(13,581)	63,472	331	2,638	113
Total Controlled Investments	**$ 472,952**	**$ 29,733**	**$ (91)**	**$ 4**	**$ (52,808)**	**$ 449,786**	**$ 2,981**	**$ 10,867**	**$ 193**

(A) Gross additions include increases in the cost basis of investments resulting from new portfolio investments, PIK interest or dividends, the amortization of discounts, reorganizations or restructurings and the movement of an existing portfolio company into this category from a different category.

(B) Gross redemptions include decreases in the cost basis of investments resulting from principal collections related to investment repayments or sales, reorganizations or restructurings and the movement of an existing portfolio company out of this category into a different category.

* All or a portion of interest contains PIK interest.

** Indicates assets that the Company deems to be "non-qualifying assets" under Section 55(a) of the 1940 Act. Qualifying assets must represent at least 70.0% of the Company's total assets at the time of acquisition of any additional non-qualifying assets. As of March 31, 2020, 16.0% of the Company's total assets are represented by investments at fair value that are considered non-qualifying assets.

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

New Mountain Finance Corporation

Consolidated Schedule of Investments (Continued)
March 31, 2020
(unaudited)

Investment Type	March 31, 2020 Percent of Total Investments at Fair Value
First lien	59.83 %
Second lien	23.29 %
Subordinated	1.57 %
Equity and other	15.31 %
Total investments	100.00 %

Industry Type	March 31, 2020 Percent of Total Investments at Fair Value
Software	28.44 %
Business Services	20.71 %
Healthcare Services	15.49 %
Education	7.14 %
Investment Fund (includes investments in joint ventures)	6.84 %
Net Lease	3.78 %
Healthcare Information Technology	3.50 %
Federal Services	3.35 %
Consumer Services	2.63 %
Distribution & Logistics	2.16 %
Specialty Chemicals & Materials	2.00 %
Energy	1.26 %
Industrial Services	1.07 %
Food & Beverage	0.89 %
Packaging	0.41 %
Business Products	0.33 %
Total investments	100.00 %

Interest Rate Type	March 31, 2020 Percent of Total Investments at Fair Value
Floating rates	95.01 %
Fixed rates	4.99 %
Total investments	100.00 %

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

New Mountain Finance Corporation

Consolidated Schedule of Investments
December 31, 2019
(in thousands, except shares)

Portfolio Company, Location and Industry(1)	Type of Investment	Interest Rate (11)	Acquisition Date	Maturity/Expiration Date	Principal Amount, Par Value or Shares	Cost	Fair Value	Percent of Net Assets
Non-Controlled/Non-Affiliated Investments								
Funded Debt Investments - Canada								
Dentalcorp Health Services ULC (fka Dentalcorp Perfect Smile ULC)**								
Healthcare Services	Second lien (3)	9.30% (L + 7.50%/M)	6/1/2018	6/8/2026	$ 28,613	$ 28,390	$ 27,754	
	Second lien (8)	9.30% (L + 7.50%/M)	6/1/2018	6/8/2026	7,500	7,445	7,275	
					36,113	35,835	35,029	2.73 %
Wolfpack IP Co.**								
Software	First lien (2)(9)	8.29% (L + 6.50%/M)	6/14/2019	6/13/2025	9,091	9,007	9,000	0.70 %
Total Funded Debt Investments - Canada					**$ 45,204**	**$ 44,842**	**$ 44,029**	**3.43 %**
Funded Debt Investments - United Arab Emirates								
GEMS Menasa (Cayman) Limited**								
Education	First lien (8)	6.91% (L + 5.00%/Q)	7/30/2019	7/31/2026	$ 33,405	$ 33,240	$ 33,488	2.61 %
Total Funded Debt Investments - United Arab Emirates					**$ 33,405**	**$ 33,240**	**$ 33,488**	**2.61 %**
Funded Debt Investments - United Kingdom								
Shine Acquisition Co. S.à.r.l / Boing US Holdco Inc.**								
Consumer Services	Second lien (2)	9.24% (L + 7.50%/M)	9/25/2017	10/3/2025	$ 37,853	$ 37,671	$ 36,717	
	Second lien (8)	9.24% (L + 7.50%/M)	9/25/2017	10/3/2025	6,000	5,971	5,820	
					43,853	43,642	42,537	3.32 %
Aston FinCo S.a r.l. / Aston US Finco, LLC**								
Software	Second lien (8)(9)	10.26% (L + 8.25%/Q)	10/8/2019	10/8/2027	34,459	34,187	34,201	2.66 %
Total Funded Debt Investments - United Kingdom					**$ 78,312**	**$ 77,829**	**$ 76,738**	**5.98 %**
Funded Debt Investments - United States								
Benevis Holding Corp.								
Healthcare Services	First lien (2)(9)	8.25% (L + 6.32%/Q)	3/15/2018	3/15/2024	$ 62,731	$ 62,731	$ 62,323	
	First lien (8)(9)	8.25% (L + 6.32%/Q)	3/15/2018	3/15/2024	15,391	15,391	15,291	
	First lien (3)(9)	8.25% (L + 6.32%/Q)	3/29/2019	3/15/2024	7,743	7,743	7,693	
					85,865	85,865	85,307	6.64 %
PhyNet Dermatology LLC								
Healthcare Services	First lien (2)(9)	7.30% (L + 5.50%/M)	9/17/2018	8/16/2024	50,368	49,956	50,368	
	First lien (3)(9)(10) - Drawn	7.30% (L + 5.50%/M)	9/17/2018	8/16/2024	28,139	28,009	28,139	
					78,507	77,965	78,507	6.11 %
Kronos Incorporated								
Software	Second lien (2)	10.16% (L + 8.25%/Q)	10/26/2012	11/1/2024	49,210	48,955	50,563	
	Second lien (8)	10.16% (L + 8.25%/Q)	10/26/2012	11/1/2024	11,147	11,147	11,453	
					60,357	60,102	62,016	4.83 %
Associations, Inc.								
Business Services	First lien (2)(9)	9.09% (L + 4.00% + 3.00% PIK/Q)*	7/30/2018	7/30/2024	44,557	44,332	44,557	
	First lien (8)(9)	9.09% (L + 4.00% + 3.00% PIK/Q)*	7/30/2018	7/30/2024	5,115	5,090	5,115	
	First lien (3)(9)(10) - Drawn	9.06% (L + 4.00% + 3.00% PIK/Q)*	7/30/2018	7/30/2024	7,171	7,133	7,171	
					56,843	56,555	56,843	4.43 %

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

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Portfolio Company, Location and Industry(1)	Type of Investment	Interest Rate (11)	Acquisition Date	Maturity/Expiration Date	Principal Amount, Par Value or Shares	Cost	Fair Value	Percent of Net Assets
Nomad Buyer, Inc.								
Healthcare Services	First lien (2)	6.74% (L + 5.00%/M)	8/3/2018	8/1/2025	$ 56,439	$ 54,867	$ 56,298	4.39 %
GS Acquisitionco, Inc.								
Software	First lien (2)(9)	7.55% (L + 5.75%/M)	8/7/2019	5/24/2024	26,894	26,738	26,725	
	First lien (5)(9)	7.55% (L + 5.75%/M)	8/7/2019	5/24/2024	22,406	22,276	22,266	
	First lien (3)(9)(10) - Drawn	7.55% (L + 5.75%/M)	8/7/2019	5/25/2024	3,720	3,698	3,697	
	First lien (3)(9)(10) - Drawn	7.55% (L + 5.75%/M)	8/7/2019	5/25/2024	3,510	3,488	3,488	
					56,530	56,200	56,176	4.38 %
iCIMS, Inc.								
Software	First lien (8)(9)	8.29% (L + 6.50%/M)	9/12/2018	9/12/2024	46,636	46,229	46,636	
	First lien (8)(9)	8.29% (L + 6.50%/M)	6/14/2019	9/12/2024	8,667	8,587	8,667	
					55,303	54,816	55,303	4.31 %
ConnectWise, LLC								
Software	First lien (2)(9)	7.94% (L + 6.00%/Q)	11/26/2019	2/28/2025	55,613	55,270	55,265	4.31 %
CentralSquare Technologies, LLC								
Software	Second lien (3)	9.30% (L + 7.50%/M)	8/15/2018	8/31/2026	47,838	47,297	45,087	
	Second lien (8)	9.30% (L + 7.50%/M)	8/15/2018	8/31/2026	7,500	7,415	7,069	
					55,338	54,712	52,156	4.06 %
Dealer Tire, LLC								
Distribution & Logistics	First lien (2)	7.30% (L + 5.50%/M)	12/4/2018	12/12/2025	51,386	50,251	51,577	4.02 %
Salient CRGT Inc.								
Federal Services	First lien (2)	8.29% (L + 6.50%/M)	1/6/2015	2/28/2022	39,312	39,049	37,445	
	First lien (8)	8.29% (L + 6.50%/M)	6/6/2019	2/28/2022	13,434	12,987	12,795	
					52,746	52,036	50,240	3.91 %
NM GRC Holdco, LLC								
Business Services	First lien (2)(9)	7.94% (L + 6.00%/Q)	2/9/2018	2/9/2024	38,346	38,206	38,346	
	First lien (2)(9)(10) - Drawn	7.94% (L + 6.00%/Q)	2/9/2018	2/9/2024	10,658	10,616	10,658	
					49,004	48,822	49,004	3.82 %
Frontline Technologies Group Holdings, LLC								
Education	First lien (4)(9)	7.55% (L + 5.75%/M)	9/18/2017	9/18/2023	22,162	22,050	22,162	
	First lien (2)(9)	7.55% (L + 5.75%/M)	9/18/2017	9/18/2023	18,677	18,619	18,677	
	First lien (2)(9)	7.55% (L + 5.75%/M)	9/18/2017	9/18/2023	7,710	7,658	7,710	
					48,549	48,327	48,549	3.78 %
Integro Parent Inc.								
Business Services	First lien (2)(9)	7.54% (L + 5.75%/M)	10/9/2015	10/31/2022	35,024	34,892	35,024	
	Second lien (8)(9)	11.04% (L + 9.25%/M)	10/9/2015	10/30/2023	10,000	9,941	10,000	
					45,024	44,833	45,024	3.51 %
Brave Parent Holdings, Inc.								
Software	Second lien (5)	9.43% (L + 7.50%/Q)	4/17/2018	4/17/2026	22,500	22,404	21,825	
	Second lien (2)	9.43% (L + 7.50%/Q)	4/17/2018	4/17/2026	16,624	16,480	16,125	
	Second lien (8)	9.43% (L + 7.50%/Q)	4/17/2018	4/17/2026	6,000	5,948	5,820	
					45,124	44,832	43,770	3.41 %
Quest Software US Holdings Inc.								
Software	Second lien (2)	10.18% (L + 8.25%/Q)	5/17/2018	5/18/2026	43,697	43,320	42,851	3.35 %

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Portfolio Company, Location and Industry(1)	Type of Investment	Interest Rate (11)	Acquisition Date	Maturity/Expiration Date	Principal Amount, Par Value or Shares	Cost	Fair Value	Percent of Net Assets
Symplr Software Intermediate Holdings, Inc. (23)								
Symplr Software, Inc. (fka Caliper Software, Inc.)								
Healthcare Information Technology	First lien (2)(9)	7.94% (L + 6.00%/Q)	11/30/2018	11/28/2025	$ 25,561	$ 25,387	$ 25,561	
	First lien (4)(9)	7.94% (L + 6.00%/Q)	11/30/2018	11/28/2025	14,850	14,752	14,850	
					40,411	40,139	40,411	3.15 %
Tenawa Resource Holdings LLC (13)								
Tenawa Resource Management LLC								
Energy	First lien (3)(9)	10.50% (Base + 8.00%/Q)	5/12/2014	10/30/2024	39,000	38,950	39,000	3.04 %
KAMC Holdings, Inc								
Business Services	Second lien (2)(9)	9.91% (L + 8.00%/Q)	8/14/2019	8/13/2027	18,750	18,614	18,609	
	Second lien (8)(9)	9.91% (L + 8.00%/Q)	8/14/2019	8/13/2027	18,750	18,614	18,609	
					37,500	37,228	37,218	2.90 %
Trader Interactive, LLC								
Business Services	First lien (2)(9)	8.30% (L + 6.50%/M)	6/15/2017	6/17/2024	31,932	31,776	31,932	
	First lien (8)(9)	8.30% (L + 6.50%/M)	6/15/2017	6/17/2024	4,949	4,925	4,949	
					36,881	36,701	36,881	2.87 %
Peraton Holding Corp. (fka MHVC Acquisition Corp.)								
Federal Services	First lien (2)	7.05% (L + 5.25%/M)	4/25/2017	4/29/2024	36,907	36,781	36,745	2.86 %
Apptio, Inc.								
Software	First lien (8)(9)	8.96% (L + 7.25%/M)	1/10/2019	1/10/2025	34,076	33,473	33,394	2.60 %
Definitive Healthcare Holdings, LLC								
Healthcare Information Technology	First lien (8)(9)	8.40% (L + 5.50% + 1.00% PIK/Q)*	8/7/2019	7/16/2026	33,402	33,244	33,234	2.59 %
Finalsite Holdings, Inc.								
Software	First lien (4)(9)	6.93% (L + 5.00%/Q)	9/28/2018	9/25/2024	22,219	22,081	22,219	
	First lien (2)(9)	6.93% (L + 5.00%/Q)	9/28/2018	9/25/2024	10,974	10,906	10,974	
					33,193	32,987	33,193	2.59 %
TDG Group Holding Company								
Consumer Services	First lien (2)(9)	7.44% (L + 5.50%/Q)	5/22/2018	5/31/2024	24,860	24,763	24,860	
	First lien (8)(9)	7.44% (L + 5.50%/Q)	5/22/2018	5/31/2024	4,950	4,931	4,950	
	First lien (2)(9)	7.44% (L + 5.50%/Q)	5/22/2018	5/31/2024	3,321	3,307	3,321	
					33,131	33,001	33,131	2.58 %
CoolSys, Inc.								
Industrial Services	First lien (5)	7.80% (L + 6.00%/M)	11/20/2019	11/20/2026	22,500	22,388	22,388	
	First lien (2)	7.80% (L + 6.00%/M)	11/20/2019	11/20/2026	10,400	10,348	10,348	
					32,900	32,736	32,736	2.55 %
Ansira Holdings, Inc.								
Business Services	First lien (8)	7.55% (L + 5.75%/M)	12/19/2016	12/20/2022	28,455	28,378	27,032	
	First lien (3)(10) - Drawn	7.51% (L + 5.75%/M)	12/19/2016	12/20/2022	4,743	4,731	4,506	
					33,198	33,109	31,538	2.46 %
DCA Investment Holding, LLC								
Healthcare Services	First lien (2)(9)	7.19% (L + 5.25%/Q)	7/2/2015	7/2/2021	17,095	17,046	17,095	
	First lien (3)(9)	7.19% (L + 5.25%/Q)	12/20/2017	7/2/2021	8,890	8,834	8,890	
	First lien (2)(9)	7.19% (L + 5.25%/Q)	12/20/2017	7/2/2021	4,184	4,163	4,184	
	First lien (3)(9)(10) - Drawn	9.00% (P + 4.25%/Q)	7/2/2015	7/2/2021	608	602	608	
					30,777	30,645	30,777	2.40 %

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Integral Ad Science, Inc.								
Software	First lien (8)(9)	9.05% (L + 6.00% + 1.25% PIK/M)*	7/19/2018	7/19/2024	$ 26,843	$ 26,616	$ 26,843	
	First lien (3)(9)	9.05% (L + 6.00% + 1.25% PIK/M)*	8/27/2019	7/19/2024	3,507	3,474	3,507	
					30,350	30,090	30,350	2.36 %
Conservice, LLC								
Business Services	First lien (2)(9)	7.05% (L + 5.25%/M)	1/3/2019	11/29/2024	25,311	25,202	25,184	
	First lien (3)(9)(10) - Drawn	7.05% (L + 5.25%/M)	1/3/2019	11/29/2024	4,418	4,398	4,396	
					29,729	29,600	29,580	2.30 %
Kaseya Traverse Inc.								
Software	First lien (8)(9)	8.72% (L + 5.50% + 1.00% PIK/S)*	5/9/2019	5/2/2025	27,525	27,274	27,250	
	First lien (3)(9)(10) - Drawn	8.45% (L + 6.50%/Q)	5/9/2019	5/2/2025	1,321	1,308	1,308	
	First lien (3)(9)(10) - Drawn	8.69% (L + 5.50% + 1.00% PIK/S)*	5/9/2019	5/2/2025	430	426	426	
					29,276	29,008	28,984	2.26 %
Clarkson Eyecare, LLC								
Healthcare Services	First lien (2)	8.05% (L + 6.25%/M)	8/21/2019	4/2/2021	17,300	17,149	17,300	
	First lien (2)	8.05% (L + 6.25%/M)	9/11/2019	4/2/2021	11,533	11,433	11,533	
					28,833	28,582	28,833	2.25 %
Keystone Acquisition Corp.								
Healthcare Services	First lien (2)	7.19% (L + 5.25%/Q)	5/10/2017	5/1/2024	24,482	24,369	23,992	
	Second lien (2)	11.19% (L + 9.25%/Q)	5/10/2017	5/1/2025	4,500	4,465	4,399	
					28,982	28,834	28,391	2.21 %
Sovos Brands Intermediate, Inc.								
Food & Beverage	First lien (2)	6.80% (L + 5.00%/M)	11/16/2018	11/20/2025	27,957	27,834	27,957	2.18 %
Affinity Dental Management, Inc.								
Healthcare Services	First lien (4)(9)	8.07% (L + 6.00%/S)	9/17/2019	9/15/2023	10,945	10,945	10,945	
	First lien (2)(9)	8.01% (L + 6.00%/S)	9/15/2017	9/15/2023	11,316	11,288	11,316	
	First lien (3)(9)	8.00% (L + 6.00%/S)	9/15/2017	9/15/2023	5,224	5,194	5,224	
					27,485	27,427	27,485	2.14 %
Confluent Health, LLC								
Healthcare Services	First lien (2)	6.80% (L + 5.00%/M)	6/21/2019	6/24/2026	27,363	27,233	27,363	2.13 %
TMK Hawk Parent, Corp.								
Distribution & Logistics	First lien (2)	5.30% (L + 3.50%/M)	6/24/2019	8/28/2024	16,908	14,483	13,865	
	First lien (8)	5.30% (L + 3.50%/M)	10/23/2019	8/28/2024	16,308	13,388	13,373	
					33,216	27,871	27,238	2.12 %
HS Purchaser, LLC / Help/Systems Holdings, Inc.								
Software	Second lien (5)	9.80% (L + 8.00%/M)	11/14/2019	11/19/2027	22,500	22,380	22,388	
	Second lien (2)	9.80% (L + 8.00%/M)	11/14/2019	11/19/2027	4,208	4,166	4,187	
					26,708	26,546	26,575	2.07 %
GC Waves Holdings, Inc.**								
Business Services	First lien (5)(9)	7.55% (L + 5.75%/M)	10/31/2019	10/31/2025	22,500	22,335	22,331	
	First lien (2)(9)	7.55% (L + 5.75%/M)	10/31/2019	10/31/2025	3,673	3,646	3,645	
					26,173	25,981	25,976	2.02 %
Spring Education Group, Inc (fka SSH Group Holdings, Inc.)								
Education	Second lien (2)	10.19% (L + 8.25%/Q)	7/26/2018	7/30/2026	24,533	24,476	24,488	1.91 %

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AAC Holding Corp.								
Education	First lien (2)(9)	9.95% (L + 8.25%/M)	9/30/2015	9/30/2022	$ 24,956	$ 24,866	$ 23,110	1.80 %
Idera, Inc.								
Software	Second lien (4)	10.80% (L + 9.00%/M)	6/27/2019	6/28/2027	22,500	22,338	22,612	1.76 %
Convey Health Solutions, Inc.								
Healthcare Services	First lien (4)(9)	6.94% (L + 5.25%/M)	9/9/2019	9/4/2026	22,444	22,200	22,191	1.73 %
Avatar Topco, Inc. (22)								
EAB Global, Inc.								
Education	Second lien (3)	9.49% (L + 7.50%/S)	11/17/2017	11/17/2025	13,950	13,782	13,950	
	Second lien (8)	9.49% (L + 7.50%/S)	11/17/2017	11/17/2025	7,500	7,410	7,500	
					21,450	21,192	21,450	1.67 %
CRCI Longhorn Holdings, Inc.								
Business Services	Second lien (3)	8.99% (L + 7.25%/M)	8/2/2018	8/10/2026	14,349	14,301	14,062	
	Second lien (8)	8.99% (L + 7.25%/M)	8/2/2018	8/10/2026	7,500	7,475	7,350	
					21,849	21,776	21,412	1.67 %
National Mentor Holdings, Inc. (aka Civitas Solutions, Inc.)								
Healthcare Services	Second lien (2)	10.30% (L + 8.50%/M)	2/5/2019	3/8/2027	21,051	20,609	20,999	1.64 %
MED Parentco, LP								
Healthcare Services	Second lien (8)	10.05% (L + 8.25%/M)	8/2/2019	8/30/2027	20,857	20,703	20,753	1.62 %
Institutional Shareholder Services, Inc.								
Business Services	Second lien (3)	10.44% (L + 8.50%/Q)	3/5/2019	3/5/2027	20,372	20,087	19,557	1.52 %
DiversiTech Holdings, Inc.								
Distribution & Logistics	Second lien (2)	9.44% (L + 7.50%/Q)	5/18/2017	6/2/2025	12,000	11,909	11,760	
	Second lien (8)	9.44% (L + 7.50%/Q)	5/18/2017	6/2/2025	7,500	7,443	7,350	
					19,500	19,352	19,110	1.49 %
Xactly Corporation								
Software	First lien (4)(9)	9.05% (L + 7.25%/M)	7/31/2017	7/29/2022	19,047	18,925	19,047	1.48 %
FR Arsenal Holdings II Corp.								
Business Services	First lien (2)(9)	9.19% (L + 7.25%/Q)	9/29/2016	9/8/2022	18,355	18,249	18,355	1.43 %
YLG Holdings, Inc.								
Business Services	First lien (5)	7.66% (L + 5.75%/Q)	11/1/2019	10/31/2025	18,413	18,323	18,321	1.43 %
Geo Parent Corporation								
Business Services	First lien (2)	7.05% (L + 5.25%/M)	12/13/2018	12/19/2025	18,364	18,282	18,318	1.43 %
Bluefin Holding, LLC								
Software	Second lien (8)(9)	9.64% (L + 7.75%/Q)	9/6/2019	9/6/2027	18,000	18,000	18,000	1.40 %
Bullhorn, Inc.								
Software	First lien (2)(9)	7.44% (L + 5.50%/Q)	9/24/2019	10/1/2025	17,174	17,049	17,045	
	First lien (3)(9)(10) - Drawn	7.46% (L + 5.50%/Q)	9/24/2019	10/1/2025	284	282	282	
					17,458	17,331	17,327	1.35 %
The Kleinfelder Group, Inc.								
Business Services	First lien (4)(9)	6.37% (L + 4.75%/W)	12/18/2018	11/29/2024	17,325	17,251	17,325	1.35 %
TIBCO Software Inc.								
Software	Subordinated (3)	11.38%/S	11/24/2014	12/1/2021	15,000	14,844	15,554	1.21 %
Hill International, Inc.**								
Business Services	First lien (2)(9)	7.55% (L + 5.75%/M)	6/21/2017	6/21/2023	15,405	15,356	15,405	1.20 %
Bleriot US Bidco Inc.								
Federal Services	Second lien (2)	10.44% (L + 8.50%/Q)	10/24/2019	10/29/2027	15,000	14,852	14,981	1.17 %

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Netsmart Inc. / Netsmart Technologies, Inc.								
Healthcare Information Technology	Second lien (2)	9.30% (L + 7.50%/M)	4/18/2016	10/19/2023	$ 15,000	$ 14,774	$ 14,925	1.16 %
Pathway Vet Alliance LLC								
Consumer Services	First lien (4)(9)(10) - Drawn	6.30% (L + 4.50%/M)	11/14/2019	12/20/2024	3,670	3,652	3,652	
	First lien (3)(9)(10) - Drawn	6.30% (L + 4.50%/M)	11/14/2019	12/20/2024	1,223	1,217	1,217	
	Second lien (4)(9)(10) - Drawn	10.30% (L + 8.50%/M)	11/14/2019	12/19/2025	7,547	7,490	7,490	
	Second lien (3)(9)(10) - Drawn	10.30% (L + 8.50%/M)	11/14/2019	12/19/2025	2,516	2,497	2,497	
					14,956	14,856	14,856	1.16 %
Diligent Corporation								
Software	First lien (2)(9)	7.56% (L + 5.50%/S)	10/30/2019	4/14/2022	6,842	6,777	6,842	
	First lien (2)(9)	7.56% (L + 5.50%/S)	10/30/2019	4/14/2022	140	139	140	
	First lien (3)(9)(10) - Drawn	7.54% (L + 5.50%/S)	12/19/2018	4/14/2022	7,431	7,391	7,431	
					14,413	14,307	14,413	1.12 %
Alegeus Technologies Holding Corp.								
Healthcare Services	First lien (8)(9)	8.28% (L + 6.25%/Q)	9/5/2018	9/5/2024	13,444	13,388	13,444	1.05 %
JAMF Holdings, Inc.								
Software	First lien (8)(9)	8.91% (L + 7.00%/Q)	11/13/2017	11/11/2022	8,757	8,702	8,757	
	First lien (2)(9)	8.91% (L + 7.00%/Q)	11/8/2019	11/11/2022	4,582	4,549	4,582	
					13,339	13,251	13,339	1.04 %
BackOffice Associates Holdings, LLC								
Business Services	First lien (2)(9)	12.70% (L + 7.50% + 3.00% PIK/S)*	8/25/2017	8/25/2023	13,047	12,973	12,425	
	First lien (3)(9)(10) - Drawn	12.68% (L + 7.50% + 3.00% PIK/Q)*	8/25/2017	8/25/2023	894	886	851	
					13,941	13,859	13,276	1.03 %
Castle Management Borrower LLC								
Business Services	First lien (2)(9)	8.16% (L + 6.25%/Q)	5/31/2018	2/15/2024	13,217	13,166	13,217	1.03 %
Ministry Brands, LLC								
Software	First lien (2)(9)	5.85% (L + 4.00%/M)	12/7/2016	12/2/2022	2,932	2,924	2,932	
	Second lien (8)(9)	11.08% (L + 9.25%/M)	12/7/2016	6/2/2023	7,840	7,804	7,840	
	Second lien (3)(9)	11.08% (L + 9.25%/M)	12/7/2016	6/2/2023	2,160	2,150	2,160	
	First lien (3)(9)(10) - Drawn	6.95% (L + 5.00%/Q)	12/7/2016	12/2/2022	200	199	200	
					13,132	13,077	13,132	1.02 %
Transcendia Holdings, Inc.								
Packaging	Second lien (8)(9)	9.80% (L + 8.00%/M)	6/28/2017	5/30/2025	14,500	14,348	12,476	0.97 %
OEConnection LLC								
Business Services	Second lien (2)(9)	10.04% (L + 8.25%/M)	9/25/2019	9/25/2027	12,044	11,926	11,924	0.93 %
CFS Management, LLC								
Healthcare Services	First lien (2)(9)	7.95% (L + 5.75%/S)	8/6/2019	7/1/2024	11,733	11,678	11,674	0.91 %
CHA Holdings, Inc.								
Business Services	Second lien (4)	10.69% (L + 8.75%/Q)	4/3/2018	4/10/2026	7,012	6,952	7,082	
	Second lien (3)	10.69% (L + 8.75%/Q)	4/3/2018	4/10/2026	4,453	4,415	4,497	
					11,465	11,367	11,579	0.90 %

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Alert Holding Company, Inc. (14)								
Appriss Holdings, Inc.								
Business Services	First lien (8)	7.44% (L + 5.50%/Q)	5/24/2019	5/29/2026	$ 11,054	$ 10,965	$ 10,888	0.86 %
PaySimple, Inc.								
Software	First lien (2)	7.30% (L + 5.50%/M)	8/19/2019	8/25/2025	9,857	9,763	9,808	
	First lien (3)(10) - Drawn	7.31% (L + 5.50%/M)	8/19/2019	8/25/2025	934	916	930	
					10,791	10,679	10,738	0.84 %
Vectra Co.								
Business Products	Second lien (8)	9.05% (L + 7.25%/M)	2/23/2018	3/8/2026	10,788	10,754	10,518	0.82 %
NorthStar Financial Services Group, LLC								
Software	Second lien (5)	9.30% (L + 7.50%/M)	5/23/2018	5/25/2026	10,607	10,585	10,501	0.82 %
PPVA Black Elk (Equity) LLC								
Business Services	Subordinated (3)(9)	—	5/3/2013	—	14,500	14,500	10,354	0.81 %
Masergy Holdings, Inc.								
Business Services	Second lien (2)	9.46% (L + 7.50%/Q)	12/14/2016	12/16/2024	10,500	10,458	10,264	0.80 %
VT Topco, Inc.								
Business Services	Second lien (4)	8.94% (L + 7.00%/Q)	8/14/2018	7/31/2026	10,000	9,978	10,025	0.78 %
Quartz Holding Company								
Software	Second lien (3)	9.71% (L + 8.00%/M)	4/2/2019	4/2/2027	10,000	9,813	9,975	0.78 %
AG Parent Holdings, LLC								
Healthcare Services	First lien (2)	6.91% (L + 5.00%/Q)	7/30/2019	7/31/2026	10,000	9,952	9,925	0.77 %
Stats Intermediate Holdings, LLC**								
Business Services	First lien (2)	7.30% (L + 5.25%/S)	5/22/2019	7/10/2026	10,000	9,881	9,775	0.76 %
Affordable Care Holding Corp.								
Healthcare Services	First lien (2)	6.59% (L + 4.75%/M)	3/18/2019	10/24/2022	9,897	9,738	9,649	0.75 %
Teneo Holdings, LLC								
Business Services	First lien (2)	6.99% (L + 5.25%/M)	7/15/2019	7/11/2025	9,975	9,788	9,476	0.74 %
AgKnowledge Holdings Company, Inc.								
Business Services	First lien (4)	6.55% (L + 4.75%/M)	11/30/2018	7/21/2023	9,355	9,318	9,332	0.73 %
Wrike, Inc.								
Software	First lien (8)(9)	8.55% (L + 6.75%/M)	12/31/2018	12/31/2024	9,067	8,988	9,067	0.71 %
WD Wolverine Holdings, LLC								
Healthcare Services	First lien (2)	7.30% (L + 5.50%/M)	2/22/2017	8/16/2022	9,014	8,859	9,014	0.70 %
Amerijet Holdings, Inc.								
Distribution & Logistics	First lien (4)(9)	9.80% (L + 8.00%/M)	7/15/2016	7/15/2021	7,674	7,653	7,674	
	First lien (4)(9)	9.80% (L + 8.00%/M)	7/15/2016	7/15/2021	1,279	1,276	1,279	
					8,953	8,929	8,953	0.70 %
Zywave, Inc.								
Software	Second lien (4)(9)	10.95% (L + 9.00%/Q)	11/22/2016	11/17/2023	6,980	6,946	6,980	
	Second lien (4)(9)	10.84% (L + 9.00%/M)	12/3/2019	11/17/2023	600	596	600	
	First lien (3)(9)(10) - Drawn	6.80% (L + 5.00%/M)	11/22/2016	11/17/2022	670	665	670	
					8,250	8,207	8,250	0.64 %

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DealerSocket, Inc.								
Software	First lien (2)	6.66% (L + 4.75%/Q)	4/16/2018	4/26/2023	$ 6,610	$ 6,576	$ 6,544	
	First lien (3)(10) - Drawn	7.05% (L + 5.25%/M)	4/16/2018	4/26/2023	168	167	166	
					6,778	6,743	6,710	0.52 %
Restaurant Technologies, Inc.								
Business Services	Second lien (4)	8.30% (L + 6.50%/M)	9/24/2018	10/1/2026	6,722	6,707	6,705	0.52 %
CP VI Bella Midco, LLC								
Healthcare Services	Second lien (3)	8.55% (L + 6.75%/M)	1/25/2018	12/29/2025	6,732	6,705	6,657	0.52 %
DG Investment Intermediate Holdings 2, Inc. (aka Convergint Technologies Holdings, LLC)								
Business Services	Second lien (3)	8.55% (L + 6.75%/M)	1/29/2018	2/2/2026	6,732	6,705	6,530	0.51 %
Recorded Future, Inc.								
Software	First lien (8)(9)	8.55% (L + 6.75%/M)	8/26/2019	7/3/2025	6,250	6,220	6,219	0.48 %
Solera LLC / Solera Finance, Inc.								
Software	Subordinated (3)	10.50%/S	2/29/2016	3/1/2024	5,000	4,844	5,316	0.41 %
ADG, LLC								
Healthcare Services	Second lien (3)(9)	11.92% (L + 10.00%/S)	10/3/2016	3/28/2024	5,264	5,215	4,213	0.33 %
Sphera Solutions, Inc.								
Software	First lien (2)(9)	9.00% (L + 7.00%/Q)	9/10/2019	6/14/2022	2,489	2,466	2,464	0.19 %
First American Payment Systems, L.P.								
Business Services	First lien (2)	6.81% (L + 4.75%/Q)	1/3/2017	1/5/2024	2,034	2,021	2,020	0.16 %
Education Management Corporation (12)								
Education Management II LLC								
Education	First lien (2)	10.25% (P + 5.50%/Q)(24)	1/5/2015	7/2/2020	208	202	2	
	First lien (3)	10.25% (P + 5.50%/Q)(24)	1/5/2015	7/2/2020	117	114	1	
	First lien (2)	14.00% (P + 8.50%/M)(24)	1/5/2015	7/2/2020	300	292	—	
	First lien (3)	14.00% (P + 8.50%/M)(24)	1/5/2015	7/2/2020	169	165	—	
	First lien (2)	13.25% (P + 8.50%/M)(24)	1/5/2015	7/2/2020	142	117	—	
	First lien (2)	13.25% (P + 8.50%/M)(24)	1/5/2015	7/2/2020	4	3	—	
	First lien (3)	13.25% (P + 8.50%/M)(24)	1/5/2015	7/2/2020	80	66	—	
	First lien (3)	13.25% (P + 8.50%/M)(24)	1/5/2015	7/2/2020	2	2	—	
					1,022	961	3	— %
PPVA Fund, L.P.								
Business Services	Collateralized Financing (24)(25)	—	11/7/2014	—	—	—	—	— %
Total Funded Debt Investments - United States					**$ 2,408,610**	**$ 2,385,761**	**$ 2,375,987**	**185.12 %**
Total Funded Debt Investments					**$ 2,565,531**	**$ 2,541,672**	**$ 2,530,242**	**197.14 %**
Equity - Hong Kong								
Bach Special Limited (Bach Preference Limited)**								
Education	Preferred shares (3)(9)(21)	—	9/1/2017	—	75,184	$ 7,439	$ 7,518	0.59 %
Total Shares - Hong Kong						**$ 7,439**	**$ 7,518**	**0.59 %**

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Equity - United States								
Avatar Topco, Inc.								
Education	Preferred shares (3)(9)(22)	—	11/17/2017	—	35,750	$ 46,093	$ 47,165	3.67 %
Symplr Software Intermediate Holdings, Inc.(23)								
Healthcare Information Technology	Preferred shares (4)(9)	—	11/30/2018	—	7,500	8,502	8,571	
	Preferred shares (3)(9)	—	11/30/2018	—	2,586	2,931	2,955	
						11,433	11,526	0.90 %
Tenawa Resource Holdings LLC (13)								
QID NGL LLC	Ordinary shares (6)(9)	—	5/12/2014	—	5,290,997	5,291	8,445	
Energy	Preferred shares (6)(9)	—	10/30/2017	—	1,623,385	1,623	2,727	
						6,914	11,172	0.87 %
Alert Holding Company, Inc. (14)								
Alert Intermediate Holdings I, Inc.								
Business Services	Preferred shares (3)(9)	—	5/31/2019	—	6,111	6,459	6,452	0.50 %
Education Management Corporation(12)								
Education	Preferred shares (2)	—	1/5/2015	—	3,331	200	—	
	Preferred shares (3)	—	1/5/2015	—	1,879	113	—	
	Ordinary shares (2)	—	1/5/2015	—	2,994,065	100	—	
	Ordinary shares (3)	—	1/5/2015	—	1,688,976	56	—	
						469	—	— %
Total Shares - United States						**$ 71,368**	**$ 76,315**	**5.94 %**
Total Shares						**$ 78,807**	**$ 83,833**	**6.53 %**
Warrants - United States								
ASP LCG Holdings, Inc.								
Education	Warrants (3)(9)	—	5/5/2014	5/5/2026	622	$ 37	$ 898	0.07 %
Total Warrants - United States						**$ 37**	**$ 898**	**0.07 %**
Total Funded Investments						**$ 2,620,516**	**$ 2,614,973**	**203.74 %**
Unfunded Debt Investments - Canada								
Wolfpack IP Co.**								
Software	First lien (3)(9)(10) - Undrawn	—	6/14/2019	6/13/2025	$ 909	$ (9)	$ (9)	(0.00)%
Total Unfunded Debt Investments - Canada					**$ 909**	**$ (9)**	**$ (9)**	**(0.00)%**
Unfunded Debt Investments - United States								
NM GRC Holdco, LLC								
Business Services	First lien (2)(9)(10) - Undrawn	—	2/9/2018	2/9/2020	$ 771	$ (2)	$ —	— %
Ministry Brands, LLC								
Software	First lien (3)(9)(10) - Undrawn	—	12/7/2016	12/2/2022	800	(4)	—	— %
Wrike, Inc.								
Software	First lien (3)(9)(10) - Undrawn	—	12/31/2018	12/31/2024	933	(9)	—	— %

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Xactly Corporation								
Software	First lien (3)(9)(10) - Undrawn	—	7/31/2017	7/29/2022	$ 992	$ (10)	$ —	— %
Zywave, Inc.								
Software	First lien (3)(9)(10) - Undrawn	—	11/22/2016	11/17/2022	1,330	(10)	—	— %
JAMF Holdings, Inc.								
Software	First lien (3)(9)(10) - Undrawn	—	11/13/2017	11/11/2022	1,086	(10)	—	— %
Trader Interactive, LLC								
Business Services	First lien (3)(9)(10) - Undrawn	—	6/15/2017	6/15/2023	1,673	(13)	—	— %
DCA Investment Holding, LLC								
Healthcare Services	First lien (3)(9)(10) - Undrawn	—	4/16/2019	4/16/2021	20,426	—	—	
	First lien (3)(9)(10) - Undrawn	—	7/2/2015	7/2/2021	1,492	(15)	—	
					21,918	(15)	—	— %
Affinity Dental Management, Inc.								
Healthcare Services	First lien (3)(9)(10) - Undrawn	—	9/15/2017	3/15/2023	1,738	(17)	—	— %
Integral Ad Science, Inc.								
Software	First lien (3)(9)(10) - Undrawn	—	7/19/2018	7/19/2023	1,807	(18)	—	— %
Finalsite Holdings, Inc.								
Software	First lien (3)(9)(10) - Undrawn	—	9/25/2018	9/25/2024	2,521	(19)	—	— %
TDG Group Holding Company								
Consumer Services	First lien (3)(9)(10) - Undrawn	—	5/22/2018	5/31/2024	5,044	(25)	—	— %
iCIMS, Inc.								
Software	First lien (3)(9)(10) - Undrawn	—	9/12/2018	9/12/2024	2,915	(29)	—	— %
Associations, Inc.								
Business Services	First lien (3)(9)(10) - Undrawn	—	7/30/2018	7/30/2021	3,161	(20)	—	
	First lien (3)(9)(10) - Undrawn	—	7/30/2018	7/30/2024	2,033	(13)	—	
					5,194	(33)	—	— %
Integro Parent Inc.								
Business Services	First lien (3)(9)(10) - Undrawn	—	6/8/2018	4/30/2022	6,743	(34)	—	— %
Diligent Corporation								
Software	First lien (3)(9)(10) - Undrawn	—	12/19/2018	12/19/2020	5,977	(37)	—	— %
PhyNet Dermatology LLC								
Healthcare Services	First lien (3)(9)(10) - Undrawn	—	9/17/2018	8/16/2020	17,077	(85)	—	— %
AgKnowledge Holdings Company, Inc.								
Business Services	First lien (3)(10) - Undrawn	—	11/30/2018	7/21/2023	526	(3)	(1)	(0.00)%
DealerSocket, Inc.								
Software	First lien (3)(10) - Undrawn	—	4/16/2018	4/26/2023	392	(3)	(4)	(0.00)%

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Recorded Future, Inc.								
Software	First lien (3)(9)(10) - Undrawn	—	8/26/2019	1/3/2021	$ 500	$ (3)	$ (3)	
	First lien (3)(9)(10) - Undrawn	—	8/26/2019	7/3/2025	750	(4)	(4)	
					1,250	(7)	(7)	(0.00)%
PaySimple, Inc.								
Software	First lien (3)(10) - Undrawn	—	8/19/2019	8/24/2020	2,289	—	(11)	(0.00)%
Alert Holding Company, Inc. (14)								
Appriss Holdings, Inc.								
Business Services	First lien (3)(10) - Undrawn	—	5/24/2019	5/30/2025	930	(9)	(14)	(0.00)%
Bullhorn, Inc.								
Software	First lien (3)(9)(10) - Undrawn	—	9/24/2019	10/1/2021	1,135	(9)	(9)	
	First lien (3)(9)(10) - Undrawn	—	9/24/2019	10/1/2025	852	(6)	(6)	
					1,987	(15)	(15)	(0.00)%
Bluefin Holding, LLC								
Software	First lien (3)(10) - Undrawn	—	9/6/2019	9/6/2024	1,515	(23)	(15)	(0.00)%
CFS Management, LLC								
Healthcare Services	First lien (3)(9)(10) - Undrawn	—	8/6/2019	7/1/2024	3,468	(17)	(17)	(0.00)%
Conservice, LLC								
Business Services	First lien (3)(9)(10) - Undrawn	—	1/3/2019	11/29/2024	1,360	(7)	(7)	
	First lien (3)(9)(10) - Undrawn	—	1/3/2019	6/30/2020	2,283	—	(11)	
					3,643	(7)	(18)	(0.00)%
ConnectWise, LLC								
Software	First lien (3)(9)(10) - Undrawn	—	11/26/2019	2/28/2025	4,248	(27)	(27)	(0.00)%
CoolSys, Inc.								
Industrial Services	First lien (3)(10) - Undrawn	—	11/20/2019	11/19/2021	5,600	—	(28)	(0.00)%
YLG Holdings, Inc.								
Business Services	First lien (5)(10) - Undrawn	—	11/1/2019	4/30/2021	2,381	—	(12)	
	First lien (3)(10) - Undrawn	—	11/1/2019	10/31/2025	3,968	(20)	(20)	
					6,349	(20)	(32)	(0.00)%
Kaseya Traverse Inc.								
Software	First lien (3)(9)(10) - Undrawn	—	5/9/2019	5/3/2021	2,873	—	(29)	
	First lien (3)(9)(10) - Undrawn	—	5/9/2019	5/2/2025	991	(10)	(10)	
					3,864	(10)	(39)	(0.00)%
Apptio, Inc.								
Software	First lien (3)(9)(10) - Undrawn	—	1/10/2019	1/10/2025	2,066	(41)	(41)	(0.00)%

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Definitive Healthcare Holdings, LLC								
Healthcare Information Technology	First lien (3)(9)(10) - Undrawn	—	8/7/2019	7/16/2021	$ 7,391	$ —	$ (37)	
	First lien (3)(9)(10) - Undrawn	—	8/7/2019	7/16/2024	1,848	(9)	(9)	
					9,239	(9)	(46)	(0.01)%
Pathway Vet Alliance LLC								
Consumer Services	First lien (4)(9)(10) - Undrawn	—	11/14/2019	10/11/2021	3,821	—	(19)	
	First lien (3)(9)(10) - Undrawn	—	11/14/2019	10/11/2021	1,274	—	(6)	
	Second lien (4)(9)(10) - Undrawn	—	11/14/2019	10/11/2021	7,453	—	(56)	
	Second lien (3)(9)(10) - Undrawn	—	11/14/2019	10/11/2021	2,484	—	(19)	
					15,032	—	(100)	(0.01)%
GC Waves Holdings, Inc.**								
Business Services	First lien (3)(9)(10) - Undrawn	—	10/31/2019	11/1/2021	9,877	—	(74)	
	First lien (3)(9)(10) - Undrawn	—	10/31/2019	10/31/2025	3,951	(30)	(30)	
					13,828	(30)	(104)	(0.01)%
Ansira Holdings, Inc.								
Business Services	First lien (3)(10) - Undrawn	—	12/19/2016	4/16/2020	2,437	(6)	(122)	(0.01)%
GS Acquisitionco, Inc.								
Software	First lien (3)(9)(10) - Undrawn	—	8/7/2019	8/2/2021	35,103	—	(219)	
	First lien (3)(9)(10) - Undrawn	—	8/7/2019	5/25/2024	1,975	(12)	(12)	
					37,078	(12)	(231)	(0.02)%
Salient CRGT Inc.								
Federal Services	First lien (3)(10) - Undrawn	—	6/26/2018	11/29/2021	6,125	(490)	(291)	(0.03)%
Total Unfunded Debt Investments - United States					**$ 200,385**	**$ (1,099)**	**$ (1,163)**	**(0.09)%**
Total Unfunded Debt Investments					**$ 201,294**	**$ (1,108)**	**$ (1,172)**	**(0.09)%**
Total Non-Controlled/Non-Affiliated Investments						**$ 2,619,408**	**$2,613,801**	**203.65 %**
Non-Controlled/Affiliated Investments(26)								
Funded Debt Investments - United States								
Permian Holdco 1, Inc.								
Permian Holdco 2, Inc.								
Permian Holdco 3, Inc.								
Energy	First lien (3)(9)	14.28% (L + 7.50% + 5.00% PIK/Q)*	6/14/2018	6/30/2022	$ 10,523	$ 10,523	$ 10,523	
	First lien (3)(9)(10) - Drawn	8.24% (L + 6.50%/M)	6/14/2018	6/30/2022	17,750	17,750	17,750	
	Subordinated (3)(9)	18.00% PIK/Q*	12/26/2018	6/30/2022	2,876	2,876	2,732	
	Subordinated (3)(9)	14.00% PIK/Q*	10/31/2016	10/15/2021	2,642	2,642	2,246	
	Subordinated (3)(9)	14.00% PIK/Q*	10/31/2016	10/15/2021	1,361	1,361	1,157	
					35,152	35,152	34,408	2.68 %

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Sierra Hamilton Holdings Corporation								
Energy	Second lien (3)(9)	15.00% PIK/Q*	9/12/2019	9/12/2023	1,442	1,410	1,406	0.11 %
Total Funded Debt Investments - United States					**$ 36,594**	**$ 36,562**	**$ 35,814**	**2.79 %**
Equity - United States								
NMFC Senior Loan Program I LLC**								
Investment Fund	Membership interest (3)(9)	—	6/13/2014	—	—	$ 23,000	$ 23,000	1.80 %
Sierra Hamilton Holdings Corporation								
Energy	Ordinary shares (2)(9)	—	7/31/2017	—	25,000,000	11,501	7,648	
	Ordinary shares (3)(9)	—	7/31/2017	—	2,786,000	1,281	852	
						12,782	8,500	0.66 %
Permian Holdco 1, Inc.								
Energy	Preferred shares (3)(9)(16)(24)	—	10/31/2016	—	1,987,848	9,131	6,013	
	Ordinary shares (3)(9)	—	10/31/2016	—	1,366,452	1,350	200	
						10,481	6,213	0.48 %
Total Shares - United States						**$ 46,263**	**$ 37,713**	**2.94 %**
Total Funded Investments						**$ 82,825**	**$ 73,527**	**5.73 %**
Unfunded Debt Investments - United States								
Permian Holdco 3, Inc.								
Energy	First lien (3)(9)(10) - Undrawn	—	6/14/2018	6/30/2022	$ 2,250	$ —	$ —	— %
Total Unfunded Debt Investments - United States					**$ 2,250**	**$ —**	**$ —**	**— %**
Total Non-Controlled/Affiliated Investments						**$ 82,825**	**$ 73,527**	**5.73 %**
Controlled Investments(27)								
Funded Debt Investments - United States								
Edmentum Ultimate Holdings, LLC (15)								
Edmentum, Inc. (fka Plato, Inc.) (Archipelago Learning, Inc.)								
Education	First lien (2)	10.43% (L + 4.50% + 4.00% PIK/Q)*	8/6/2018	6/9/2021	$ 10,112	$ 9,173	$ 10,112	
	Second lien (3)(9)	7.00% PIK/Q*	2/23/2018	12/9/2021	11,999	11,579	11,999	
	Second lien (3)(9)(10) - Drawn	5.00% PIK/Q*	6/9/2015	12/9/2021	7,586	7,586	7,586	
	Subordinated (3)(9)	8.50% PIK/Q*	6/9/2015	12/9/2021	5,326	5,324	5,326	
	Subordinated (2)(9)	10.00% PIK/Q*	6/9/2015	12/9/2021	20,476	20,476	19,333	
	Subordinated (3)(9)	10.00% PIK/Q*	6/9/2015	12/9/2021	5,037	5,037	4,756	
					60,536	59,175	59,112	4.61 %
NHME Holdings Corp. (20)								
National HME, Inc.								
Healthcare Services	Second lien (3)(9)	12.00% PIK/Q*	11/27/2018	5/27/2024	16,532	13,054	11,985	
	Second lien (3)(9)	12.00% PIK/Q*	11/27/2018	5/27/2024	9,136	8,279	7,994	
					25,668	21,333	19,979	1.56 %

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UniTek Global Services, Inc.								
Business Services	First lien (2)(9)	8.41% (L + 5.50% + 1.00% PIK/Q)*	6/29/2018	8/20/2024	$ 12,448	$ 12,448	$ 11,068	
	First lien (2)(9)	8.41% (L + 5.50% + 1.00% PIK/Q)*	6/29/2018	8/20/2024	2,490	2,490	2,214	
					14,938	14,938	13,282	1.03 %
Total Funded Debt Investments - United States					**$ 101,142**	**$ 95,446**	**$ 92,373**	**7.20 %**
Equity - Canada								
NM APP Canada Corp.**								
Net Lease	Membership interest (7)(9)	—	9/13/2016	—	—	$ 7,345	$ 10,774	0.84 %
Total Shares - Canada						**$ 7,345**	**$ 10,774**	**0.84 %**
Equity - United States								
NMFC Senior Loan Program III LLC**								
Investment Fund	Membership interest (3)(9)	—	5/4/2018	—	—	$ 100,000	$ 100,000	7.80 %
NMFC Senior Loan Program II LLC**								
Investment Fund	Membership interest (3)(9)	—	5/3/2016	—	—	79,400	79,400	6.20 %
UniTek Global Services, Inc.								
Business Services	Preferred shares (3)(9)(19)	—	8/29/2019	—	3,492,227	3,492	3,347	
	Preferred shares (3)(9)(19)	—	8/17/2018	—	8,594,292	8,594	7,979	
	Preferred shares (3)(9)(18)	—	6/30/2017	—	15,747,272	15,747	13,909	
	Preferred shares (2)(9)(17)	—	1/13/2015	—	28,369,088	25,989	22,766	
	Preferred shares (3)(9)(17)	—	1/13/2015	—	7,839,866	7,182	6,292	
	Ordinary shares (2)(9)	—	1/13/2015	—	2,096,477	1,925	270	
	Ordinary shares (3)(9)	—	1/13/2015	—	1,993,749	532	256	
						63,461	54,819	4.27 %
NM NL Holdings, L.P.**								
Net Lease	Membership interest (7)(9)	—	6/20/2018	—	—	44,070	48,308	3.76 %
NM GLCR LP								
Net Lease	Membership interest (7)(9)	—	2/1/2018	—	—	14,750	23,800	1.85 %
NM CLFX LP								
Net Lease	Membership interest (7)(9)	—	10/6/2017	—	—	12,538	12,723	0.99 %
NM APP US LLC								
Net Lease	Membership interest (7)(9)	—	9/13/2016	—	—	5,080	6,834	0.53 %
NM YI, LLC								
Net Lease	Membership interest (7)(9)	—	9/30/2019	—	—	6,272	6,339	0.49 %
NM DRVT LLC								
Net Lease	Membership interest (7)(9)	—	11/18/2016	—	—	5,152	6,016	0.46 %

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NHME Holdings Corp.(20)								
Healthcare Services	Ordinary shares (3)(9)	—	11/27/2018	—	640,000	$ 4,000	$ 4,000	0.31 %
NM JRA LLC								
Net Lease	Membership interest (7)(9)	—	8/12/2016	—	—	2,043	3,700	0.29 %
Edmentum Ultimate Holdings, LLC (15)								
Education	Ordinary shares (3)(9)	—	6/9/2015	—	123,968	11	1,806	
	Ordinary shares (2)(9)	—	6/9/2015	—	107,143	9	1,561	
						20	3,367	0.26 %
NM KRLN LLC								
Net Lease	Membership interest (7)(9)	—	11/15/2016	—	—	7,510	2,379	0.19 %
NM GP Holdco, LLC**								
Net Lease	Membership interest (7)(9)	—	6/20/2018	—	—	452	487	0.04 %
Total Shares - United States						**$ 344,748**	**$ 352,172**	**27.44 %**
Total Shares						**$ 352,093**	**$ 362,946**	**28.28 %**
Warrants - United States								
Edmentum Ultimate Holdings, LLC(15)								
Education	Warrants (3)(9)	—	2/23/2018	5/5/2026	1,141,846	$ 769	$ 16,633	1.29 %
NHME Holdings Corp.(20)								
Healthcare Services	Warrants (3)(9)	—	11/27/2018	—	160,000	1,000	1,000	0.08 %
Total Warrants - United States						**$ 1,769**	**$ 17,633**	**1.37 %**
Total Funded Investments						**$ 449,308**	**$ 472,952**	**36.85 %**
Unfunded Debt Investments - United States								
Edmentum Ultimate Holdings, LLC (15)								
Edmentum, Inc. (fka Plato, Inc.) (Archipelago Learning, Inc.)								
Education	Second lien (3)(9)(10) - Undrawn	—	6/9/2015	12/9/2021	$ 298	$ —	$ —	— %
Total Unfunded Debt Investments - United States					**$ 298**	**$ —**	**$ —**	**— %**
Total Controlled Investments						**$ 449,308**	**$ 472,952**	**36.85 %**
Total Investments						**$ 3,151,541**	**$3,160,280**	**246.23 %**

(1) New Mountain Finance Corporation (the "Company") generally acquires its investments in private transactions exempt from registration under the Securities Act of 1933, as amended (the "Securities Act"). These investments are generally subject to certain limitations on resale, and may be deemed to be "restricted securities" under the Securities Act.

(2) Investment is pledged as collateral for the Holdings Credit Facility, a revolving credit facility among the Company, as the Collateral Manager, New Mountain Finance Holdings, L.L.C. ("NMF Holdings") as the Borrower and Wells Fargo Bank, National Association as the Administrative Agent and Collateral Custodian. See Note 7. *Borrowings*, for details.

(3) Investment is pledged as collateral for the NMFC Credit Facility, a revolving credit facility among the Company as the Borrower and Goldman Sachs Bank USA as the Administrative Agent and the Collateral Agent and Goldman Sachs Bank USA, Morgan Stanley Bank, N.A., Stifel Bank & Trust and MUFG Union Bank, N.A. as Lenders. See Note 7. *Borrowings*, for details.

(4) Investment is held in New Mountain Finance SBIC, L.P.

(5) Investment is held in New Mountain Finance SBIC II, L.P.

New Mountain Finance Corporation

Consolidated Schedule of Investments (Continued)
December 31, 2019
(in thousands, except shares)

(6) Investment is held in NMF QID NGL Holdings, Inc.

(7) Investment is held in New Mountain Net Lease Corporation.

(8) Investment is pledged as collateral for the DB Credit Facility, a revolving credit facility among New Mountain Finance DB, L.L.C as the Borrower and Deutsche Bank AG, New York Branch as the Facility Agent. See Note 7. *Borrowings*, for details.

(9) The fair value of the Company's investment is determined using unobservable inputs that are significant to the overall fair value measurement. See Note 4. *Fair Value,* for details.

(10) Par value amounts represent the drawn or undrawn (as indicated in type of investment) portion of revolving credit facilities or delayed draws. Cost amounts represent the cash received at settlement date net of the impact of paydowns and cash paid for drawn revolvers or delayed draws.

(11) All interest is payable in cash unless otherwise indicated. A majority of the variable rate debt investments bear interest at a rate that may be determined by reference to the London Interbank Offered Rate (L), the Prime Rate (P) and the alternative base rate (Base) and which resets daily (D), weekly (W), monthly (M), quarterly (Q), semi-annually (S) or annually (A). For each investment the current interest rate provided reflects the rate in effect as of December 31, 2019.

(12) The Company holds investments in Education Management Corporation and one related entity of Education Management Corporation. The Company holds series A-1 convertible preferred stock and common stock in Education Management Corporation and holds tranche A first lien term loans and a tranche B first lien term loan in Education Management II LLC, which is an indirect subsidiary of Education Management Corporation.

(13) The Company holds investments in two related entities of Tenawa Resource Holdings LLC. The Company holds 4.77% of the common units in QID NGL LLC (which at closing represented 98.1% of the ownership in the common units in Tenawa Resource Holdings LLC), class A preferred units in QID NGL LLC and a first lien investment in Tenawa Resource Management LLC, a wholly-owned subsidiary of Tenawa Resource Holdings LLC.

(14) The Company holds investments in two wholly-owned subsidiaries of Alert Holding Company, Inc. The Company holds a first lien term loan and a first lien revolver in Appriss Holdings, Inc. and preferred equity in Alert Intermediate Holdings I, Inc. The preferred equity is entitled to receive preferential dividends at a rate of L + 10.0% per annum.

(15) The Company holds investments in Edmentum Ultimate Holdings, LLC and its related entities. The Company holds subordinated notes, ordinary equity and warrants in Edmentum Ultimate Holdings, LLC and holds a first lien term loan, second lien revolver and a second lien term loan in Edmentum, Inc. and Archipelago Learning, Inc., which are wholly-owned subsidiaries of Edmentum Ultimate Holdings, LLC.

(16) The Company holds preferred equity in Permian Holdco 1, Inc. that is entitled to receive cumulative preferential dividends at a rate of 12.0% per annum payable in additional shares.

(17) The Company holds preferred equity in UniTek Global Services, Inc. that is entitled to receive cumulative preferential dividends at a rate of 13.5% per annum payable in additional shares.

(18) The Company holds preferred equity in UniTek Global Services, Inc. that is entitled to receive cumulative preferential dividends at a rate of 19.0% per annum payable in additional shares.

(19) The Company holds preferred equity in UniTek Global Services, Inc. that is entitled to received cumulative preferential dividends at a rate of 20.0% per annum payable in additional shares.

(20) The Company holds ordinary shares and warrants in NHME Holdings Corp., as well as second lien term loans in National HME, Inc., a wholly-owned subsidiary of NHME Holdings Corp.

(21) The Company holds preferred equity in Bach Special Limited (Bach Preference Limited) that is entitled to receive cumulative preferential dividends at a rate of 12.25% per annum payable in additional shares.

(22) The Company holds preferred equity in Avatar Topco, Inc. and holds a second lien term loan investment in EAB Global, Inc., a wholly-owned subsidiary of Avatar Topco, Inc. The preferred equity is entitled to receive cumulative preferential dividends at a rate of L + 11.00% per annum.

(23) The Company holds preferred equity in Symplr Software Intermediate Holdings, Inc. and holds a first lien term loan investment in Symplr Software, Inc. (fka Caliper Software, Inc.), a wholly-owned subsidiary of Symplr Software Intermediate Holdings, Inc. The preferred equity is entitled to receive cumulative preferential dividends at a rate of L + 10.50% per annum.

(24) Investment or a portion of the investment is on non-accrual status. See Note 3. *Investments*, for details.

(25) The Company holds one security purchased under a collateralized agreement to resell on its Consolidated Statement of Assets and Liabilities with a cost basis of $30,000 and a fair value of $21,422 as of December 31, 2019. See Note 2. *Summary of Significant Accounting Policies*, for details.

New Mountain Finance Corporation

Consolidated Schedule of Investments (Continued)
December 31, 2019
(in thousands, except shares)

(26) Denotes investments in which the Company is an "Affiliated Person", as defined in the Investment Company Act of 1940, as amended (the "1940 Act"), due to owning or holding the power to vote 5.0% or more of the outstanding voting securities of the investment but not controlling the company. Fair value as of December 31, 2019 and December 31, 2018 along with transactions during the year ended December 31, 2019 in which the issuer was a non-controlled/affiliated investment is as follows:

Portfolio Company	Fair Value at December 31, 2018	Gross Additions (A)	Gross Redemptions (B)	Net Realized Gains (Losses)	Net Change In Unrealized Appreciation (Depreciation)	Fair Value at December 31, 2019	Interest Income	Dividend Income	Other Income
NMFC Senior Loan Program I LLC	$ 23,000	$ —	$ —	$ —	$ —	$ 23,000	$ —	$ 3,073	$ 1,142
Permian Holdco 1, Inc. / Permian Holdco 2, Inc. / Permian Holdco 3, Inc.	41,966	3,077	(100)	—	(4,322)	40,621	4,101	1,219	49
Sierra Hamilton Holdings Corporation	12,527	1,410	—	—	(4,031)	9,906	65	—	45
Total Non-Controlled/Affiliated Investments	**$ 77,493**	**$ 4,487**	**$ (100)**	**$ —**	**$ (8,353)**	**$ 73,527**	**$ 4,166**	**$ 4,292**	**$ 1,236**

(A) Gross additions include increases in the cost basis of investments resulting from new portfolio investments, payment-in-kind ("PIK") interest or dividends, the amortization of discounts, reorganizations or restructurings and the movement at fair value of an existing portfolio company into this category from a different category.

(B) Gross reductions include decreases in the cost basis of investments resulting from principal collections related to investment repayments or sales, reorganizations or restructurings and the movement of an existing portfolio company out of this category into a different category.

(27) Denotes investments in which the Company is in "Control", as defined in the 1940 Act, due to owning or holding the power to vote more than 25.0% of the outstanding voting securities of the investment. Fair value as of December 31, 2019 and December 31, 2018 along with transactions during the year ended December 31, 2019 in which the issuer was a controlled investment, is as follows:

Portfolio Company	Fair Value at December 31, 2018	Gross Additions (A)	Gross Redemptions (B)	Net Realized Gains (Losses)	Net Change In Unrealized Appreciation (Depreciation)	Fair Value at December 31, 2019	Interest Income	Dividend Income	Other Income
Edmentum Ultimate Holdings, LLC/Edmentum Inc.	$ 45,011	$ 14,850	$ (3,129)	$ 18	$ 22,380	$ 79,112	$ 5,781	$ —	$ 17
National HME, Inc./NHME Holdings Corp.	22,722	3,501	—	—	(1,244)	24,979	3,501	—	—
NM APP Canada, Corp.	9,727	—	—	—	1,047	10,774	—	920	—
NM APP US LLC	5,912	—	—	—	922	6,834	—	527	—
NM CLFX LP	12,770	—	—	—	(47)	12,723	—	1,550	—
NM DRVT LLC	5,619	—	—	—	397	6,016	—	565	—
NM JRA LLC	2,537	—	—	—	1,163	3,700	—	252	—
NM GLCR LP	20,343	—	—	—	3,457	23,800	—	1,761	—
NM KRLN LLC	4,205	—	—	—	(1,826)	2,379	—	832	—
NM NL Holdings, L.P.	33,392	11,492	—	—	3,424	48,308	—	3,692	—
NM GP Holdco, LLC	311	145	—	—	31	487	—	36	—
NM YI, LLC	—	6,272	—	—	67	6,339	—	240	—
NMFC Senior Loan Program II LLC	79,400	—	—	—	—	79,400	—	11,116	—
NMFC Senior Loan Program III LLC	78,400	21,600	—	—	—	100,000	—	10,520	—
UniTek Global Services, Inc.	82,788	12,225	(151)	—	(26,761)	68,101	1,246	8,918	600
Total Controlled Investments	**$ 403,137**	**$ 70,085**	**$ (3,280)**	**$ 18**	**$ 3,010**	**$ 472,952**	**$ 10,528**	**$ 40,929**	**$ 617**

(A) Gross additions include increases in the cost basis of investments resulting from new portfolio investments, PIK interest or dividends, the amortization of discounts, reorganizations or restructurings and the movement of an existing portfolio company into this category from a different category.

(B) Gross redemptions include decreases in the cost basis of investments resulting from principal collections related to investment repayments or sales, reorganizations or restructurings and the movement of an existing portfolio company out of this category into a different category.

* All or a portion of interest contains PIK interest.

** Indicates assets that the Company deems to be "non-qualifying assets" under Section 55(a) of the 1940 Act. Qualifying assets must represent at least 70.0% of the Company's total assets at the time of acquisition of any additional non-qualifying assets. As of December 31, 2019, 14.5% of the Company's total investments were non-qualifying assets.

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

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New Mountain Finance Corporation

Consolidated Schedule of Investments (Continued)
December 31, 2019
(in thousands, except shares)

Investment Type	December 31, 2019 Percent of Total Investments at Fair Value
First lien	57.01 %
Second lien	24.96 %
Subordinated	2.11 %
Equity and other	15.92 %
Total investments	100.00 %

Industry Type	December 31, 2019 Percent of Total Investments at Fair Value
Software	24.22 %
Business Services	20.58 %
Healthcare Services	17.45 %
Education	9.04 %
Investment Funds (includes investments in joint ventures)	6.40 %
Net Lease	3.84 %
Distribution & Logistics	3.38 %
Federal Services	3.22 %
Energy	3.19 %
Healthcare Information Technology	3.17 %
Consumer Services	2.86 %
Industrial Services	1.03 %
Food & Beverage	0.89 %
Packaging	0.40 %
Business Products	0.33 %
Total investments	100.00 %

Interest Rate Type	December 31, 2019 Percent of Total Investments at Fair Value
Floating rates	94.44 %
Fixed rates	5.56 %
Total investments	100.00 %

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

Notes to the Consolidated Financial Statements of
New Mountain Finance Corporation

March 31, 2020
(in thousands, except share data)
(unaudited)

Note 1. Formation and Business Purpose

New Mountain Finance Corporation (“NMFC” or the “Company”) is a Delaware corporation that was originally incorporated on June 29, 2010 and completed its initial public offering ("IPO") on May 19, 2011. NMFC is a closed-end, non-diversified management investment company that has elected to be regulated as a business development company (“BDC”) under the Investment Company Act of 1940, as amended (the “1940 Act”). NMFC has elected to be treated, and intends to comply with the requirements to continue to qualify annually, as a regulated investment company (“RIC”) under Subchapter M of the Internal Revenue Code of 1986, as amended (the “Code”). NMFC is also registered as an investment adviser under the Investment Advisers Act of 1940, as amended (the “Advisers Act”). Since NMFC’s IPO, and through March 31, 2020, NMFC raised approximately $893,183 in net proceeds from additional offerings of its common stock.

New Mountain Finance Advisers BDC, L.L.C. (the “Investment Adviser”) is a wholly-owned subsidiary of New Mountain Capital Group, L.P. (together with New Mountain Capital, L.L.C. and its affiliates, "New Mountain Capital") whose ultimate owners include Steven B. Klinsky and related and other vehicles. New Mountain Capital is a firm with a track record of investing in the middle market. New Mountain Capital focuses on investing in defensive growth companies across its private equity, public equity and credit investment vehicles. The Investment Adviser manages the Company's day-to-day operations and provides it with investment advisory and management services. The Investment Adviser also manages other funds that may have investment mandates that are similar, in whole or in part, to the Company's. New Mountain Finance Administration, L.L.C. (the "Administrator”), a wholly-owned subsidiary of New Mountain Capital, provides the administrative services necessary to conduct the Company's day-to-day operations.

The Company has established the following wholly-owned direct and indirect subsidiaries:

- New Mountain Finance Holdings, L.L.C. ("NMF Holdings" or the "Predecessor Operating Company") and New Mountain Finance DB, L.L.C. ("NMFDB"), whose assets are used secure NMF Holdings’ credit facility and NMFDB’s credit facility, respectively;
- New Mountain Finance SBIC, L.P. ("SBIC I") and New Mountain Finance SBIC II, L.P. ("SBIC II"), who have received licenses from the United States ("U.S.") Small Business Administration ("SBA") to operate as small business investment companies ("SBICs") under Section 301(c) of the Small Business Investment Act of 1958, as amended (the "1958 Act") and their general partners, New Mountain Finance SBIC G.P., L.L.C. ("SBIC I GP") and New Mountain Finance SBIC II G.P., L.L.C. ("SBIC II GP"), respectively;
- NMF Ancora Holdings Inc. ("NMF Ancora"), NMF QID Holdings, Inc. ("NMF QID") and NMF YP Holdings Inc. ("NMF YP"), which serve as tax blocker corporations by holding equity or equity-like investments in portfolio companies organized as limited liability companies (or other forms of pass-through entities); the Company consolidates its tax blocker corporations for accounting purposes but the tax blocker corporations are not consolidated for income tax purposes and may incur income tax expense as a result of their ownership of the portfolio companies; and
- New Mountain Finance Servicing, L.L.C. ("NMF Servicing"), which serves as the administrative agent on certain investment transactions.

New Mountain Net Lease Corporation ("NMNLC") is a majority-owned consolidated subsidiary of the Company, which acquires commercial real estate properties that are subject to ‘‘triple net’’ leases has elected to be treated, and intends to comply with the requirements to continue to qualify annually, as a real estate investment trust, or REIT, within the meaning of Section 856(a) of the Code.

The Company’s investment objective is to generate current income and capital appreciation through the sourcing and origination of debt securities at all levels of the capital structure, including first and second lien debt, notes, bonds and mezzanine securities. The first lien debt may include traditional first lien senior secured loans or unitranche loans. Unitranche loans combine characteristics of traditional first lien senior secured loans as well as second lien and subordinated loans. Unitranche loans will expose the Company to the risks associated with second lien and subordinated loans to the extent the Company invests in the “last out” tranche. In some cases, the Company’s investments may also include equity interests. The Company's primary focus is in the debt of defensive growth companies, which are defined as generally exhibiting the following characteristics: (i) sustainable secular growth drivers, (ii) high barriers to competitive entry, (iii) high free cash flow after capital expenditure and working capital needs, (iv) high returns on assets and (v) niche market dominance. Similar to the Company, SBIC I's and SBIC II's investment objectives are to generate current income and capital appreciation under the investment criteria used by the Company. However, SBIC I and SBIC II investments must be in SBA eligible small businesses. The Company's portfolio may be concentrated in a limited number of industries. As of March 31, 2020, the Company's top five industry concentrations were software, business services, healthcare services, education and investment funds (which includes the Company's investments in its joint ventures).

Note 2. Summary of Significant Accounting Policies

Basis of accounting—The Company's consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP"). The Company is an investment company following accounting and reporting guidance in Accounting Standards Codification Topic 946, *Financial Services—Investment Companies*, ("ASC 946"). NMFC consolidates its wholly-owned direct and indirect subsidiaries: NMF Holdings, NMFDB, NMF Servicing, SBIC I, SBIC I GP, SBIC II, SBIC II GP, NMF Ancora, NMF QID and NMF YP and its majority-owned consolidated subsidiary: NMNLC.

The Company's consolidated financial statements reflect all adjustments and reclassifications which, in the opinion of management, are necessary for the fair presentation of the results of operations and financial condition for all periods presented. All intercompany transactions have been eliminated. Revenues are recognized when earned and expenses when incurred. The financial results of the Company's portfolio investments are not consolidated in the financial statements.

The Company's interim consolidated financial statements are prepared in accordance with GAAP and pursuant to the requirements for reporting on Form 10-Q and Article 6 or 10 of Regulation S-X. Accordingly, the Company's interim consolidated financial statements do not include all of the information and notes required by GAAP for annual financial statements. In the opinion of management, all adjustments, consisting solely of normal recurring accruals considered necessary for the fair presentation of financial statements for the interim period, have been included. The current period's results of operations will not necessarily be indicative of results that ultimately may be achieved for the fiscal year ending December 31, 2020.

Investments—The Company applies fair value accounting in accordance with GAAP. Fair value is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Investments are reflected on the Company's Consolidated Statements of Assets and Liabilities at fair value, with changes in unrealized gains and losses resulting from changes in fair value reflected in the Company's Consolidated Statements of Operations as "Net change in unrealized appreciation (depreciation) of investments" and realizations on portfolio investments reflected in the Company's Consolidated Statements of Operations as "Net realized gains (losses) on investments".

The Company values its assets on a quarterly basis, or more frequently if required under the 1940 Act. In all cases, the Company's board of directors is ultimately and solely responsible for determining the fair value of the portfolio investments on a quarterly basis in good faith, including investments that are not publicly traded, those whose market prices are not readily available and any other situation where its portfolio investments require a fair value determination. Security transactions are accounted for on a trade date basis. The Company's quarterly valuation procedures are set forth in more detail below:

(1) Investments for which market quotations are readily available on an exchange are valued at such market quotations based on the closing price indicated from independent pricing services.

(2) Investments for which indicative prices are obtained from various pricing services and/or brokers or dealers are valued through a multi-step valuation process, as described below, to determine whether the quote(s) obtained is representative of fair value in accordance with GAAP.

a. Bond quotes are obtained through independent pricing services. Internal reviews are performed by the investment professionals of the Investment Adviser to ensure that the quote obtained is representative of fair value in accordance with GAAP and, if so, the quote is used. If the Investment Adviser is unable to sufficiently validate the quote(s) internally and if the investment's par value or its fair value exceeds the materiality threshold, the investment is valued similarly to those assets with no readily available quotes (see (3) below); and

b. For investments other than bonds, the Company looks at the number of quotes readily available and performs the following procedures:

i. Investments for which two or more quotes are received from a pricing service are valued using the mean of the mean of the bid and ask of the quotes obtained. The Company will evaluate the reasonableness of the quote, and if the quote is determined to not be representative of fair value, the Company will use one or more of the methodologies outlined below to determine fair value.

ii. Investments for which one quote is received from a pricing service are validated internally. The investment professionals of the Investment Adviser analyze the market quotes obtained using an array of valuation methods (further described below) to validate the fair value. If the Investment Adviser is unable to sufficiently validate the quote internally and if the investment's par value or its fair value exceeds the materiality threshold, the investment is valued similarly to those assets with no readily available quotes (see (3) below).

(3) Investments for which quotations are not readily available through exchanges, pricing services, brokers, or dealers are valued through a multi-step valuation process:

a. Each portfolio company or investment is initially valued by the investment professionals of the Investment Adviser responsible for the credit monitoring;

b. Preliminary valuation conclusions will then be documented and discussed with the Company's senior management;

c. If an investment falls into (3) above for four consecutive quarters and if the investment's par value or its fair value exceeds the materiality threshold, then at least once each fiscal year, the valuation for each portfolio investment for which the Company does not have a readily available market quotation will be reviewed by an independent valuation firm engaged by the Company's board of directors; and

d. When deemed appropriate by the Company's management, an independent valuation firm may be engaged to review and value investment(s) of a portfolio company, without any preliminary valuation being performed by the Investment Adviser. The investment professionals of the Investment Adviser will review and validate the value provided.

For investments in revolving credit facilities and delayed draw commitments, the cost basis of the funded investments purchased is offset by any costs/netbacks received for any unfunded portion on the total balance committed. The fair value is also adjusted for the price appreciation or depreciation on the unfunded portion. As a result, the purchase of a commitment not completely funded may result in a negative fair value until it is called and funded.

The values assigned to investments are based upon available information and do not necessarily represent amounts which might ultimately be realized, since such amounts depend on future circumstances and cannot be reasonably determined until the individual positions are liquidated. 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 and the fluctuations could be material.

See Note 3. *Investments*, for further discussion relating to investments.

New Mountain Net Lease Corporation

NMNLC was formed to acquire commercial real estate properties that are subject to "triple net" leases. NMNLC's investments are disclosed on the Company's Consolidated Schedule of Investments as of March 31, 2020.

On March 30, 2020, an affiliate of the Investment Adviser purchased directly from NMNLC 105,030 shares of NMNLC's common stock at a price of $107.73 per share, which represented the net asset value per share of NMNLC at the date of purchase, for an aggregate purchase price of approximately $11,315. Immediately thereafter, NMNLC redeemed 105,030 shares of its common stock held by NMFC in exchange for a promissory note with a principal amount of $11,315 and a 7.0% interest rate, which was repaid by NMNLC to NMFC on March 31, 2020.

Below is certain summarized property information for NMNLC as of March 31, 2020:

Portfolio Company	Tenant	Lease Expiration Date	Location	Total Square Feet	Fair Value as of March 31, 2020
NM NL Holdings LP / NM GP Holdco LLC	Various	Various	Various	Various	$ 45,917
NM GLCR LP	Arctic Glacier U.S.A.	2/28/2038	CA	214	22,282
NM CLFX LP	Victor Equipment Company	8/31/2033	TX	423	11,709
NM APP Canada, Corp.	A.P. Plasman, Inc.	9/30/2031	Canada	436	10,481
NM APP US LLC	Plasman Corp, LLC / A-Brite LP	9/30/2033	AL / OH	261	6,529
NM YI, LLC	Young Innovations, Inc.	10/31/2039	IL / MO	212	5,897
NM DRVT LLC	FMH Conveyors, LLC	10/31/2031	AR	195	5,783
NM JRA LLC	J.R. Automation Technologies, LLC	1/31/2031	MI	88	3,522
NM KRLN LLC	Kirlin Group, LLC	6/30/2029	MD	95	1,058
					$ 113,178

Collateralized agreements or repurchase financings—The Company follows the guidance in Accounting Standards Codification Topic 860, *Transfers and Servicing—Secured Borrowing and Collateral* ("ASC 860"), when accounting for transactions involving the purchases of securities under collateralized agreements to resell (resale agreements). These transactions are treated as collateralized financing transactions and are recorded at their contracted resale or repurchase amounts, as specified in the respective agreements. Interest on collateralized agreements is accrued and recognized over the life of the transaction and included in interest income. As of March 31, 2020 and December 31, 2019, the Company held one collateralized agreement to resell with a cost basis of $30,000 and $30,000, respectively, and a fair value of $21,422 and $21,422, respectively. The collateralized agreement to resell is on non-accrual. The collateralized agreement to resell is guaranteed by a private hedge fund, PPVA Fund, L.P. The private hedge fund is currently in liquidation under the laws of the Cayman Islands. Pursuant to the terms of the collateralized agreement, the private hedge fund was obligated to repurchase the collateral from the Company at the par value of the collateralized agreement. The private hedge fund has breached its agreement to repurchase the collateral under the collateralized agreement. The default by the private hedge fund did not release the collateral to the Company, and therefore, the Company does not have full rights and title to the collateral. A claim has been filed with the Cayman Islands joint official liquidators to resolve this matter. The joint official liquidators have recognized the Company's contractual rights under the collateralized agreement. The Company continues to exercise its rights under the collateralized agreement and continues to monitor the liquidation process of the private hedge fund. The fair value of the collateralized agreement to resell is reflective of the increased risk of the position.

Cash and cash equivalents—Cash and cash equivalents include cash and short-term, highly liquid investments. The Company defines cash equivalents as securities that are readily convertible into known amounts of cash and so near maturity that there is insignificant risk of changes in value. These securities have original maturities of three months or less. The Company did not hold any cash equivalents as of March 31, 2020 and December 31, 2019.

Revenue recognition

Sales and paydowns of investments: Realized gains and losses on investments are determined on the specific identification method.

Interest and dividend income: Interest income, including amortization of premium and discount using the effective interest method, is recorded on the accrual basis and periodically assessed for collectability. Interest income also includes interest earned from cash on hand. Upon the prepayment of a loan or debt security, any prepayment penalties are recorded as part of interest income. The Company has loans and certain preferred equity investments in the portfolio that contain a payment-in-kind ("PIK") interest or dividend provision. PIK interest and dividends are accrued and recorded as income at the contractual rates, if deemed collectible. The PIK interest and dividends are added to the principal or share balances on the capitalization dates and are generally due at maturity or when redeemed by the issuer. For the three months ended March 31, 2020 and March 31, 2019, the Company recognized PIK and non-cash interest from investments of $3,490 and $2,960, respectively, and PIK and non-cash dividends from investments of $1,544 and $4,310, respectively.

Dividend income on common equity is recorded on the record date for private portfolio companies or on the ex-dividend date for publicly traded portfolio companies. Dividend income on preferred securities is recorded as dividend income on an accrual basis to the extent that such amounts are deemed collectible.

Non-accrual income: Investments are placed on non-accrual status when principal or interest payments are past due for 30 days or more and when there is reasonable doubt that principal or interest will be collected. Accrued cash and un-capitalized PIK interest or dividends are reversed when an investment is placed on non-accrual status. Previously capitalized PIK interest or dividends are not reversed when an investment is placed on non-accrual status. Interest or dividend payments received on non-accrual investments may be recognized as income or applied to principal depending upon management's judgment of the ultimate collectibility. Non-accrual investments are restored to accrual status when past due principal and interest is paid and, in management's judgment, are likely to remain current.

Other income: Other income represents delayed compensation, consent or amendment fees, revolver fees, structuring fees, upfront fees, management fees from a non-controlled/affiliated investment and other miscellaneous fees received and are typically non-recurring in nature. Delayed compensation is income earned from counterparties on trades that do not settle within a set number of business days after trade date. Other income may also include fees from bridge loans. The Company may from time to time enter into bridge financing commitments, an obligation to provide interim financing to a counterparty until permanent credit can be obtained. These commitments are short-term in nature and may expire unfunded. A fee is received by the Company for providing such commitments. Structuring fees and upfront fees are recognized as income when earned, usually when paid at the closing of the investment, and are non-refundable.

Interest and other financing expenses—Interest and other financing fees are recorded on an accrual basis by the Company. See Note 7.*Borrowings*, for details.

Deferred financing costs—The deferred financing costs of the Company consist of capitalized expenses related to the origination and amending of the Company's borrowings. The Company amortizes these costs into expense over the stated life of the related borrowing. See Note 7. *Borrowings*, for details.

Deferred offering costs—The Company's deferred offering costs consist of fees and expenses incurred in connection with equity offerings and the filing of shelf registration statements. Upon the issuance of shares, offering costs are charged as a direct reduction to net assets. Deferred offering costs are included in other assets on the Company's Consolidated Statements of Assets and Liabilities.

Income taxes—The Company has elected to be treated, and intends to comply with the requirements to qualify annually, as a RIC under Subchapter M of the Code. As a RIC, the Company is not subject to U.S. federal income tax on the portion of taxable income and gains timely distributed to its stockholders.

To continue to qualify and be subject to tax as a RIC, the Company is required to meet certain income and asset diversification tests in addition to distributing at least 90.0% of its investment company taxable income, as defined by the Code. Since U.S. federal income tax regulations differ from GAAP, distributions in accordance with tax regulations may differ from net investment income and realized gains recognized for financial reporting purposes.

Differences between taxable income and the results of operations for financial reporting purposes may be permanent or temporary in nature. Permanent differences are reclassified among capital accounts in the financial statements to reflect their tax character. Differences in classification may also result from the treatment of short-term gains as ordinary income for tax purposes.

For U.S. federal income tax purposes, distributions paid to stockholders of the Company are reported as ordinary income, return of capital, long term capital gains or a combination thereof.

The Company will be subject to a 4.0% nondeductible federal excise tax on certain undistributed income unless the Company distributes, in a timely manner as required by the Code, an amount at least equal to the sum of (1) 98.0% of its respective net ordinary income earned for the calendar year and (2) 98.2% of its respective capital gain net income for the one-year period ending October 31 in the calendar year.

Certain consolidated subsidiaries of the Company are subject to U.S. federal and state income taxes. These taxable entities are not consolidated for income tax purposes and may generate income tax liabilities or assets from permanent and temporary differences in the recognition of items for financial reporting and income tax purposes.

For the three months ended March 31, 2020 and March 31, 2019, the Company recognized a total income tax benefit of approximately $898 and $93, respectively, for the Company's consolidated subsidiaries. For the three months ended March 31, 2020 and March 31, 2019, the Company recorded current income tax expense of approximately $0 and $17, respectively, and deferred income tax benefit of approximately $898 and $110, respectively.

As of March 31, 2020 and December 31, 2019, the Company had $14 and $912, respectively, of deferred tax liabilities primarily relating to deferred taxes attributable to certain differences between the computation of income for U.S. federal income tax purposes as compared to GAAP.

Based on its analysis, the Company has determined that there were no uncertain income tax positions that do not meet the more likely than not threshold as defined by Accounting Standards Codification Topic 740 ("ASC 740") through December 31, 2019. The 2016 through 2019 tax years remain subject to examination by the U.S. federal, state, and local tax authorities.

Distributions—Distributions to common stockholders of the Company are recorded on the record date as set by the board of directors. The Company intends to make distributions to its stockholders that will be sufficient to enable the Company to maintain its status as a RIC. The Company intends to distribute approximately all of its net investment income (see Note 5. *Agreements*) on a quarterly basis and substantially all of its taxable income on an annual basis, except that the Company may retain certain net capital gains for reinvestment.

The Company has adopted a dividend reinvestment plan that provides for reinvestment of any distributions declared on behalf of its stockholders, unless a stockholder elects to receive cash.

The Company applies the following in implementing the dividend reinvestment plan. If the price at which newly issued shares are to be credited to stockholders' accounts is equal to or greater than 110.0% of the last determined net asset value of the shares, the Company will use only newly issued shares to implement its dividend reinvestment plan. Under such circumstances, the number of shares to be issued to a stockholder is determined by dividing the total dollar amount of the distribution payable to such stockholder by the market price per share of the Company's common stock on the New York Stock Exchange ("NYSE") on the distribution payment date. Market price per share on that date will be the closing price for such shares on the NYSE or, if no sale is reported for such day, the average of their electronically reported bid and ask prices.

If the price at which newly issued shares are to be credited to stockholders' accounts is less than 110.0% of the last determined net asset value of the shares, the Company will either issue new shares or instruct the plan administrator to purchase shares in the open market to satisfy the additional shares required. Shares purchased in open market transactions by the plan administrator will be allocated to a stockholder based on the average purchase price, excluding any brokerage charges or other charges, of all shares of common stock purchased in the open market. The number of shares of the Company's common stock to be outstanding after giving effect to payment of the distribution cannot be established until the value per share at which additional shares will be issued has been determined and elections of the Company's stockholders have been tabulated.

Share repurchase program—On February 4, 2016, the Company's board of directors authorized a program for the purpose of repurchasing up to $50,000 worth of the Company's common stock. Under the repurchase program, the Company was permitted, but was not obligated, to repurchase its outstanding common stock in the open market from time to time provided that it complied with the Company's code of ethics and the guidelines specified in Rule 10b-18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), including certain price, market volume and timing constraints. In addition, any repurchases were conducted in accordance with the 1940 Act. On December 31, 2019, the Company's board of directors extended the Company's repurchase program and the Company expects the repurchase program to be in place until the earlier of December 31, 2020 or until $50,000 of its outstanding shares of common stock have been repurchased. During the three months ended March 31, 2020 and March 31, 2019, the Company did not repurchase any shares of the Company's common stock. The Company previously repurchased $2,948 of its common stock under the share repurchase program.

Earnings per share—The Company's earnings per share ("EPS") amounts have been computed based on the weighted-average number of shares of common stock outstanding for the period. Basic EPS is computed by dividing net increase (decrease) in net assets resulting from operations by the weighted average number of shares of common stock outstanding during the period of computation. Diluted EPS is computed by dividing net increase (decrease) in net assets resulting from operations by the weighted average number of shares of common stock assuming all potential shares had been issued, and its related net impact to net assets accounted for, and the additional shares of common stock were dilutive. Diluted EPS reflects the potential dilution, using the as-if-converted method for convertible debt, which could occur if all potentially dilutive securities were exercised.

Foreign securities—The accounting records of the Company are maintained in U.S. dollars. Investment securities denominated in foreign currencies are translated into U.S. dollars based on the rate of exchange of such currencies on the date of valuation. Purchases and sales of investment securities and income and expense items denominated in foreign currencies are translated into U.S. dollars based on the rate of exchange of such currencies on the respective dates of the transactions. The Company does not isolate that portion of the results of operations resulting from changes in foreign exchange rates on investments from the fluctuations arising from changes in market prices of securities held. Such fluctuations are included with "Net change in unrealized appreciation (depreciation)" and "Net realized gains (losses)" in the Company's Consolidated Statements of Operations.

Investments denominated in foreign currencies may be negatively affected by movements in the rate of exchange between the U.S. dollar and such foreign currencies. This movement is beyond the control of the Company and cannot be predicted.

Use of estimates—The preparation of the Company’s consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the Company’s consolidated financial statements and the reported amounts of revenues and expenses during the reporting periods. Changes in the economic environment, financial markets, and other metrics used in determining these estimates could cause actual results to differ from the estimates used, and the differences could be material.

Dividend income recorded related to distributions received from flow-through investments is an accounting estimate based on the most recent estimate of the tax treatment of the distribution.

Note 3. Investments

At March 31, 2020, the Company's investments consisted of the following:

Investment Cost and Fair Value by Type

	Cost	Fair Value
First lien	$ 1,890,570	$ 1,789,750
Second lien	745,487	696,740
Subordinated	58,106	46,983
Equity and other	492,342	457,844
Total investments	$ 3,186,505	$ 2,991,317

Investment Cost and Fair Value by Industry

	Cost	Fair Value
Software	$ 871,898	$ 850,864
Business Services	677,977	619,387
Healthcare Services	520,016	463,398
Education	230,268	213,626
Investment Fund (includes investments in joint ventures)	212,400	204,632
Net Lease	105,329	113,178
Healthcare Information Technology	106,745	104,760
Federal Services	104,898	100,284
Consumer Services	81,535	78,546
Distribution & Logistics	73,134	64,668
Specialty Chemicals & Materials	59,976	59,779
Energy	56,794	37,587
Industrial Services	32,659	31,942
Food & Beverage	27,768	26,548
Packaging	14,353	12,163
Business Products	10,755	9,955
Total investments	$ 3,186,505	$ 2,991,317

At December 31, 2019, the Company's investments consisted of the following:

Investment Cost and Fair Value by Type

	Cost	Fair Value
First lien	$ 1,803,747	$ 1,801,615
Second lien	796,921	788,868
Subordinated	71,904	66,774
Equity and other	478,969	503,023
Total investments	$ 3,151,541	$ 3,160,280

Investment Cost and Fair Value by Industry

	Cost	Fair Value
Software	$ 764,875	$ 765,499
Business Services	667,493	650,384
Healthcare Services	552,499	551,471
Education	267,064	285,781
Investment Funds (includes investments in joint ventures)	202,400	202,400
Net Lease	105,212	121,360
Distribution & Logistics	106,403	106,878
Federal Services	103,179	101,675
Energy	105,689	100,699
Healthcare Information Technology	99,581	100,050
Consumer Services	91,474	90,424
Industrial Services	32,736	32,708
Food & Beverage	27,834	27,957
Packaging	14,348	12,476
Business Products	10,754	10,518
Total investments	$ 3,151,541	$ 3,160,280

As of December 31, 2019, the Company placed its preferred shares in Permian Holdco 1, Inc. on non-accrual status. As of March 31, 2020, the Company placed its subordinated positions in Permian Holdco 2, Inc. on non-accrual status. As of March 31, 2020, the Company's investments in Permian Holdco 1, Inc. and Permian Holdco 2, Inc., which were placed on non-accrual status, had an aggregate cost basis of $9,858 and an aggregate fair value of $2,807. During the three months ended March 31, 2020, the Company reversed $3,418 of previously recorded PIK dividends related to its investment in Permian Holdco 1, Inc. as the Company believes these PIK dividends will ultimately not be collectible.

As of March 31, 2020, the Company placed its junior preferred shares in UniTek Global Services, Inc. on non-accrual status. As of March 31, 2020, the Company's investments in UniTek Global Services, Inc., which were placed on non-accrual status, had an aggregate cost basis of $34,393 and an aggregate fair value of $19,502.

During the first quarter of 2018, the Company placed its first lien positions in Education Management II LLC ("EDMC") on non-accrual status as EDMC announced its intention to wind down and liquidate the business. As of March 31, 2020, the Company's investment in EDMC, which was placed on non-accrual status, represented an aggregate cost basis of $961, an aggregate fair value of $3 and total unearned interest income of $28 for the three months then ended.

As of March 31, 2020, the Company had unfunded commitments on revolving credit facilities and bridge facilities of $47,891 and $0, respectively. As of March 31, 2020, the Company had unfunded commitments in the form of delayed draws or other future funding commitments of $103,029. The unfunded commitments on revolving credit facilities and delayed draws are disclosed on the Company's Consolidated Schedule of Investments as of March 31, 2020.

As of December 31, 2019, the Company had unfunded commitments on revolving credit facilities and bridge facilities of $66,061 and $0, respectively. As of December 31, 2019, the Company had unfunded commitments in the form of delayed draws or other future funding commitments of $137,781. The unfunded commitments on revolving credit facilities and delayed draws are disclosed on the Company's Consolidated Schedule of Investments as of December 31, 2019.

PPVA Black Elk (Equity) LLC

On May 3, 2013, the Company entered into a collateralized securities purchase and put agreement (the “SPP Agreement”) with a private hedge fund. Under the SPP Agreement, the Company purchased twenty million Class E Preferred Units of Black Elk Energy Offshore Operations, LLC (“Black Elk”) for $20,000 with a corresponding obligation of the private hedge fund, PPVA Black Elk (Equity) LLC, to repurchase the preferred units for $20,000 plus other amounts due under the SPP Agreement. The majority owner of Black Elk was the private hedge fund. In August 2014, the Company received a payment of $20,540, the full amount due under the SPP Agreement.

In August 2017, a trustee (the “Trustee”) for Black Elk informed the Company that the Trustee intended to assert a fraudulent conveyance claim (the “Claim”) against the Company and one of its affiliates seeking the return of the $20,540 repayment. Black Elk filed a Chapter 11 bankruptcy petition pursuant to the United States Bankruptcy Code in August 2015. The Trustee alleged that individuals affiliated with the private hedge fund conspired with Black Elk and others to improperly use proceeds from the sale of certain Black Elk assets to repay, in August 2014, the private hedge fund’s obligation to the Company under the SPP Agreement. The Company was unaware of these claims at the time the repayment was received. The private hedge fund is currently in liquidation under the laws of the Cayman Islands.

On December 22, 2017, the Company settled the Trustee’s $20,540 Claim for $16,000 and filed a claim with the Cayman Islands joint official liquidators of the private hedge fund for $16,000 that is owed to the Company under the SPP Agreement. The SPP Agreement was restored and is in effect since repayment has not been made. The Company continues to exercise its rights under the SPP Agreement and continues to monitor the liquidation process of the private hedge fund. As of March 31, 2020 and December 31, 2019, the SPP Agreement has a cost basis of $14,500 and $14,500, respectively, and a fair value of $10,354 and $10,354, respectively, which is reflective of the higher inherent risk in this transaction.

NMFC Senior Loan Program I LLC

NMFC Senior Loan Program I LLC (“SLP I”) was formed as a Delaware limited liability company on May 27, 2014 and commenced operations on June 10, 2014. SLP I is a portfolio company held by the Company. SLP I is structured as a private investment fund, in which all of the investors are qualified purchasers, as such term is defined under the 1940 Act. Transfer of interests in SLP I are subject to restrictions and, as a result, interests are not readily marketable. SLP I operates under a limited liability company agreement (the “SLP I Agreement”) and will continue in existence until August 31, 2022, subject to earlier termination pursuant to certain terms of the SLP I Agreement. The term may be extended pursuant to certain terms of the SLP I Agreement. SLP I's re-investment period is currently until August 31, 2020. SLP I invests in senior secured loans issued by companies within the Company’s core industry verticals. These investments are typically broadly syndicated first lien loans.

SLP I is capitalized with $93,000 of capital commitments and $265,000 of debt from a revolving credit facility and is managed by the Company. The Company’s capital commitment is $23,000, representing less than 25.0% ownership, with third party investors representing the remaining capital commitments. As of March 31, 2020, SLP I had total investments with an aggregate fair value of approximately $272,911, debt outstanding of $227,967 and capital that had been called and funded of $93,000. As of December 31, 2019, SLP I had total investments with an aggregate fair value of approximately $313,702, debt outstanding of $227,367 and capital that had been called and funded of $93,000. The Company’s investment in SLP I is disclosed on the Company’s Consolidated Schedule of Investments as of March 31, 2020 and December 31, 2019.

The Company, as an investment adviser registered under the Advisers Act, acts as the collateral manager to SLP I and is entitled to receive a management fee for its investment management services provided to SLP I. As a result, SLP I is classified as an affiliate of the Company. No management fee is charged on the Company's investment in SLP I in connection with the administrative services provided to SLP I. For the three months ended March 31, 2020 and March 31, 2019, the Company earned approximately $267 and $283, respectively, in management fees related to SLP I, which is included in other income. As of March 31, 2020 and December 31, 2019, approximately $545 and $277, respectively, of management fees related to SLP I was included in receivable from affiliates. For the three months ended March 31, 2020 and March 31, 2019, the Company earned approximately $720 and $726, respectively, of dividend income related to SLP I, which is included in dividend income. As of March 31, 2020 and December 31, 2019, approximately $812 and $747, respectively, of dividend income related to SLP I was included in interest and dividend receivable.

NMFC Senior Loan Program II LLC

NMFC Senior Loan Program II LLC ("SLP II") was formed as a Delaware limited liability company on March 9, 2016 and commenced operations on April 12, 2016. SLP II is structured as a private joint venture investment fund between the Company and SkyKnight Income, LLC (“SkyKnight”) and operates under a limited liability company agreement (the "SLP II Agreement"). The purpose of the joint venture is to invest primarily in senior secured loans issued by portfolio companies within the Company's core industry verticals. These investments are typically broadly syndicated first lien loans. All investment decisions must be unanimously approved by the board of managers of SLP II, which has equal representation from the

Company and SkyKnight. SLP II's investment period was until April 12, 2020 and SLP II will continue in existence until April 12, 2022. The term may be extended for up to one year pursuant to certain terms of the SLP II Agreement.

SLP II is capitalized with equity contributions which are called from its members, on a pro-rata basis based on their equity commitments, as transactions are completed. Any decision by SLP II to call down on capital commitments requires approval by the board of managers of SLP II. As of March 31, 2020, the Company and SkyKnight have committed and contributed $79,400 and $20,060, respectively, of equity to SLP II. The Company’s investment in SLP II is disclosed on the Company’s Consolidated Schedule of Investments as of March 31, 2020 and December 31, 2019.

On April 12, 2016, SLP II entered into its$275,000 revolving credit facility with Wells Fargo Bank, National Association, which matures on April 12, 2022 and bears interest at a rate of the London Interbank Offered Rate ("LIBOR") plus 1.60% per annum. As of March 31, 2020 and December 31, 2019, SLP II had total investments with an aggregate fair value of approximately $291,822 and $339,985, respectively, and debt outstanding under its credit facility of$236,770 and $246,870, respectively. As of March 31, 2020 and December 31, 2019, none of SLP II's investments were on non-accrual. Additionally, as ofMarch 31, 2020 and December 31, 2019, SLP II had unfunded commitments in the form of delayed draws of $1,344 and $3,155, respectively. Below is a summary of SLP II's portfolio, along with a listing of the individual investments in SLP II's portfolio as of March 31, 2020 and December 31, 2019:

	March 31, 2020	December 31, 2019
First lien investments (1)	$ 335,833	$ 351,160
Weighted average interest rate on first lien investments (2)	5.74 %	6.29 %
Number of portfolio companies in SLP II	36	37
Largest portfolio company investment (1)	$ 17,411	$ 17,456
Total of five largest portfolio company investments (1)	$ 78,467	$ 78,932

(1) Reflects principal amount or par value of investment.
(2) Computed as the all in interest rate in effect on accruing investments divided by the total principal amount of investments.

The following table is a listing of the individual investments in SLP II's portfolio as ofMarch 31, 2020:

Portfolio Company and Type of Investment	Industry	Interest Rate (1)	Maturity Date	Principal Amount or Par Value	Cost	Fair Value (2)
Funded Investments - First lien:						
Access CIG, LLC	Business Services	5.53% (L + 3.75%)	2/27/2025	$ 4,649	$ 4,631	$ 3,835
ADG, LLC	Healthcare Services	7.17% (L + 4.75% + 0.50% PIK)	9/28/2023	16,185	16,096	13,328
Advisor Group Holdings, Inc.	Consumer Services	5.99% (L + 5.00%)	7/31/2026	4,988	4,941	3,840
Bearcat Buyer, Inc.	Healthcare Services	5.70% (L + 4.25%)	7/9/2026	90	90	86
Bearcat Buyer, Inc.	Healthcare Services	5.70% (L + 4.25%)	7/9/2026	1,375	1,369	1,318
Bleriot US Bidco Inc.	Federal Services	7.00% (P + 3.75%)	10/31/2026	1,351	1,338	1,179
Bleriot US Bidco Inc.	Federal Services	6.20% (L + 4.75%)	10/30/2026	8,649	8,565	7,546
Brave Parent Holdings, Inc.	Software	5.78% (L + 4.00%)	4/18/2025	11,680	11,647	10,201
CentralSquare Technologies, LLC	Software	5.20% (L + 3.75%)	8/29/2025	14,813	14,782	11,554
CHA Holdings, Inc.	Business Services	5.57% (L + 4.50%)	4/10/2025	2,042	2,033	1,991
CHA Holdings, Inc.	Business Services	5.57% (L + 4.50%)	4/10/2025	10,670	10,633	10,363
CommerceHub, Inc.	Software	4.49% (L + 3.50%)	5/21/2025	2,456	2,447	2,063
Dealer Tire, LLC	Distribution & Logistics	5.24% (L + 4.25%)	12/12/2025	7,481	7,463	6,210
Drilling Info Holdings, Inc.	Business Services	5.24% (L + 4.25%)	7/30/2025	14,720	14,668	13,599
Edgewood Partners Holdings LLC	Business Services	5.25% (L + 4.25%)	9/6/2024	7,413	7,351	7,144
eResearchTechnology, Inc.	Healthcare Services	5.50% (L + 4.50%)	2/4/2027	3,145	3,114	2,809
Fastlane Parent Company, Inc.	Distribution & Logistics	5.49% (L + 4.50%)	2/4/2026	3,465	3,405	2,997
Greenway Health, LLC	Software	4.82% (L + 3.75%)	2/16/2024	14,588	14,543	9,555
Help/Systems Holdings, Inc.	Software	5.75% (L + 4.75%)	11/19/2026	4,444	4,402	3,845
Institutional Shareholder Services Inc.	Business Services	5.57% (L + 4.50%)	3/5/2026	13,860	13,739	11,573
Keystone Acquisition Corp.	Healthcare Services	6.70% (L + 5.25%)	5/1/2024	5,265	5,231	4,968
LSCS Holdings, Inc.	Healthcare Services	5.32% (L + 4.25%)	3/17/2025	1,879	1,877	1,738
LSCS Holdings, Inc.	Healthcare Services	5.32% (L + 4.25%)	3/17/2025	7,280	7,272	6,734
Market Track, LLC	Business Services	6.03% (L + 4.25%)	6/5/2024	11,670	11,632	9,686
MediaOcean, LLC	Software	4.99% (L + 4.00%)	8/18/2025	4,392	4,380	4,018
Medical Solutions Holdings, Inc.	Healthcare Services	5.50% (L + 4.50%)	6/14/2024	2,788	2,779	2,481
Ministry Brands, LLC	Software	5.62% (L + 4.00%)	12/2/2022	2,089	2,084	1,997
Ministry Brands, LLC	Software	5.62% (L + 4.00%)	12/2/2022	878	875	839
Ministry Brands, LLC	Software	5.62% (L + 4.00%)	12/2/2022	12,128	12,096	11,592
NorthStar Financial Services Group, LLC	Software	4.49% (L + 3.50%)	5/25/2025	5,885	5,862	4,796
Peraton Corp. (fka MHVC Acquisition Corp.)	Federal Services	6.87% (L + 5.25%)	4/29/2024	10,211	10,178	9,548
Premise Health Holding Corp.	Healthcare Services	4.95% (L + 3.50%)	7/10/2025	1,369	1,363	1,261
Project Accelerate Parent, LLC	Business Services	5.25% (L + 4.25%)	1/2/2025	12,513	12,468	9,698
PSC Industrial Holdings Corp.	Industrial Services	4.75% (L + 3.75%)	10/11/2024	3,052	3,031	2,819
Quest Software US Holdings Inc.	Software	6.03% (L + 4.25%)	5/16/2025	14,812	14,755	13,673
Salient CRGT Inc.	Federal Services	7.57% (L + 6.50%)	2/28/2022	13,040	12,985	12,421
Wirepath LLC	Distribution & Logistics	5.07% (L + 4.00%)	8/5/2024	14,775	14,775	12,928
WP CityMD Bidco LLC	Healthcare Services	5.95% (L + 4.50%)	8/13/2026	14,963	14,822	13,504
Wrench Group LLC	Consumer Services	5.00% (L + 4.00%)	4/30/2026	459	454	390
Wrench Group LLC	Consumer Services	5.45% (L + 4.00%)	4/30/2026	4,466	4,426	3,796
YI, LLC	Healthcare Services	5.45% (L + 4.00%)	11/7/2024	14,763	14,754	11,441
Zelis Cost Management Buyer, Inc.	Healthcare I.T.	5.74% (L + 4.75%)	9/30/2026	10,337	10,238	9,562
Zywave, Inc.	Software	6.78% (L + 5.00%)	11/17/2022	16,931	16,890	16,593
Zywave, Inc.	Software	6.78% (L + 5.00%)	11/17/2022	480	476	471
Total Funded Investments				**$ 334,489**	**$ 332,960**	**$ 291,990**
Unfunded Investments - First lien:						
Bearcat Buyer, Inc.	Healthcare Services	—	7/9/2021	$ 194	$ (1)	$ (8)
Premise Health Holding Corp.	Healthcare Services	—	7/10/2020	110	—	(4)
Wrench Group LLC	Consumer Services	—	4/30/2021	1,040	—	(156)
Total Unfunded Investments				**$ 1,344**	**$ (1)**	**$ (168)**
Total Investments				**$ 335,833**	**$ 332,959**	**$ 291,822**

(1) All interest is payable in cash unless otherwise indicated. A majority of the variable rate debt investments bear interest at a rate that may be determined by reference to the LIBOR (L), the Prime Rate (P) and the alternative base rate (Base). For each investment, the current interest rate provided reflects the rate in effect as of March 31, 2020.

(2) Represents the fair value in accordance with Accounting Standards Codification Topic 820, *Fair Value Measurement and Disclosures* ("ASC 820"). The Company's board of directors does not determine the fair value of the investments held by SLP II.

The following table is a listing of the individual investments in SLP II's portfolio as ofDecember 31, 2019:

Portfolio Company and Type of Investment	Industry	Interest Rate (1)	Maturity Date	Principal Amount or Par Value	Cost	Fair Value (2)
Funded Investments - First lien						
Access CIG, LLC	Business Services	5.44% (L + 3.75%)	2/27/2025	$ 9,833	$ 9,794	$ 9,841
ADG, LLC	Healthcare Services	7.17% (L + 4.75% + 0.50% PIK)	9/28/2023	16,074	15,980	15,813
Advisor Group Holdings, Inc.	Consumer Services	6.80% (L + 5.00%)	7/31/2026	5,000	4,952	4,972
Bearcat Buyer, Inc.	Healthcare Services	6.19% (L + 4.25%)	7/9/2026	1,379	1,372	1,372
Bearcat Buyer, Inc.	Healthcare Services	6.19% (L + 4.25%)	7/9/2026	90	90	90
Bleriot US Bidco Inc.	Federal Services	6.69% (L + 4.75%)	10/30/2026	8,649	8,563	8,746
Brave Parent Holdings, Inc.	Software	5.93% (L + 4.00%)	4/18/2025	15,267	15,222	15,045
CentralSquare Technologies, LLC	Software	5.55% (L + 3.75%)	8/29/2025	14,850	14,819	14,231
CHA Holdings, Inc.	Business Services	6.44% (L + 4.50%)	4/10/2025	10,697	10,658	10,683
CHA Holdings, Inc.	Business Services	6.44% (L + 4.50%)	4/10/2025	2,047	2,037	2,044
CommerceHub, Inc.	Software	5.30% (L + 3.50%)	5/21/2025	2,463	2,453	2,432
Drilling Info Holdings, Inc.	Business Services	6.05% (L + 4.25%)	7/30/2025	14,758	14,703	14,696
Edgewood Partners Holdings LLC	Business Services	6.05% (L + 4.25%)	9/6/2024	7,432	7,367	7,413
Explorer Holdings, Inc.	Healthcare Services	6.26% (L + 4.50%)	11/20/2026	3,145	3,113	3,171
Fastlane Parent Company, Inc.	Distribution & Logistics	6.44% (L + 4.50%)	2/4/2026	3,474	3,411	3,448
Greenway Health, LLC	Software	5.69% (L + 3.75%)	2/16/2024	14,625	14,578	13,053
Help/Systems Holdings, Inc.	Software	6.55% (L + 4.75%)	11/19/2026	4,444	4,400	4,428
Idera, Inc.	Software	6.30% (L + 4.50%)	6/28/2024	4,446	4,417	4,449
Institutional Shareholder Services Inc.	Business Services	6.44% (L + 4.50%)	3/5/2026	13,895	13,769	13,687
Keystone Acquisition Corp.	Healthcare Services	7.19% (L + 5.25%)	5/1/2024	5,278	5,243	5,173
LSCS Holdings, Inc.	Healthcare Services	6.31% (L + 4.25%)	3/17/2025	7,298	7,290	7,225
LSCS Holdings, Inc.	Healthcare Services	6.31% (L + 4.25%)	3/17/2025	1,884	1,882	1,865
Market Track, LLC	Business Services	6.18% (L + 4.25%)	6/5/2024	11,700	11,660	10,530
MediaOcean, LLC	Software	5.80% (L + 4.00%)	8/18/2025	7,392	7,372	7,410
Medical Solutions Holdings, Inc.	Healthcare Services	6.30% (L + 4.50%)	6/14/2024	2,795	2,786	2,791
Ministry Brands, LLC	Software	5.85% (L + 4.00%)	12/2/2022	12,160	12,124	12,160
Ministry Brands, LLC	Software	5.85% (L + 4.00%)	12/2/2022	2,095	2,089	2,095
Ministry Brands, LLC	Software	5.85% (L + 4.00%)	12/2/2022	880	877	880
NorthStar Financial Services Group, LLC	Software	5.30% (L + 3.50%)	5/25/2025	5,885	5,861	5,789
Peraton Corp. (fka MHVC Acquisition Corp.)	Federal Services	7.05% (L + 5.25%)	4/29/2024	10,237	10,203	10,193
Premise Health Holding Corp.	Healthcare Services	5.44% (L + 3.50%)	7/10/2025	1,372	1,367	1,358
Project Accelerate Parent, LLC	Business Services	5.99% (L + 4.25%)	1/2/2025	13,545	13,494	13,511
PSC Industrial Holdings Corp.	Industrial Services	5.49% (L + 3.75%)	10/11/2024	7,305	7,252	7,269
Quest Software US Holdings Inc.	Software	6.18% (L + 4.25%)	5/16/2025	14,850	14,790	14,739
Salient CRGT Inc.	Federal Services	8.29% (L + 6.50%)	2/28/2022	13,134	13,071	12,510
Spring Education Group, Inc. (fka SSH Group Holdings, Inc.)	Education	6.19% (L + 4.25%)	7/30/2025	716	715	721
Wirepath LLC	Distribution & Logistics	5.94% (L + 4.00%)	8/5/2024	14,813	14,813	12,886
WP CityMD Bidco LLC	Healthcare Services	6.44% (L + 4.50%)	8/13/2026	15,000	14,855	15,038
Wrench Group LLC	Consumer Services	6.19% (L + 4.25%)	4/30/2026	4,478	4,435	4,488
YI, LLC	Healthcare Services	5.94% (L + 4.00%)	11/7/2024	14,801	14,791	13,839
Zelis Cost Management Buyer, Inc.	Healthcare I.T.	6.55% (L + 4.75%)	9/30/2026	10,363	10,261	10,427
Zywave, Inc.	Software	6.93% (L + 5.00%)	11/17/2022	16,975	16,930	16,975
Zywave, Inc.	Software	6.84% (L + 5.00%)	11/17/2022	481	477	481
Total Funded Investments				**$ 348,005**	**$ 346,336**	**$ 339,967**
Unfunded Investments - First lien						
Bearcat Buyer, Inc.	Healthcare Services	—	7/9/2021	$ 194	$ (1)	$ (1)
Bleriot US Bidco Inc.	Federal Services	—	10/31/2020	1,351	(14)	15
Premise Health Holding Corp.	Healthcare Services	—	7/10/2020	110	—	—
Wrench Group LLC	Consumer Services	—	4/30/2021	1,500	—	4
Total Unfunded Investments				**$ 3,155**	**$ (15)**	**$ 18**
Total Investments				**$ 351,160**	**$ 346,321**	**$ 339,985**

(1) All interest is payable in cash unless otherwise indicated. A majority of the variable rate debt investments bear interest at a rate that may be determined by reference to the LIBOR (L), the Prime Rate (P) and the alternative base rate (Base). For each investment, the current interest rate provided reflects the rate in effect as of December 31, 2019.
(2) Represents the fair value in accordance with ASC 820. The Company's board of directors does not determine the fair value of the investments held by SLP II.

Below is certain summarized financial information for SLP II as ofMarch 31, 2020 and December 31, 2019 and for the three months ended March 31, 2020 and March 31, 2019:

Selected Balance Sheet Information:	**March 31, 2020**	**December 31, 2019**
Investments at fair value (cost of $332,959 and $346,321, respectively)	$ 291,822	$ 339,985
Cash and other assets	8,364	8,159
Total assets	$ 300,186	$ 348,144
Credit facility	$ 236,770	$ 246,870
Deferred financing costs	(1,188)	(1,408)
Distribution payable	3,250	3,250
Payable for unsettled securities purchased	—	3,113
Other liabilities	2,175	2,367
Total liabilities	241,007	254,192
Members' capital	$ 59,179	$ 93,952
Total liabilities and members' capital	$ 300,186	$ 348,144

Selected Statement of Operations	**Three Months Ended**	
Information:	**March 31, 2020**	**March 31, 2019**
Interest income	$ 5,447	$ 6,223
Other income	53	26
Total investment income	5,500	6,249
Interest and other financing expenses	2,145	2,773
Other expenses	132	135
Total expenses	2,277	2,908
Net investment income	3,223	3,341
Net realized gains on investments	56	8
Net change in unrealized (depreciation) appreciation of investments	(34,801)	1,547
Net (decrease) increase in members' capital	$ (31,522)	$ 4,896

For the three months ended March 31, 2020 and March 31, 2019, the Company earned approximately $2,581 and $3,176, respectively, of dividend income related to SLP II, which is included in dividend income. As of March 31, 2020 and December 31, 2019, approximately $2,581 and $2,581, respectively, of dividend income related to SLP II was included in interest and dividend receivable.

The Company has determined that SLP II is an investment company under ASC 946; however, in accordance with such guidance the Company will generally not consolidate its investment in a company other than a wholly-owned investment company subsidiary. Furthermore, Accounting Standards Codification Topic 810, *Consolidation* ("ASC 810"), concludes that in a joint venture where both members have equal decision making authority, it is not appropriate for one member to consolidate the joint venture since neither has control. Accordingly, the Company does not consolidate SLP II.

Unconsolidated Significant Subsidiaries

In accordance with Regulation S-X Rule 10-01(b)(1), the Company evaluates its unconsolidated controlled portfolio companies as significant subsidiaries under this rule. As of March 31, 2020, NMFC Senior Loan Program III LLC ("SLP III") is considered a significant unconsolidated subsidiary under Regulation S-X Rule 10-01(b)(1). Based on the requirements under Regulation S-X 10-01(b)(1), the summarized consolidated financial information of SLP III is shown below.

NMFC Senior Loan Program III LLC

SLP III was formed as a Delaware limited liability company and commenced operations on April 25, 2018. SLP III is structured as a private joint venture investment fund between the Company and SkyKnight Income II, LLC (“SkyKnight II”) and operates under a limited liability company agreement (the "SLP III Agreement"). The purpose of the joint venture is to invest primarily in senior secured loans issued by portfolio companies within the Company's core industry verticals. These investments are typically broadly syndicated first lien loans. All investment decisions must be unanimously approved by the board of managers of SLP III, which has equal representation from the Company and SkyKnight II. SLP III has a five year investment period and will continue in existence until April 25, 2025. The investment period may be extended for up to one year pursuant to certain terms of the SLP III Agreement.

SLP III is capitalized with equity contributions which are called from its members, on a pro-rata basis based on their equity commitments, as transactions are completed. Any decision by SLP III to call down on capital commitments requires approval by the board of managers of SLP III. As of March 31, 2020, the Company and SkyKnight II have committed $120,000 and $30,000, respectively, of equity to SLP III. As of March 31, 2020, the Company and SkyKnight II have contributed $110,000 and $27,500, respectively, of equity to SLP III. The Company’s investment in SLP III is disclosed on the Company’s Consolidated Schedule of Investments as of March 31, 2020 and December 31, 2019.

On May 2, 2018, SLP III entered into its revolving credit facility with Citibank, N.A., which matures on May 2, 2023 and bears interest at a rate of LIBOR plus 1.70% per annum. Effective February 13, 2020, SLP III's revolving credit facility has a maximum borrowing capacity of $450,000. As of March 31, 2020 and December 31, 2019, SLP III had total investments with an aggregate fair value of approximately $462,537 and $475,198, respectively, and debt outstanding under its credit facility of $401,600 and $355,400, respectively. As of March 31, 2020 and December 31, 2019, none of SLP III's investments were on non-accrual. Additionally, as of March 31, 2020 and December 31, 2019, SLP III had unfunded commitments in the form of delayed draws of $9,878 and $10,608, respectively. Below is a summary of SLP III's portfolio, along with a listing of the individual investments in SLP III's portfolio as of March 31, 2020 and December 31, 2019:

	March 31, 2020	December 31, 2019
First lien investments (1)	$ 543,798	$ 493,787
Weighted average interest rate on first lien investments (2)	5.34 %	5.95 %
Number of portfolio companies in SLP III	55	49
Largest portfolio company investment (1)	$ 23,894	$ 23,947
Total of five largest portfolio company investments (1)	$ 99,663	$ 99,906

(1) Reflects principal amount or par value of investment.

(2) Computed as the all in interest rate in effect on accruing investments divided by the total principal amount of investments.

The following table is a listing of the individual investments in SLP III's portfolio as ofMarch 31, 2020:

Portfolio Company and Type of Investment	Industry	Interest Rate (1)	Maturity Date	Principal Amount or Par Value	Cost	Fair Value (2)
Funded Investments - First lien						
Access CIG, LLC	Business Services	5.53% (L + 3.75%)	2/27/2025	$ 874	$ 874	$ 721
Advisor Group Holdings, Inc.	Consumer Services	5.99% (L + 5.00%)	7/31/2026	4,988	4,941	3,840
Affordable Care Holding Corp.	Healthcare Services	6.20% (L + 4.75%)	10/24/2022	5,948	5,875	5,183
AG Parent Holdings, LLC	Healthcare Services	6.45% (L + 5.00%)	7/31/2026	12,469	12,411	12,118
Aston FinCo S.a.r.l. / Aston US Finco, LLC	Software	6.13% (L + 4.25%)	10/9/2026	6,000	5,943	5,460
Astra Acquisition Corp.	Software	6.50% (L + 5.50%)	3/1/2027	11,577	11,491	11,490
Ascensus Specialties LLC	Business Services	6.33% (L + 4.75%)	9/24/2026	9,975	9,928	9,950
BCPE Empire Holdings, Inc.	Distribution & Logistics	4.99% (L + 4.00%)	6/11/2026	9,144	9,060	8,230
BCPE Empire Holdings, Inc.	Distribution & Logistics	4.99% (L + 4.00%)	6/11/2026	1,437	1,427	1,293
Bearcat Buyer, Inc.	Healthcare Services	5.70% (L + 4.25%)	7/9/2026	19,803	19,712	18,983
Bearcat Buyer, Inc.	Healthcare Services	5.70% (L + 4.25%)	7/9/2026	1,299	1,293	1,245
Bleriot US Bidco Inc.	Federal Services	6.20% (L + 4.75%)	10/31/2026	4,324	4,282	3,773
Bleriot US Bidco Inc.	Federal Services	6.20% (L + 4.75%)	10/31/2026	676	669	590
Bluefin Holding, LLC	Software	5.25% (L + 4.25%)	9/4/2026	9,975	9,835	9,564
Bracket Intermediate Holding Corp.	Healthcare Services	6.16% (L + 4.25%)	9/5/2025	14,775	14,715	11,894
Brave Parent Holdings, Inc.	Software	5.78% (L + 4.00%)	4/18/2025	11,304	11,272	9,872
CentralSquare Technologies, LLC	Software	5.20% (L + 3.75%)	8/29/2025	14,813	14,783	11,554
Certara Holdco, Inc.	Healthcare I.T.	4.95% (L + 3.50%)	8/15/2024	1,259	1,262	1,070
CHA Holdings, Inc.	Business Services	5.57% (L + 4.50%)	4/10/2025	985	985	957
CommerceHub, Inc.	Software	4.49% (L + 3.50%)	5/21/2025	14,738	14,681	12,379
Covenant Surgical Partners, Inc.	Healthcare Services	5.02% (L + 4.00%)	7/1/2026	9,950	9,859	8,408
CRCI Longhorn Holdings, Inc.	Business Services	4.49% (L + 3.50%)	8/8/2025	14,775	14,716	12,559
Dealer Tire, LLC	Distribution & Logistics	5.24% (L + 4.25%)	12/12/2025	9,975	9,950	8,279
Dentalcorp Health Services ULC (fka Dentalcorp Perfect Smile ULC)	Healthcare Services	4.75% (L + 3.75%)	6/6/2025	14,748	14,719	11,725
Drilling Info Holdings, Inc.	Business Services	5.24% (L + 4.25%)	7/30/2025	18,719	18,643	17,292
Edgewood Partners Holdings LLC	Business Services	5.25% (L + 4.25%)	9/6/2024	7,413	7,351	7,144
eResearchTechnology, Inc.	Healthcare Services	5.50% (L + 4.50%)	2/4/2027	3,931	3,892	3,512
EyeCare Partners, LLC	Healthcare Services	4.82% (L + 3.75%)	2/18/2027	12,162	12,147	10,054
Fastlane Parent Company, Inc.	Distribution & Logistics	5.49% (L + 4.50%)	2/4/2026	3,465	3,405	2,997
Greenway Health, LLC	Software	4.82% (L + 3.75%)	2/16/2024	14,633	14,641	9,584
Heartland Dental, LLC	Healthcare Services	4.74% (L + 3.75%)	4/30/2025	18,683	18,610	14,740
Help/Systems Holdings, Inc.	Software	5.75% (L + 4.75%)	11/19/2026	7,056	6,998	6,103
Idera, Inc.	Software	5.08% (L + 4.00%)	6/28/2024	5,558	5,535	4,891
Institutional Shareholder Services Inc.	Business Services	5.57% (L + 4.50%)	3/5/2026	990	981	827
Kestra Advisor Services Holdings A, Inc.	Business Services	5.24% (L + 4.25%)	6/3/2026	9,452	9,381	8,129
LSCS Holdings, Inc.	Healthcare Services	5.32% (L + 4.25%)	3/17/2025	2,647	2,629	2,448
LSCS Holdings, Inc.	Healthcare Services	5.32% (L + 4.25%)	3/17/2025	683	679	632
Market Track, LLC	Business Services	6.03% (L + 4.25%)	6/5/2024	4,765	4,761	3,955
MED ParentCo, LP	Healthcare Services	5.24% (L + 4.25%)	8/31/2026	10,350	10,259	8,720
MED ParentCo, LP	Healthcare Services	5.21% (L + 4.25%)	8/31/2026	1,816	1,799	1,530
Ministry Brands, LLC	Software	5.62% (L + 4.00%)	12/2/2022	4,537	4,523	4,337
Ministry Brands, LLC	Software	5.62% (L + 4.00%)	12/2/2022	878	875	839
National Intergovernmental Purchasing Alliance Company	Business Services	5.20% (L + 3.75%)	5/23/2025	8,768	8,764	7,453
National Mentor Holdings, Inc. (aka Civitas Solutions, Inc.)	Healthcare Services	5.12% (L + 4.00%)	3/9/2026	8,946	8,946	8,141
National Mentor Holdings, Inc. (aka Civitas Solutions, Inc.)	Healthcare Services	5.46% (L + 4.00%)	3/9/2026	406	406	370
Navex Topco, Inc.	Software	4.24% (L + 3.25%)	9/5/2025	18,348	18,197	15,940
Netsmart Technologies, Inc.	Healthcare I.T.	5.20% (L + 3.75%)	4/19/2023	10,304	10,304	9,376
Newport Group Holdings II, Inc.	Business Services	5.20% (L + 3.75%)	9/12/2025	4,925	4,905	4,297
NorthStar Financial Services Group, LLC	Software	4.49% (L + 3.50%)	5/25/2025	11,770	11,726	9,593
Outcomes Group Holdings, Inc.	Healthcare Services	5.11% (L + 3.50%)	10/24/2025	3,426	3,419	2,827
Pelican Products, Inc.	Business Products	4.50% (L + 3.50%)	5/1/2025	4,912	4,903	4,016
Peraton Corp. (fka MHVC Acquisition Corp.)	Federal Services	6.87% (L + 5.25%)	4/29/2024	15,391	15,334	14,390

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Portfolio Company and Type of Investment	Industry	Interest Rate (1)	Maturity Date	Principal Amount or Par Value	Cost	Fair Value (2)
Premise Health Holding Corp.	Healthcare Services	4.95% (L + 3.50%)	7/10/2025	13,689	13,634	12,613
Project Accelerate Parent, LLC	Business Services	5.25% (L + 4.25%)	1/2/2025	9,899	9,855	7,672
Quest Software US Holdings Inc.	Software	6.03% (L + 4.25%)	5/16/2025	14,811	14,756	13,673
Sierra Enterprises, LLC	Food & Beverage	5.00% (L + 4.00%)	11/11/2024	2,450	2,448	2,021
Spring Education Group, Inc. (fka SSH Group Holdings, Inc.)	Education	5.70% (L + 4.25%)	7/30/2025	14,775	14,746	11,931
TIBCO Software Inc.	Software	4.74% (L + 3.75%)	6/30/2026	7,692	7,673	7,308
Wirepath LLC	Distribution & Logistics	5.07% (L + 4.00%)	8/5/2024	17,258	17,258	15,101
WP CityMD Bidco LLC	Healthcare Services	5.76% (L + 4.50%)	8/13/2026	20,019	19,831	18,067
VT Topco, Inc.	Business Services	4.95% (L + 3.50%)	8/1/2025	2,816	2,816	2,422
YI, LLC	Healthcare Services	5.07% (L + 4.00%)	11/7/2024	9,766	9,759	7,569
Total Funded Investments				**$ 533,920**	**$ 531,472**	**$ 463,651**
Unfunded Investments - First lien						
BCPE Empire Holdings, Inc.	Distribution & Logistics	—	6/11/2021	$ 369	$ (4)	$ (37)
Bearcat Buyer, Inc.	Healthcare Services	—	7/9/2021	2,792	(14)	(116)
Covenant Surgical Partners, Inc.	Healthcare Services	—	7/1/2021	2,000	(20)	(310)
EyeCare Partners, LLC	Healthcare Services	—	2/18/2022	2,838	—	(492)
MED ParentCo, LP	Healthcare Services	—	8/27/2021	776	(8)	(122)
Premise Health Holding Corp.	Healthcare Services	—	7/10/2020	1,103	(3)	(37)
Total Unfunded Investments				**$ 9,878**	**$ (49)**	**$ (1,114)**
Total Investments				**$ 543,798**	**$ 531,423**	**$ 462,537**

(1) All interest is payable in cash unless otherwise indicated. A majority of the variable rate debt investments bear interest at a rate that may be determined by reference to the LIBOR (L), the Prime Rate (P) and the alternative base rate (Base). For each investment, the current interest rate provided reflects the rate in effect as of March 31, 2020.

(2) Represents the fair value in accordance with ASC 820. The Company's board of directors does not determine the fair value of the investments held by SLP III.

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The following table is a listing of the individual investments in SLP III's portfolio as ofDecember 31, 2019:

Portfolio Company and Type of Investment	Industry	Interest Rate (1)	Maturity Date	Principal Amount or Par Value	Cost	Fair Value (2)
Funded Investments - First lien						
Access CIG, LLC	Business Services	5.44% (L + 3.75%)	2/27/2025	$ 1,204	$ 1,204	$ 1,205
Advisor Group Holdings, Inc.	Consumer Services	6.80% (L + 5.00%)	7/31/2026	5,000	4,952	4,972
Affordable Care Holding Corp.	Healthcare Services	6.59% (L + 4.75%)	10/24/2022	5,963	5,884	5,814
AG Parent Holdings, LLC	Healthcare Services	6.91% (L + 5.00%)	7/31/2026	12,500	12,440	12,406
Aston FinCo S.a r.l. / Aston US Finco, LLC	Software	6.26% (L + 4.25%)	10/9/2026	6,000	5,941	5,970
Ascensus Specialties LLC	Business Services	6.44% (L + 4.75%)	9/24/2026	10,000	9,951	9,975
BCPE Empire Holdings, Inc.	Distribution & Logistics	5.80% (L + 4.00%)	6/11/2026	9,167	9,080	9,224
BCPE Empire Holdings, Inc.	Distribution & Logistics	5.80% (L + 4.00%)	6/11/2026	229	243	231
Bearcat Buyer, Inc.	Healthcare Services	6.19% (L + 4.25%)	7/9/2026	19,853	19,759	19,753
Bearcat Buyer, Inc.	Healthcare Services	6.19% (L + 4.25%)	7/9/2026	1,302	1,296	1,296
Bleriot US Bidco Inc.	Federal Services	6.69% (L + 4.75%)	10/30/2026	4,324	4,281	4,373
Bluefin Holding, LLC	Software	6.14% (L + 4.25%)	9/4/2026	10,000	9,855	9,900
Bracket Intermediate Holding Corp.	Healthcare Services	6.35% (L + 4.25%)	9/5/2025	14,813	14,750	14,775
Brave Parent Holdings, Inc.	Software	5.93% (L + 4.00%)	4/18/2025	14,775	14,732	14,560
CentralSquare Technologies, LLC	Software	5.55% (L + 3.75%)	8/29/2025	14,850	14,819	14,231
Certara Holdco, Inc.	Healthcare I.T.	5.44% (L + 3.50%)	8/15/2024	1,262	1,266	1,262
CHA Holdings, Inc.	Business Services	6.44% (L + 4.50%)	4/10/2025	987	987	986
CommerceHub, Inc.	Software	5.30% (L + 3.50%)	5/21/2025	14,775	14,716	14,590
Covenant Surgical Partners, Inc.	Healthcare Services	5.69% (L + 4.00%)	7/1/2026	9,975	9,881	9,913
CRCI Longhorn Holdings, Inc.	Business Services	5.19% (L + 3.50%)	8/8/2025	14,813	14,751	14,414
Dentalcorp Health Services ULC (fka Dentalcorp Perfect Smile ULC)	Healthcare Services	5.55% (L + 3.75%)	6/6/2025	14,786	14,755	14,737
Drilling Info Holdings, Inc.	Business Services	6.05% (L + 4.25%)	7/30/2025	18,766	18,688	18,688
Edgewood Partners Holdings LLC	Business Services	6.05% (L + 4.25%)	9/6/2024	7,432	7,367	7,413
Explorer Holdings, Inc.	Healthcare Services	6.25% (L + 4.50%)	11/20/2026	3,931	3,892	3,964
Fastlane Parent Company, Inc.	Distribution & Logistics	6.44% (L + 4.50%)	2/4/2026	3,474	3,411	3,448
Greenway Health, LLC	Software	5.69% (L + 3.75%)	2/16/2024	14,670	14,679	13,093
Heartland Dental, LLC	Healthcare Services	5.55% (L + 3.75%)	4/30/2025	18,317	18,243	18,248
Help/Systems Holdings, Inc.	Software	6.55% (L + 4.75%)	11/19/2026	5,556	5,500	5,535
Idera, Inc.	Software	6.30% (L + 4.50%)	6/28/2024	5,572	5,548	5,576
Institutional Shareholder Services Inc.	Business Services	6.44% (L + 4.50%)	3/5/2026	993	983	978
Kestra Advisor Services Holdings A, Inc.	Business Services	6.20% (L + 4.25%)	6/3/2026	9,476	9,402	9,477
LSCS Holdings, Inc.	Healthcare Services	6.31% (L + 4.25%)	3/17/2025	2,654	2,634	2,627
LSCS Holdings, Inc.	Healthcare Services	6.31% (L + 4.25%)	3/17/2025	685	680	678
Market Track, LLC	Business Services	6.18% (L + 4.25%)	6/5/2024	4,778	4,773	4,300
MED ParentCo, LP	Healthcare Services	6.05% (L + 4.25%)	8/31/2026	10,376	10,282	10,402
MED ParentCo, LP	Healthcare Services	6.05% (L + 4.25%)	8/31/2026	553	549	554
Ministry Brands, LLC	Software	5.85% (L + 4.00%)	12/2/2022	4,549	4,534	4,549
Ministry Brands, LLC	Software	5.85% (L + 4.00%)	12/2/2022	880	877	880
National Intergovernmental Purchasing Alliance Company	Business Services	5.69% (L + 3.75%)	5/23/2025	8,790	8,786	8,790
Navex Topco, Inc.	Software	5.05% (L + 3.25%)	9/5/2025	18,394	18,237	18,448
Netsmart Technologies, Inc.	Healthcare I.T.	5.55% (L + 3.75%)	4/19/2023	10,330	10,330	10,308
Newport Group Holdings II, Inc.	Business Services	5.65% (L + 3.75%)	9/12/2025	4,938	4,917	4,950
NorthStar Financial Services Group, LLC	Software	5.30% (L + 3.50%)	5/25/2025	11,770	11,723	11,579
Outcomes Group Holdings, Inc.	Healthcare Services	5.41% (L + 3.50%)	10/24/2025	6,435	6,421	6,344
Pelican Products, Inc.	Business Products	5.24% (L + 3.50%)	5/1/2025	4,925	4,915	4,531
Peraton Corp. (fka MHVC Acquisition Corp.)	Federal Services	7.05% (L + 5.25%)	4/29/2024	15,430	15,371	15,363
Premise Health Holding Corp.	Healthcare Services	5.44% (L + 3.50%)	7/10/2025	13,723	13,666	13,580
Project Accelerate Parent, LLC	Business Services	5.99% (L + 4.25%)	1/2/2025	9,924	9,878	9,899
Quest Software US Holdings Inc.	Software	6.18% (L + 4.25%)	5/16/2025	14,850	14,790	14,739
Sierra Enterprises, LLC	Food & Beverage	5.80% (L + 4.00%)	11/11/2024	2,456	2,454	2,447
Spring Education Group, Inc. (fka SSH Group Holdings, Inc.)	Education	6.19% (L + 4.25%)	7/30/2025	14,812	14,782	14,905
Wirepath LLC	Distribution & Logistics	5.94% (L + 4.00%)	8/5/2024	17,302	17,302	15,053

Portfolio Company and Type of Investment	Industry	Interest Rate (1)	Maturity Date	Principal Amount or Par Value	Cost	Fair Value (2)
WP CityMD Bidco LLC	Healthcare Services	6.44% (L + 4.50%)	8/13/2026	20,069	19,875	20,119
YI, LLC	Healthcare Services	5.94% (L + 4.00%)	11/7/2024	9,791	9,784	9,155
Total Funded Investments				**$ 483,179**	**$ 480,816**	**$ 475,207**
Unfunded Investments - First lien						
BCPE Empire Holdings, Inc.	Distribution & Logistics	—	6/11/2021	$ 1,580	$ (16)	$ 10
Bearcat Buyer, Inc.	Healthcare Services	—	7/9/2021	2,792	(14)	(14)
Bleriot US Bidco Inc.	Federal Services	—	10/31/2020	676	(7)	8
Covenant Surgical Partners, Inc.	Healthcare Services	—	7/1/2021	2,000	(20)	(13)
Heartland Dental, LLC	Healthcare Services	—	4/30/2020	413	—	(2)
MED ParentCo, LP	Healthcare Services	—	8/27/2021	2,044	(20)	5
Premise Health Holding Corp.	Healthcare Services	—	7/10/2020	1,103	(3)	(3)
Total Unfunded Investments				**$ 10,608**	**$ (80)**	**$ (9)**
Total Investments				**$ 493,787**	**$ 480,736**	**$ 475,198**

(1) All interest is payable in cash unless otherwise indicated. A majority of the variable rate debt investments bear interest at a rate that may be determined by reference to the LIBOR (L), the Prime Rate (P) and the alternative base rate (Base). For each investment, the current interest rate provided reflects the rate in effect as of December 31, 2019.

(2) Represents the fair value in accordance with ASC 820. The Company's board of directors does not determine the fair value of the investments held by SLP III.

Below is certain summarized financial information for SLP III as ofMarch 31, 2020 and December 31, 2019 and for the three months ended March 31, 2020 and March 31, 2019:

Selected Balance Sheet Information:	**March 31, 2020**	**December 31, 2019**
Investments at fair value (cost of $531,423 and $480,736)	$ 462,537	$ 475,198
Cash and other assets	15,472	12,836
Total assets	$ 478,009	$ 488,034
Credit facility	$ 401,600	$ 355,400
Deferred financing costs	(2,773)	(2,385)
Payable for unsettled securities purchased	—	8,166
Distribution payable	3,592	3,650
Other liabilities	6,832	3,736
Total liabilities	409,251	368,567
Members' capital	$ 68,758	$ 119,467
Total liabilities and members' capital	$ 478,009	$ 488,034

Selected Statement of Operations Information:	Three Months Ended	
	March 31, 2020	March 31, 2019
Interest income	$ 7,407	$ 6,293
Other income	181	70
Total investment income	7,588	6,363
Interest and other financing expenses	3,696	3,391
Other expenses	157	138
Total expenses	3,853	3,529
Net investment income	3,735	2,834
Net realized (losses) gains on investments	(2)	33
Net change in unrealized (depreciation) appreciation of investments	(63,348)	2,967
Net (decrease) increase in members' capital	$ (59,615)	$ 5,834

For the three months ended March 31, 2020 and March 31, 2019, the Company earned approximately $2,874 and $2,720, respectively, of dividend income related to SLP III, which is included in dividend income. As of March 31, 2020 and December 31, 2019, approximately $2,874 and $2,920, respectively, of dividend income related to SLP III was included in interest and dividend receivable.

The Company has determined that SLP III is an investment company under ASC 946; however, in accordance with such guidance the Company will generally not consolidate its investment in a company other than a wholly-owned investment company subsidiary. Furthermore, ASC 810 concludes that in a joint venture where both members have equal decision making authority, it is not appropriate for one member to consolidate the joint venture since neither has control. Accordingly, the Company does not consolidate SLP III.

Investment Risk Factors

First and second lien debt that the Company invests in is almost entirely rated below investment grade or may be unrated. Debt investments rated below investment grade are often referred to as “leveraged loans”, “high yield” or “junk” debt investments, and may be considered “high risk” compared to debt investments that are rated investment grade. These debt investments are considered speculative because of the credit risk of the issuers. Such issuers are considered more likely than investment grade issuers to default on their payments of interest and principal, and such risk of default could reduce the net asset value and income distributions of the Company. In addition, some of the Company’s debt investments will not fully amortize during their lifetime, which could result in a loss or a substantial amount of unpaid principal and interest due upon maturity. First and second lien debt may also lose significant market value before a default occurs. Furthermore, an active trading market may not exist for these first and second lien debt investments. This illiquidity may make it more difficult to value the debt.

Subordinated debt is generally subject to similar risks as those associated with first and second lien debt, except that such debt is subordinated in payment and/or lower in lien priority. Subordinated debt is subject to the additional risk that the cash flow of the borrower and the property securing the debt, if any, may be insufficient to meet scheduled payments after giving effect to the senior secured and unsecured obligations of the borrower.

The Company may directly invest in the equity of private companies or, in some cases, equity investments could be made in connection with a debt investment. Equity investments may or may not fluctuate in value, resulting in recognized realized gains or losses upon disposition.

The Company's financial condition and portfolio companies may be negatively impacted by the recent outbreak of the novel strain of coronavirus ("COVID-19"). On March 11, 2020, the World Health Organization declared COVID-19 a pandemic, and on March 13, 2020, a national emergency was declared in the U.S. The ongoing spread of COVID-19 has had, and will continue to have, a material adverse impact on the U.S. and global economy as commercial activity and public perception have been negatively impacted by the outbreak. The ultimate extent which the COVID-19 crisis will impact our financial condition and portfolio companies will depend on future developments affecting not only us, but also the entire U.S. and global economy, which are inherently uncertain, including, among others, new information that may emerge concerning the severity and rate of spread of the disease.

Note 4. Fair Value

Fair value is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. ASC 820 establishes a fair value hierarchy that prioritizes and ranks the inputs to valuation techniques used in measuring investments at fair value. The hierarchy classifies the inputs used in measuring fair value into three levels as follows:

Level I—Quoted prices (unadjusted) are available in active markets for identical investments and the Company has the ability to access such quotes as of the reporting date. The type of investments which would generally be included in Level I include active exchange-traded equity securities and exchange-traded derivatives. As required by ASC 820, the Company, to the extent that it holds such investments, 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 II—Pricing inputs are observable for the investments, either directly or indirectly, as of the reporting date, but are not the same as those used in Level I. Level II inputs include the following:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in non-active markets (examples include corporate and municipal bonds, which trade infrequently);
- Pricing models whose inputs are observable for substantially the full term of the asset or liability (examples include most over-the-counter derivatives, including foreign exchange forward contracts); and
- Pricing models whose inputs are derived principally from or corroborated by observable market data through correlation or other means for substantially the full term of the asset or liability.

Level III—Pricing inputs are unobservable for the investment and include situations where there is little, if any, market activity for the investment.

The inputs used to measure fair value may fall into different levels. In all instances when the inputs fall within different levels of the hierarchy, the level within which the fair value measurement is categorized is based on the lowest level of input that is significant to the fair value measurement in its entirety. As such, a Level III fair value measurement may include inputs that are both observable and unobservable. Gains and losses for such assets categorized within the Level III table below may include changes in fair value that are attributable to both observable inputs and unobservable inputs.

The inputs into the determination of fair value require significant judgment or estimation by management and consideration of factors specific to each investment. A review of the fair value hierarchy classifications is conducted on a quarterly basis. Changes in the observability of valuation inputs may result in the transfer of certain investments within the fair value hierarchy from period to period.

The following table summarizes the levels in the fair value hierarchy that the Company's portfolio investments fall into as of March 31, 2020:

	Total	Level I	Level II	Level III
First lien	$ 1,789,750	$ —	$ 50,695	$ 1,739,055
Second lien	696,740	—	67,542	629,198
Subordinated	46,983	—	4,931	42,052
Equity and other	457,844	—	—	457,844
Total investments	$ 2,991,317	$ —	$ 123,168	$ 2,868,149

The following table summarizes the levels in the fair value hierarchy that the Company's portfolio investments fall into as of December 31, 2019:

	Total	Level I	Level II	Level III
First lien	$ 1,801,615	$ —	$ 263,192	$ 1,538,423
Second lien	788,868	—	369,477	419,391
Subordinated	66,774	—	20,870	45,904
Equity and other	503,023	—	—	503,023
Total investments	$ 3,160,280	$ —	$ 653,539	$ 2,506,741

The following table summarizes the changes in fair value of Level III portfolio investments for thethree months ended March 31, 2020, as well as the portion of appreciation (depreciation) included in income attributable to unrealized appreciation (depreciation) related to those assets and liabilities still held by the Company at March 31, 2020:

	Total	First Lien	Second Lien	Subordinated	Equity and other
Fair value, December 31, 2019	$ 2,506,741	$ 1,538,423	$ 419,391	$ 45,904	$ 503,023
Total gains or losses included in earnings:					
Net realized (losses) gains on investments	(102)	(185)	—	—	83
Net change in unrealized (depreciation) appreciation	(181,399)	(86,236)	(31,724)	(4,888)	(58,551)
Purchases, including capitalized PIK and revolver fundings	220,476	195,654	10,497	1,036	13,289
Proceeds from sales and paydowns of investments	(97,561)	(57,470)	(40,091)	—	—
Transfers into Level III(1)	434,918	148,869	286,049	—	—
Transfers out of Level III(1)	(14,924)	—	(14,924)	—	—
Fair Value, March 31, 2020	$ 2,868,149	$ 1,739,055	$ 629,198	$ 42,052	$ 457,844
Unrealized (depreciation) appreciation for the period relating to those Level III assets that were still held by the Company at the end of the period:	$ (181,745)	$ (86,312)	$ (31,994)	$ (4,888)	$ (58,551)

(1) As of March 31, 2020, portfolio investments were transferred into Level III from Level II and out of Level III into Level II at fair value as of the beginning of the period in which the reclassification occurred.

The following table summarizes the changes in fair value of Level III portfolio investments for thethree months ended March 31, 2019, as well as the portion of appreciation (depreciation) included in income attributable to unrealized appreciation (depreciation) related to those assets and liabilities still held by the Company at March 31, 2019:

	Total	First Lien	Second Lien	Subordinated	Equity and other
Fair value, December 31, 2018	$ 1,775,071	$ 987,528	$ 306,815	$ 40,087	$ 440,641
Total gains or losses included in earnings:					
Net realized gains on investments	38	31	7	—	—
Net change in unrealized appreciation (depreciation)	9,784	1,906	1,240	(480)	7,118
Purchases, including capitalized PIK and revolver fundings	149,741	95,493	47,055	1,284	5,909
Proceeds from sales and paydowns of investments	(10,711)	(7,854)	(2,857)	—	—
Transfers into Level III (1)	104,983	36,971	68,012	—	—
Transfers out of Level III (1)	(110,121)	(6,359)	(103,762)	—	—
Fair Value, March 31, 2019	$ 1,918,785	$ 1,107,716	$ 316,510	$ 40,891	$ 453,668
Unrealized appreciation (depreciation) for the period relating to those Level III assets that were still held by the Company at the end of the period:	$ 9,784	$ 1,906	$ 1,240	$ (480)	$ 7,118

(1) As of March 31, 2019, portfolio investments were transferred into Level III from Level II and out of Level III into Level II at fair value as of the beginning of the period in which the reclassification occurred.

Except as noted in the tables above, there were no other transfers in or out of Level I, II, or III during thethree months ended March 31, 2020 and March 31, 2019. Transfers into Level III occur as quotations obtained through pricing services are deemed not representative of fair value as of the balance sheet date and such assets are internally valued. As quotations obtained through pricing services are substantiated through additional market sources, investments are transferred out of Level III. In addition, transfers out of Level III and transfers into Level III occur based on the increase or decrease in the availability of certain observable inputs.

The Company invests in revolving credit facilities. These investments are categorized as Level III investments as these assets are not actively traded and their fair values are often implied by the term loans of the respective portfolio companies.

The Company generally uses the following framework when determining the fair value of investments where there are little, if any, market activity or observable pricing inputs. The Company typically determines the fair value of its performing debt investments utilizing an income approach. Additional consideration is given using a market based approach, as well as reviewing the overall underlying portfolio company's performance and associated financial risks. The following outlines additional details on the approaches considered:

Company Performance, Financial Review, and Analysis: Prior to investment, as part of its due diligence process, the Company evaluates the overall performance and financial stability of the portfolio company. Post investment, the Company analyzes each portfolio company's current operating performance and relevant financial trends versus prior year and budgeted results, including, but not limited to, factors affecting its revenue and earnings before interest, taxes, depreciation, and amortization ("EBITDA") growth, margin trends, liquidity position, covenant compliance and changes to its capital structure. The Company also attempts to identify and subsequently track any developments at the portfolio company, within its customer or vendor base or within the industry or the macroeconomic environment, generally, that may alter any material element of its original investment thesis. This analysis is specific to each portfolio company. The Company leverages the knowledge gained from its original due diligence process, augmented by this subsequent monitoring, to continually refine its outlook for each of its portfolio companies and ultimately form the valuation of its investment in each portfolio company. When an external event such as a purchase transaction, public offering or subsequent sale occurs, the Company will consider the pricing indicated by the external event to corroborate the private valuation.

For debt investments, the Company may employ the Market Based Approach (as described below) to assess the total enterprise value of the portfolio company, in order to evaluate the enterprise value coverage of the Company's debt investment. For equity investments or in cases where the Market Based Approach implies a lack of enterprise value coverage for the debt investment, the Company may additionally employ a discounted cash flow analysis based on the free cash flows of the portfolio company to assess the total enterprise value. After enterprise value coverage is demonstrated for the Company's debt investments through the method(s) above, the Income Based Approach (as described below) may be employed to estimate the fair value of the investment.

Market Based Approach: The Company may estimate the total enterprise value of each portfolio company by utilizing market value cash flow (EBITDA) multiples of publicly traded comparable companies and comparable transactions. The Company considers numerous factors when selecting the appropriate companies whose trading 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, and relevant risk factors, as well as size, profitability and growth expectations. The Company may apply an average of various relevant comparable company EBITDA multiples to the portfolio company's latest twelve month ("LTM") EBITDA or projected EBITDA to calculate the enterprise value of the portfolio company. Significant increases or decreases in the EBITDA multiple will result in an increase or decrease in enterprise value, which may result in an increase or decrease in the fair value estimate of the investment. In applying the market based approach as of March 31, 2020 and December 31, 2019, the Company used the relevant EBITDA multiple ranges set forth in the table below to determine the enterprise value of its portfolio companies. The Company believes these were reasonable ranges in light of current comparable company trading levels and the specific portfolio companies involved.

Income Based Approach: The Company also may use a discounted cash flow analysis to estimate the fair value of the investment. Projected cash flows represent the relevant security's contractual interest, fee and principal payments plus the assumption of full principal recovery at the investment's expected maturity date. These cash flows are discounted at a rate established utilizing a combination of a yield calibration approach and a comparable investment approach. The yield calibration approach incorporates changes in the credit quality (as measured by relevant statistics) of the portfolio company, as compared to changes in the yield associated with comparable credit quality market indices, between the date of origination and the valuation date. The comparable investment approach utilizes an average yield-to maturity of a selected set of high-quality, liquid investments to determine a comparable investment discount rate. Significant increases or decreases in the discount rate would result in a decrease or increase in the fair value measurement. In applying the income based approach as of March 31, 2020 and December 31, 2019, the Company used the discount ranges set forth in the table below to value investments in its portfolio companies.

The unobservable inputs used in the fair value measurement of the Company's Level III investments as ofMarch 31, 2020 were as follows:

Type	Fair Value as of March 31, 2020	Approach	Unobservable Input	Range Low	Range High	Range Weighted Average
First lien	$ 1,664,385	Market & income approach	EBITDA multiple	2.0x	31.5x	11.4x
			Revenue multiple	3.5x	11.0x	6.9x
			Discount rate	5.3%	21.7%	10.1%
	34,359	Market quote	Broker quote	N/A	N/A	N/A
	40,311	Other	N/A(1)	N/A	N/A	N/A
Second lien	629,198	Market & income approach	EBITDA multiple	4.3x	32.0x	9.0x
			Revenue multiple	0.3x	0.4x	0.4x
			Discount rate	8.9%	24.7%	12.1%
Subordinated	42,052	Market & income approach	EBITDA multiple	3.8x	15.0x	11.0x
			Discount rate	15.8%	42.9%	26.0%
Equity and other	456,905	Market & income approach	EBITDA multiple	4.5x	19.5x	11.9x
			Revenue multiple	0.3x	0.4x	0.4x
			Discount rate	6.4%	44.3%	15.1%
	781	Black Scholes analysis	Expected life in years	6.0	6.0	6.0
			Volatility	56.8%	56.8%	56.8%
			Discount rate	2.4%	2.4%	2.4%
	158	Other	N/A(1)	N/A	N/A	N/A
	$ 2,868,149					

(1) Fair value was determined based on transaction pricing or recent acquisition or sale as the best measure of fair value with no material changes in operations of the related portfolio company since the transaction date.

The unobservable inputs used in the fair value measurement of the Company's Level III investments as ofDecember 31, 2019 were as follows:

Type	Fair Value as of December 31, 2019	Approach	Unobservable Input	Range Low	Range High	Weighted Average
First lien	$ 1,239,847	Market & income approach	EBITDA multiple	2.0x	35.0x	14.1x
			Revenue multiple	3.5x	11.0x	6.5x
			Discount rate	6.3%	14.8%	8.6%
	298,576	Market quote	Broker quote	N/A	N/A	N/A
Second lien	196,494	Market & income approach	EBITDA multiple	6.5x	32.0x	14.8x
			Revenue multiple	0.1x	1.3x	0.7x
			Discount rate	8.6%	20.4%	11.6%
	222,897	Market quote	Broker quote	N/A	N/A	N/A
Subordinated	45,904	Market & income approach	EBITDA multiple	5.5x	15.0x	10.7x
			Discount rate	10.2%	35.0%	18.8%
Equity and other	502,125	Market & income approach	EBITDA multiple	5.5x	19.5x	11.9x
			Revenue multiple	0.1x	1.3x	0.7x
			Discount rate	6.2%	57.4%	13.8%
	898	Black Scholes analysis	Expected life in years	6.3	6.3	6.3
			Volatility	23.4%	23.4%	23.4%
			Discount rate	1.8%	1.8%	1.8%
	$ 2,506,741					

Based on a comparison to similar BDC credit facilities, the terms and conditions of the Holdings Credit Facility, the NMFC Credit Facility and the DB Credit Facility (as defined in Note 7. *Borrowings*) are representative of market. The carrying values of the Holdings Credit Facility, NMFC Credit Facility and DB Credit Facility approximate fair value as of March 31, 2020, as the facilities are continually monitored and examined by both the borrower and the lender and are considered Level III. The carrying value of the SBA-guaranteed debentures, the 2016 Unsecured Notes, the 2017A Unsecured Notes, the 2018A Unsecured Notes, the 2018B Unsecured Notes and the 2019A Unsecured Notes (as defined in Note 7. *Borrowings*) approximate fair value as of March 31, 2020 based on a comparison of market interest rates for the Company's borrowings and similar entities and are considered Level III. The fair value of the 2018 Convertible Notes and the 5.75% Unsecured Notes (as defined in Note 7. *Borrowings*) as of March 31, 2020 was $165,046 and $44,484, respectively, which was based on quoted prices and considered Level II. See Note 7.*Borrowings*, for details. The carrying value of the collateralized agreement approximates fair value as of March 31, 2020 and is considered Level III. The fair value of other financial assets and liabilities approximates their carrying value based on the short-term nature of these items.

Fair value risk factors—The Company seeks investment opportunities that offer the possibility of attaining substantial capital appreciation. Certain events particular to each industry in which the Company's portfolio companies conduct their operations, as well as general economic, political and public health conditions (including the COVID-19 outbreak), may have a significant negative impact on the operations and profitability of the Company's investments and/or on the fair value of the Company's investments. The Company's investments are subject to the risk of non-payment of scheduled interest or principal, resulting in a reduction in income to the Company and their corresponding fair valuations. Also, there may be risk associated with the concentration of investments in one geographic region or in certain industries. These events are beyond the control of the Company and cannot be predicted. Furthermore, the ability to liquidate investments and realize value is subject to uncertainties.

Note 5. Agreements

The Company entered into an investment advisory and management agreement (the "Investment Management Agreement") with the Investment Adviser which was most recently re-approved by the Company's board of directors on February 6, 2020. Under the Investment Management Agreement, the Investment Adviser manages the day-to-day operations of, and provides investment advisory services to, the Company. For providing these services, the Investment Adviser receives a fee from the Company, consisting of two components—a base management fee and an incentive fee.

Pursuant to the Investment Management Agreement, the base management fee is calculated at an annual rate of 1.75% of the Company's gross assets, which equals the Company's total assets on the Consolidated Statements of Assets and

Liabilities, less (i) the borrowings under the New Mountain Finance SPV Funding, L.L.C. Loan and Security Agreement, as amended and restated, dated October 27, 2010 (the "SLF Credit Facility") and (ii) 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, which equals the Company's total assets, as determined in accordance with GAAP, less the borrowings under the SLF Credit Facility and cash and cash equivalents 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 raises or repurchases during the current calendar quarter. The Company has not invested, and currently is not invested, in derivatives. To the extent the Company invests in derivatives in the future, the Company will use the actual value of the derivatives, as reported on the Consolidated Statements of Assets and Liabilities, for purposes of calculating its base management fee.

Since the IPO, the base management fee calculation has deducted the borrowings under the SLF Credit Facility. The SLF Credit Facility had historically consisted of primarily lower yielding assets at higher advance rates. As part of an amendment to the Company's existing credit facilities with Wells Fargo Bank, National Association, the SLF Credit Facility merged with the NMF Holdings Loan and Security Agreement, as amended and restated, dated May 19, 2011, and formed the Holdings Credit Facility on December 18, 2014 (as defined in Note 7. *Borrowings*). The amendment merged the credit facilities and combined the amount of borrowings previously available. Post credit facility merger and to be consistent with the methodology since the IPO, the Investment Adviser will continue to waive management fees on the leverage associated with those assets held under revolving credit facilities that share the same underlying yield characteristics with investments leveraged under the legacy SLF Credit Facility, which as of March 31, 2020 and March 31, 2019 was approximately $790,562 and $632,173, respectively. The Investment Adviser cannot recoup management fees that the Investment Adviser has previously waived. For the three months ended March 31, 2020 and March 31, 2019, management fees waived were approximately $3,543 and $2,533, respectively.

The incentive fee consists of two parts. The first part is calculated and payable quarterly in arrears and equals 20.0% of the Company's "Pre-Incentive Fee Net Investment Income" for the immediately preceding quarter, subject to a "preferred return", or "hurdle", and a "catch-up" feature. "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, upfront, diligence and consulting fees or other fees that the Company receives from portfolio companies) accrued during the calendar quarter, minus the Company's operating expenses for the quarter (including the base management fee, expenses payable under an administration agreement, as amended and restated (the "Administration Agreement"), with the Administrator, and any interest expense and distributions paid on any issued and outstanding preferred stock (of which there are none as of March 31, 2020), 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 PIK 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 2.0% per quarter (8.0% annualized), subject to a "catch-up" provision measured as of the end of each calendar quarter. The hurdle rate is appropriately pro-rated for any partial periods. The calculation of the Company's incentive fee with respect to the Pre-Incentive Fee Net Investment Income for each quarter is as follows:

- No incentive fee is payable to the Investment Adviser in any calendar quarter in which the Company's Pre-Incentive Fee Net Investment Income does not exceed the hurdle rate of 2.0% (the "preferred return" or "hurdle").
- 100.0% 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 (10.0% annualized) is payable to the Investment Adviser. This portion of the Company's Pre-Incentive Fee Net Investment Income (which exceeds the hurdle rate but is less than or equal to 2.5%) is referred to as the "catch-up". The catch-up provision is intended to provide the Investment Adviser with an incentive fee of 20.0% 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.
- 20.0% of the amount of the Company's Pre-Incentive Fee Net Investment Income, if any, that exceeds 2.5% in any calendar quarter (10.0% annualized) is payable to the Investment Adviser once the hurdle is reached and the catch-up is achieved.

The second part of the incentive fee will be determined and payable in arrears as of the end of each calendar year (or upon termination of the Investment Management Agreement) and will equal 20.0% 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 fee.

In accordance with GAAP, the Company accrues a hypothetical capital gains incentive fee based upon the cumulative net realized capital gains and realized capital losses and the cumulative net unrealized capital appreciation and unrealized capital depreciation on investments held at the end of each period. Actual amounts paid to the Investment Adviser are consistent with the Investment Management Agreement and are based only on actual realized capital gains computed net of all realized capital losses and unrealized capital depreciation on a cumulative basis from inception through the end of each calendar year as if the entire portfolio was sold at fair value.

The following table summarizes the management fees and incentive fees incurred by the Company for thethree months ended March 31, 2020 and March 31, 2019.

	Three Months Ended	
	March 31, 2020	**March 31, 2019**
Management fee	$ 13,858	$ 10,975
Less: management fee waiver	(3,543)	(2,533)
Total management fee	10,315	8,442
Incentive fee, excluding accrued capital gains incentive fees	$ 7,826	$ 6,863
Accrued capital gains incentive fees(1)	$ —	$ —

(1) As of March 31, 2020 and March 31, 2019, no actual capital gains incentive fee was owed under the Investment Management Agreement by the Company, as cumulative net realized capital gains did not exceed cumulative unrealized capital depreciation.

The Company has entered into the Administration Agreement with the Administrator under which the Administrator provides administrative services. The Administrator maintains, or oversees the maintenance of, the Company's consolidated financial records, prepares reports filed with the United States Securities and Exchange Commission (the "SEC"), generally monitors the payment of the Company's expenses and oversees the performance of administrative and professional services rendered by others. The Company will reimburse the Administrator for the Company's allocable portion of overhead and other expenses incurred by the Administrator in performing its obligations to the Company under the Administration Agreement. Pursuant to the Administration Agreement and further restricted by the Company, the Administrator may, in its own discretion, submit to the Company for reimbursement some or all of the expenses that the Administrator has incurred on behalf of the Company during any quarterly period. As a result, the amount of expenses for which the Company will have to reimburse the Administrator may fluctuate in future quarterly periods and there can be no assurance given as to when, or if, the Administrator may determine to limit the expenses that the Administrator submits to the Company for reimbursement in the future. However, it is expected that the Administrator will continue to support part of the expense burden of the Company in the near future and may decide to not calculate and charge through certain overhead related amounts as well as continue to cover some of the indirect costs. The Administrator cannot recoup any expenses that the Administrator has previously waived. For the three months ended March 31, 2020 and March 31, 2019, approximately $655 and $723, respectively, of indirect administrative expenses were included in administrative expenses of which $0 and $0, respectively, were waived by the Administrator. As ofMarch 31, 2020 and December 31, 2019, approximately $1,257 and $602, respectively, of indirect administrative expenses were included in payable to affiliates. For thethree months ended March 31, 2020 and March 31, 2019, the reimbursement to the Administrator represented approximately 0.02% and 0.02%, respectively, of the Company's gross assets.

The Company, the Investment Adviser and the Administrator have also entered into a Trademark License Agreement, as amended, with New Mountain Capital, pursuant to which New Mountain Capital has agreed to grant the Company, the Investment Adviser and the Administrator a non-exclusive, royalty-free license to use the "New Mountain" and the "New Mountain Finance" names. Under the Trademark License Agreement, as amended, subject to certain conditions, the Company, the Investment Adviser and the Administrator will have a right to use the "New Mountain" and "New Mountain Finance" names, for so long as the Investment Adviser or one of its affiliates remains the investment adviser of the Company. Other than with respect to this limited license, the Company, the Investment Adviser and the Administrator will have no legal right to the "New Mountain" or the "New Mountain Finance" names.

Note 6. Related Parties

The Company has entered into a number of business relationships with affiliated or related parties.

The Company has entered into the Investment Management Agreement with the Investment Adviser, a wholly-owned subsidiary of New Mountain Capital. Therefore, New Mountain Capital is entitled to any profits earned by the Investment Adviser, which includes any fees payable to the Investment Adviser under the terms of the Investment Management Agreement, less expenses incurred by the Investment Adviser in performing its services under the Investment Management Agreement.

The Company has entered into the Administration Agreement with the Administrator, a wholly-owned subsidiary of New Mountain Capital. The Administrator arranges office space for the Company and provides office equipment and administrative services necessary to conduct their respective day-to-day operations pursuant to the Administration Agreement. The Company reimburses the Administrator for the allocable portion of overhead and other expenses incurred by it in performing its obligations to the Company under the Administration Agreement, which includes the fees and expenses associated with performing administrative, finance and compliance functions, and the compensation of the Company's chief financial officer and chief compliance officer and their respective staffs.

The Company, the Investment Adviser and the Administrator have entered into a royalty-free Trademark License Agreement, as amended, with New Mountain Capital, pursuant to which New Mountain Capital has agreed to grant the Company, the Investment Adviser and the Administrator a non-exclusive, royalty-free license to use the name "New Mountain" and "New Mountain Finance".

The Company has adopted a formal code of ethics that governs the conduct of its officers and directors. These officers and directors also remain subject to the duties imposed by the 1940 Act and the Delaware General Corporation Law.

The Investment Adviser and its affiliates may also manage other funds in the future that may have investment mandates that are similar, in whole or in part, to the Company's investment mandates. The Investment Adviser and its affiliates may determine that an investment is appropriate for the Company or for one or more of those other funds. In such event, depending on the availability of such investment and other appropriate factors, the Investment Adviser or its affiliates may determine that the Company should invest side-by-side with one or more other funds. Any such investments will be made only to the extent permitted by applicable law and interpretive positions of the SEC and its staff and consistent with the Investment Adviser's allocation procedures. On October 8, 2019, the SEC issued an exemptive order (the "Exemptive Order"), which superseded a prior order issued on December 18, 2017, which permits the Company to co-invest in portfolio companies with certain funds or entities managed by the Investment Adviser or its affiliates in certain negotiated transactions where co-investing would otherwise be prohibited under the 1940 Act, subject to the conditions of the Exemptive Order. Pursuant to the Exemptive Order, the Company is permitted to co-invest with its affiliates if a "required majority" (as defined in Section 57(o) of the 1940 Act) of the Company's independent directors make certain conclusions in connection with a co-investment transaction, including, but not limited to, that (1) the terms of the potential co-investment transaction, including the consideration to be paid, are reasonable and fair to the Company and its stockholders and do not involve overreaching in respect of the Company or its stockholders on the part of any person concerned, and (2) the potential co-investment transaction is consistent with the interests of the Company's stockholders and is consistent with its then-current investment objective and strategies.

On March 30, 2020, an affiliate of the Investment Adviser purchased directly from NMNLC 105,030 shares of NMNLC's common stock at a price of $107.63 per share, which represented the net asset value per share of NMNLC at the date of purchase, for an aggregate purchase price of approximately $11,315. Immediately thereafter, NMNLC redeemed 105,030 shares of its common stock held by the Company in exchange for a promissory note with a principal amount of $11,315 and a 7.0% interest rate, which was repaid by NMNLC to the Company on March 31, 2020.

On March 30, 2020, the Company entered into an unsecured revolving credit facility with NMF Investments III, L.L.C., an affiliate of the Investment Adviser, with a $30,000 maximum amount of revolver borrowings available and a maturity date of December 31, 2022. Refer to Note 7. *Borrowings* for discussion of the Unsecured Management Company Revolver (defined below).

Note 7. Borrowings

As permitted by the Small Business Credit Availability Act (the "SBCA") on June 8, 2018 the Company's shareholders approved the application of the modified asset coverage requirements set forth in Section 61(a) of the 1940 Act, as amended by the SBCA, which resulted in the reduction from 200.0% to 150.0% of the minimum asset coverage ratio applicable to the Company as of June 9, 2018 (which means the Company can borrow $2 for every $1 of its equity). As a result of the Company's exemptive relief received on November 5, 2014, the Company is permitted to exclude its SBA-guaranteed debentures from the 150.0% asset coverage ratio that the Company is required to maintain under the 1940 Act. The agreements governing the NMFC Credit Facility, the 2018 Convertible Notes and the Unsecured Notes (as defined below) contain certain covenants and terms, including a requirement that the Company not exceed a debt-to-equity ratio of 1.65 to 1.00 at the time of incurring additional indebtedness and a requirement that the Company not exceed a secured debt ratio of 0.70 to 1.00 at any time. As of March 31, 2020, the Company's asset coverage ratio was 164.1%.

Holdings Credit Facility—On December 18, 2014, the Company entered into the Second Amended and Restated Loan and Security Agreement among the Company, as the Collateral Manager, NMF Holdings, as the Borrower, Wells Fargo Securities, LLC, as the Administrative Agent and Wells Fargo Bank, National Association, as the Lender and Collateral Custodian (as amended from time to time, the "Holdings Credit Facility"). As of the most recent amendment on September 6, 2019, the maturity date of the Holdings Credit Facility is October 24, 2022, and the maximum facility amount is the lesser of $800,000 and the actual commitments of the lenders to make advances as of such date.

As of March 31, 2020, the maximum amount of revolving borrowings available under the Holdings Credit Facility is $800,000. Under the Holdings Credit Facility, NMF Holdings is permitted to borrow up to 25.0%, 45.0% or 70.0% of the purchase price of pledged assets, subject to approval by Wells Fargo Bank, National Association. The Holdings Credit Facility is non-recourse to the Company and is collateralized by all of the investments of NMF Holdings on an investment by investment basis. All fees associated with the origination or upsizing of the Holdings Credit Facility are capitalized on the Company's Consolidated Statement of Assets and Liabilities and charged against income as other financing expenses over the life of the Holdings Credit Facility. The Holdings Credit Facility contains certain customary affirmative and negative covenants and events of default. In addition, the Holdings Credit Facility requires the Company to maintain a minimum asset coverage ratio of 150.0%. The covenants are generally not tied to mark to market fluctuations in the prices of NMF Holdings investments, but rather to the performance of the underlying portfolio companies.

The Holdings Credit Facility bears interest at a rate of LIBOR plus 1.75% per annum for Broadly Syndicated Loans (as defined in the Loan and Security Agreement) and LIBOR plus 2.25% per annum for all other investments. The Holdings Credit Facility also charges a non-usage fee, based on the unused facility amount multiplied by the Non-Usage Fee Rate (as defined in the Loan and Security Agreement).

The following table summarizes the interest expense, non-usage fees and amortization of financing costs incurred on the Holdings Credit Facility for thethree months ended March 31, 2020 and March 31, 2019.

	Three Months Ended	
	March 31, 2020	March 31, 2019
Interest expense	$ 5,421	$ 6,338
Non-usage fee	$ 212	$ 117
Amortization of financing costs	$ 329	$ 679
Weighted average interest rate	3.5%	4.5%
Effective interest rate	3.8%	5.1%
Average debt outstanding	$ 629,542	$ 566,338

As of March 31, 2020 and December 31, 2019, the outstanding balance on the Holdings Credit Facility was $569,163 and $661,563, respectively, and NMF Holdings was in compliance with the applicable covenants in the Holdings Credit Facility on such dates.

NMFC Credit Facility—The Senior Secured Revolving Credit Agreement, (as amended from time to time, and together with the related guarantee and security agreement, the "NMFC Credit Facility"), dated June 4, 2014, among the Company, as the Borrower, Goldman Sachs Bank USA, as the Administrative Agent and Collateral Agent, and Goldman Sachs Bank USA, Morgan Stanley Bank, N.A., Stifel Bank & Trust and MUFG Union Bank, N.A., as Lenders, is structured as a senior secured revolving credit facility. The NMFC Credit Facility is guaranteed by certain of the Company's domestic subsidiaries and proceeds from the NMFC Credit Facility may be used for general corporate purposes, including the funding of portfolio investments. The maturity date of the NMFC Credit Facility is June 4, 2022.

As of March 31, 2020, the maximum amount of revolving borrowings available under the NMFC Credit Facility was $188,500. The Company is permitted to borrow at various advance rates depending on the type of portfolio investment, as outlined in the Senior Secured Revolving Credit Agreement. All fees associated with the origination of the NMFC Credit Facility are capitalized on the Company's Consolidated Statement of Assets and Liabilities and charged against income as other financing expenses over the life of the NMFC Credit Facility. The NMFC Credit Facility contains certain customary affirmative and negative covenants and events of default, including certain financial covenants related to asset coverage and liquidity and other maintenance covenants.

The NMFC Credit Facility generally bears interest at a rate of LIBOR plus 2.50% per annum or the prime rate plus 1.50% per annum, and charges a commitment fee, based on the unused facility amount multiplied by 0.375% per annum (as defined in the Senior Secured Revolving Credit Agreement).

The following table summarizes the interest expense, non-usage fees and amortization of financing costs incurred on the NMFC Credit Facility for the three months ended March 31, 2020 and March 31, 2019.

	Three Months Ended	
	March 31, 2020	March 31, 2019
Interest expense	$ 1,940	$ 1,019
Non-usage fee	$ —	$ 50
Amortization of financing costs	$ 34	$ 122
Weighted average interest rate	4.1 %	5.1 %
Effective interest rate	4.2 %	5.9 %
Average debt outstanding	$ 188,500	$ 81,500

As of March 31, 2020 and December 31, 2019, the outstanding balance on the NMFC Credit Facility was $188,500 and $188,500, respectively, and NMFC was in compliance with the applicable covenants in the NMFC Credit Facility on such dates.

Unsecured Management Company Revolver—The Uncommitted Revolving Loan Agreement, (the "Unsecured Management Company Revolver"), dated March 30, 2020, among the Company, as the Borrower and NMF Investments III, L.L.C., as Lender, an affiliate of the Investment Adviser, is structured as a discretionary unsecured revolving credit facility. The proceeds from the Unsecured Management Company Revolver may be used for general corporate purposes, including the funding of portfolio investments. The maturity date of the Unsecured Management Company Revolver is December 31, 2022. The Unsecured Management Company Revolver generally bears interest at a rate of 7.00% per annum (as defined in the Uncommitted Revolving Loan Agreement). As of March 31, 2020, the maximum amount of revolving borrowings available under the Unsecured Management Company Revolver was $30,000 and no borrowings were outstanding. Subsequent to March 31, 2020, the Unsecured Management Company Revolver's maximum amount of revolving borrowings available was increased to $50,000 (see Note 14—Subsequent Events).

DB Credit Facility—The Loan Financing and Servicing Agreement (the "DB Credit Facility") dated December 14, 2018 and as amended from time to time, among NMFDB as the borrower, Deutsche Bank AG, New York Branch ("Deutsche Bank") as the facility agent, Lender and other agent from time to time party thereto and U.S. Bank National Association, as collateral agent and collateral custodian, is structured as a secured revolving credit facility and the maturity date is December 14, 2023.

As of March 31, 2020, the maximum amount of revolving borrowings available under the DB Credit Facility was $280,000. The Company is permitted to borrow at various advance rates depending on the type of portfolio investment, as outlined in the Loan Financing and Servicing Agreement. The DB Credit Facility is non-recourse to the Company and is collateralized by all of the investments of NMFDB on an investment by investment basis. All fees associated with the origination of the DB Credit Facility are capitalized on the Company's Consolidated Statement of Assets and Liabilities and charged against income as other financing expenses over the life of the DB Credit Facility. The DB Credit Facility contains certain customary affirmative and negative covenants and events of default. The covenants are generally not tied to mark to market fluctuations in the prices of NMFDB investments, but rather to the performance of the underlying portfolio companies.

The advances under the DB Credit Facility accrue interest at a per annum rate equal to the Applicable Margin plus the lender's Cost of Funds Rate. Prior to June 28, 2019, the "Applicable Margin" was equal to 2.85% during the Revolving Period and then increases by 0.20% during an Event of Default. Effective June 28, 2019, the Applicable Margin is equal to 2.60% during the Revolving Period and then increases by 0.20% during an Event of Default. The "Cost of Funds Rate" for a conduit lender is the lower of its commercial paper rate and the Base Rate plus 0.50%, and for any other lender is the Base Rate. The "Base Rate" is the three-months LIBOR Rate but may become an alternative base rate based on Deutsche Bank's base lending rate if certain LIBOR disruption events occur. The Company is also charged a non-usage fee, based on the unused facility amount multiplied by the Undrawn Fee Rate (as defined in the Loan Financing and Servicing Agreement) and a facility agent fee of 0.25% per annum on the total facility amount.

The following table summarizes the interest expense, non-usage fees and amortization of financing costs incurred on the DB Credit Facility for the three months ended March 31, 2020 and March 31, 2019.

	Three Months Ended	
	March 31, 2020	March 31, 2019
Interest expense(1)	$ 2,641	$ 535
Non-usage fee(1)	$ 57	$ 77
Amortization of financing costs	$ 159	$ 65
Weighted average interest rate	4.5%	5.6%
Effective interest rate	4.9%	7.1%
Average debt outstanding	$ 235,055	$ 38,456

(1) Interest expense includes the portion of the facility agent fee applicable to the drawn portion of the DB Credit Facility and non-usage fee includes the portion of the facility agent fee applicable to the undrawn portion of the DB Credit Facility.

As of March 31, 2020 and December 31, 2019, the outstanding balance on the DB Credit Facility was $270,000 and $230,000, respectively, and NMFDB was in compliance with the applicable covenants in the DB Credit Facility on such dates.

NMNLC Credit Facility—The Revolving Credit Agreement (together with the related guarantee and security agreement, the "NMNLC Credit Facility"), dated September 21, 2018, among NMNLC, as the Borrower, and KeyBank National Association, as the Administrative Agent and Lender, is structured as a senior secured revolving credit facility and matures on September 23, 2020. The NMNLC Credit Facility is guaranteed by the Company and proceeds from the NMNLC Credit Facility may be used for funding of additional acquisition properties.

The NMNLC Credit Facility generally bears interest at a rate of LIBOR plus 2.50% per annum or the prime rate plus 1.50% per annum, and charges a commitment fee, based on the unused facility amount multiplied by 0.15% per annum (as defined in the Revolving Credit Agreement).

As of March 31, 2020, the maximum amount of revolving borrowings available under the NMNLC Credit Facility was $30,000. For the three months ended March 31, 2020, interest expense, non-usage fees and amortization of financing costs were $0, $11, and $11, respectively. For the three months ended March 31, 2019, interest expense, non-usage fees and amortization of financing costs were $0, $11 and $28, respectively. As of March 31, 2020 and December 31, 2019, the outstanding balance on the NMNLC Credit Facility was $0 and $0, respectively, and NMNLC was in compliance with the applicable covenants in the NMNLC Credit Facility on such date.

Convertible Notes

2014 Convertible Notes—On June 3, 2014, the Company closed a private offering of $115,000 aggregate principal amount of unsecured convertible notes (the "2014 Convertible Notes"), pursuant to an indenture, dated June 3, 2014 (the "2014 Indenture"). The 2014 Convertible Notes were issued in a private placement only to qualified institutional buyers pursuant to Rule 144A under the Securities Act of 1933, as amended (the "Securities Act"). As of June 3, 2015, the restrictions under Rule 144A under the Securities Act were removed, allowing the 2014 Convertible Notes to be eligible and freely tradable without restrictions for resale pursuant to Rule 144(b)(1) under the Securities Act. On September 30, 2016, the Company closed a public offering of an additional $40,250 aggregate principal amount of the 2014 Convertible Notes. These additional 2014 Convertible Notes constituted a further issuance of, ranked equally in right of payment with, and formed a single series with the $115,000 aggregate principal amount of 2014 Convertible Notes that the Company issued on June 3, 2014.

The 2014 Convertible Notes bore interest at an annual rate of 5.0%, payable semi-annually in arrears on June 15 and December 15 of each year, which commenced on December 15, 2014.

On June 15, 2019, the Company's $155,250 aggregate principal amount of 2014 Convertible Notes matured and the Company repaid the outstanding principal and accrued but unpaid interest in cash.

2018 Convertible Notes—On August 20, 2018, the Company closed a registered public offering of $100,000 aggregate principal amount of unsecured convertible notes (the "2018 Convertible Notes"), pursuant to an indenture, dated August 20, 2018, as supplemented by a first supplemental indenture thereto, dated August 20, 2018 (together the "2018A Indenture"). On August 30, 2018, in connection with the registered public offering, the Company issued an additional $15,000 aggregate principal amount of the 2018 Convertible Notes pursuant to the exercise of an overallotment option by the underwriter of the 2018 Convertible Notes. On June 7, 2019, the Company closed a registered public offering of an additional

$86,250 aggregate principal amount of the 2018 Convertible Notes. These additional 2018 Convertible Notes constitute a further issuance of, rank equally in right of payment with, and form a single series with the $115,000 aggregate principal amount of 2018 Convertible Notes that the Company issued in August 2018.

The 2018 Convertible Notes bear interest at an annual rate of 5.75%, payable semi-annually in arrears on February 15 and August 15 of each year, which commenced on February 15, 2019. The 2018 Convertible Notes will mature on August 15, 2023 unless earlier converted, repurchased or redeemed pursuant to the terms of the 2018A Indenture. The Company may not redeem the 2018 Convertible Notes prior to May 15, 2023. On or after May 15, 2023, the Company may redeem the 2018 Convertible Notes for cash, in whole or from time to time in part, at its option at a redemption price, subject to an exception for redemption dates occurring after a record date but on or prior to the interest payment date, equal to the sum of (i) 100% of the principal amount of the 2018 Convertible Notes to be redeemed, (ii) accrued and unpaid interest thereon to, but excluding, the redemption date and (iii) a make-whole premium.

No sinking fund is provided for the 2018 Convertible Notes. Holders of 2018 Convertible Notes may, at their option, convert their 2018 Convertible Notes into shares of the Company's common stock at any time on or prior to the close of business on the business day immediately preceding the maturity date of the 2018 Convertible Notes. In addition, if certain corporate events occur, holders of the 2018 Convertible Notes may require the Company to repurchase for cash all or part of their 2018 Convertible Notes at a repurchase price equal to 100.0% of the principal amount of the 2018 Convertible Notes to be repurchased, plus accrued and unpaid interest through, but excluding, the repurchase date.

The 2018A Indenture contains certain covenants, including covenants requiring the Company to provide certain financial information to the holders of the 2018 Convertible Notes and the trustee if the Company ceases to be subject to the reporting requirements of the Exchange Act. The 2018A Indenture also includes additional financial covenants related to asset coverage. These covenants are subject to limitations and exceptions that are described in the 2018A Indenture.

The following table summarizes certain key terms related to the convertible features of the Company's 2018 Convertible Notes as of March 31, 2020.

	2018 Convertible Notes
Initial conversion premium	10.0 %
Initial conversion rate(1)	65.8762
Initial conversion price	$ 15.18
Conversion premium at March 31, 2020	10.0 %
Conversion rate at March 31, 2020(1)(2)	65.8762
Conversion price at March 31, 2020(2)(3)	$ 15.18
Last conversion price calculation date	August 20, 2019

(1) Conversion rates denominated in shares of common stock per $1 principal amount of the 2018 Convertible Notes converted.
(2) Represents conversion rate and conversion price, as applicable, taking into account certain de minimis adjustments that will be made on the conversion date.
(3) The conversion price in effect at March 31, 2020 was calculated on the last anniversary of the issuance and will be calculated again on the next anniversary, unless the exercise price shall have changed by more than 1.0% before the anniversary.

The conversion rate will be subject to adjustment upon certain events, such as stock splits and combinations, mergers, spin-offs, increases in dividends in excess of $0.34 per share per quarter and certain changes in control. Certain of these adjustments, including adjustments for increases in dividends, are subject to a conversion price floor of $13.80 per share. In no event will the total number of shares of common stock issuable upon conversion exceed 72.4637 per $1 principal amount. The Company has determined that the embedded conversion option in the 2018 Convertible Notes is not required to be separately accounted for as a derivative under GAAP.

The 2018 Convertible Notes are unsecured obligations and rank senior in right of payment to the Company's existing and future indebtedness, if any, that is expressly subordinated in right of payment to the 2018 Convertible Notes; equal in right of payment to the Company's existing and future unsecured indebtedness that is not so subordinated; effectively junior in right of payment to any of the Company's secured indebtedness (including existing unsecured indebtedness that the Company later secures) to the extent of the value of the assets securing such indebtedness; and structurally junior to all existing and future indebtedness (including trade payables) incurred by the Company's subsidiaries and financing vehicles. As reflected in Note 11. *Earnings Per Share*, the issuance is considered part of the if-converted method for calculation of diluted earnings per share.

The following table summarizes the interest expense, amortization of financing costs and amortization of premium incurred on the Convertible Notes for the three months ended March 31, 2020 and March 31, 2019.

	Three Months Ended	
	March 31, 2020	March 31, 2019
Interest expense	$ 2,893	$ 3,594
Amortization of financing costs	$ 99	$ 346
Amortization of premium	$ (26)	$ (27)
Weighted average interest rate	5.8%	5.4%
Effective interest rate	5.9%	5.9%
Average debt outstanding	$ 201,250	$ 270,250

As of March 31, 2020 and December 31, 2019, the outstanding balance on the Convertible Notes was $201,250 and $201,250, respectively, and NMFC was in compliance with the terms of the 2018A Indenture on such date.

Unsecured Notes

On May 6, 2016, the Company issued $50,000 in aggregate principal amount of five-year unsecured notes that mature on May 15, 2021 (the “2016 Unsecured Notes”), pursuant to a note purchase agreement, dated May 4, 2016, to an institutional investor in a private placement. On September 30, 2016, the Company entered into an amended and restated note purchase agreement (the "NPA") and issued an additional $40,000 in aggregate principal amount of 2016 Unsecured Notes to institutional investors in a private placement. On June 30, 2017, the Company issued $55,000 in aggregate principal amount of five-year unsecured notes that mature on July 15, 2022 (the "2017A Unsecured Notes"), pursuant to the NPA and a supplement to the NPA. On January 30, 2018, the Company issued $90,000 in aggregate principal amount of five year unsecured notes that mature on January 30, 2023 (the "2018A Unsecured Notes") pursuant to the NPA and a second supplement to the NPA. On July 5, 2018, the Company issued $50,000 in aggregate principal amount of five year unsecured notes that mature on June 28, 2023 (the "2018B Unsecured Notes") pursuant to the NPA and a third supplement to the NPA (the "Third Supplement"). On April 30, 2019, the Company issued $116,500 in aggregate principal amount of five year unsecured notes that mature on April 30, 2024 (the "2019A Unsecured Notes") pursuant to the NPA and a fourth supplement to the NPA. The NPA provides for future issuances of unsecured notes in separate series or tranches.

The 2016 Unsecured Notes bear interest at an annual rate of 5.313%, payable semi-annually on May 15 and November 15 of each year, which commenced on November 15, 2016. The 2017A Unsecured Notes bear interest at an annual rate of 4.760%, payable semi-annually on January 15 and July 15 of each year, which commenced on January 15, 2018. The 2018A Unsecured Notes bear interest at an annual rate of 4.870%, payable semi-annually on February 15 and August 15 of each year, which commenced on August 15, 2018. The 2018B Unsecured Notes bear interest at an annual rate of 5.360%, payable semi-annually on January 15 and July 15 of each year, which commenced on January 15, 2019. The 2019A Unsecured Notes bear interest at an annual rate of 5.494%, payable semi-annually on April 15 and October 15 of each year, commencing on October 15, 2019. These interest rates are subject to increase in the event that: (i) subject to certain exceptions, the underlying unsecured notes or the Company ceases to have an investment grade rating or (ii) the aggregate amount of the Company’s unsecured debt falls below $150,000. In each such event, the Company has the option to offer to prepay the underlying unsecured notes at par, in which case holders of the underlying unsecured notes who accept the offer would not receive the increased interest rate. In addition, the Company is obligated to offer to prepay the underlying unsecured notes at par if the Investment Adviser, or an affiliate thereof, ceases to be the Company’s investment adviser or if certain change in control events occur with respect to the Investment Adviser.

The NPA contains customary terms and conditions for unsecured notes issued in a private placement, including, without limitation, an option to offer to prepay all or a portion of the unsecured notes under its governance at par (plus a make-whole amount, if applicable), affirmative and negative covenants such as information reporting, maintenance of the Company’s status as a BDC under the 1940 Act and a RIC under the Code, minimum stockholders’ equity, minimum asset 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, misrepresentation in a material respect, breach of covenant, cross-default under other indebtedness of the Company or certain significant subsidiaries, certain judgments and orders, and certain events of bankruptcy. The Third Supplement includes additional financial covenants related to asset coverage as well as other terms.

On September 25, 2018, the Company closed a registered public offering of $50,000 in aggregate principal amount of five-year unsecured notes that mature on October 1, 2023 (the "5.75% Unsecured Notes" and together with the 2016 Unsecured Notes, 2017A Unsecured Notes, 2018A Unsecured Notes, 2018B Unsecured Notes and 2019A Unsecured Notes, the "Unsecured Notes") pursuant to an indenture, dated August 20, 2018, as supplemented by a second supplemental indenture thereto, dated September 25, 2018 (together, the "2018B Indenture"). On October 17, 2018, in connection with the registered public offering, the Company issued an additional $1,750 aggregate principal amount of the 5.75% Unsecured Notes pursuant to the exercise of an overallotment option by the underwriters of the 5.75% Unsecured Notes.

The 5.75% Unsecured Notes bear interest at an annual rate of 5.75%, payable quarterly on January 1, April 1, July 1 and October 1 of each year, which commenced on January 1, 2019. The 5.75% Unsecured Notes will mature on October 1, 2023 unless earlier redeemed. The 5.75% Unsecured Notes are listed on the New York Stock Exchange and trade under the trading symbol “NMFX.”

The Company may redeem the 5.75% Unsecured Notes, in whole or in part, at any time, or from time to time, at its option on or after October 1, 2020, upon not less than 30 days nor more than 60 days written notice by mail prior to the date fixed for redemption thereof, at a redemption price of 100% of the outstanding principal amount thereof plus accrued and unpaid interest payments otherwise payable for the then-current quarterly interest period accrued to but not including the date fixed for redemption.

No sinking fund is provided for the 5.75% Unsecured Notes and holders of the 5.75% Unsecured Notes have no option to have their 5.75% Unsecured Notes repaid prior to the stated maturity date.

The 2018B Indenture contains certain covenants, including covenants requiring the Company to (i) comply with the asset coverage requirements set forth in Section 18(a)(1)(A) of the 1940 Act as modified by Section 61(a) of the 1940 Act as may be applicable to the Company from time to time or any successor provisions, whether or not the Company continues to be subject to such provisions of the 1940 Act, but giving effect, in either case, to any exemptive relief granted to the Company by the SEC and (ii) provide certain financial information to the holders of the 5.75% Unsecured Notes and the trustee if the Company ceases to be subject to the reporting requirements of the Exchange Act. The 2018B Indenture also includes additional financial covenants related to asset coverage. These covenants are subject to limitations and exceptions that are described in the 2018B Indenture.

The 2018B Indenture provides for customary events of default and further provides that the trustee or the holders of 25% in aggregate principal amount of the outstanding 5.75% Unsecured Notes may declare such 5.75% Unsecured Notes immediately due and payable upon the occurrence of any event of default after expiration of any applicable grace period.

The Unsecured Notes are unsecured obligations and rank senior in right of payment to the Company’s existing and future indebtedness, if any, that is expressly subordinated in right of payment to the Unsecured Notes; equal in right of payment to the Company’s existing and future unsecured indebtedness that is not so subordinated; effectively junior in right of payment to any of the Company’s secured indebtedness (including existing unsecured indebtedness that the Company later secures) to the extent of the value of the assets securing such indebtedness; and structurally junior to all existing and future indebtedness (including trade payables) incurred by the Company’s subsidiaries and financing vehicles.

The following table summarizes the interest expense and amortization of financing costs incurred on the Unsecured Notes for thethree months ended March 31, 2020 and March 31, 2019.

	Three Months Ended	
	March 31, 2020	March 31, 2019
Interest expense	$ 5,960	$ 4,360
Amortization of financing costs	$ 317	$ 275
Weighted average interest rate	5.3%	5.3%
Effective interest rate	5.6%	5.6%
Average debt outstanding	$ 453,250	$ 336,750

As of March 31, 2020 and December 31, 2019, the outstanding balance on the Unsecured Notes was $453,250 and $453,250, respectively, and the Company was in compliance with the terms of the NPA and the 2018B Indenture as of such dates, as applicable.

SBA-guaranteed debentures—On August 1, 2014 and August 25, 2017, respectively, SBIC I and SBIC II received licenses from the SBA to operate as SBICs.

The SBIC licenses allow SBICs to obtain leverage by issuing SBA-guaranteed debentures, subject to the issuance of a capital commitment by the SBA and other customary procedures. SBA-guaranteed debentures are non-recourse to the Company, interest only debentures with interest payable semi-annually and have a ten year maturity. The principal amount of SBA-guaranteed debentures is not required to be paid prior to maturity but may be prepaid at any time without penalty. The interest rate of SBA-guaranteed debentures is fixed on a semi-annual basis at a market-driven spread over U.S. Treasury Notes with ten year maturities. The SBA, as a creditor, will have a superior claim to the assets of SBIC I and SBIC II over the Company's stockholders in the event SBIC I and SBIC II are liquidated or the SBA exercises remedies upon an event of default.

The maximum amount of borrowings available under current SBA regulations for a single licensee is $150,000 as long as the licensee has at least $75,000 in regulatory capital, receives a capital commitment from the SBA and has been through an examination by the SBA subsequent to licensing. In June 2018, legislation amended the 1958 Act by increasing the individual leverage limit from $150,000 to $175,000, subject to SBA approvals.

As of March 31, 2020 and December 31, 2019, SBIC I had regulatory capital of $75,000 and $75,000, respectively, and SBA-guaranteed debentures outstanding of $150,000 and $150,000, respectively. As of March 31, 2020 and December 31, 2019, SBIC II had regulatory capital of $75,000 and $64,500, respectively, and $150,000 and $75,000, respectively, of SBA-guaranteed debentures outstanding. The SBA-guaranteed debentures incur upfront fees of 3.435%, which consists of a 1.00% commitment fee and a 2.435% issuance discount, which are amortized over the life of the SBA-guaranteed debentures.

The following table summarizes the Company's SBA-guaranteed debentures as of March 31, 2020.

Issuance Date	Maturity Date	Debenture Amount	Interest Rate	SBA Annual Charge
Fixed SBA-guaranteed debentures(1):				
March 25, 2015	March 1, 2025	$ 37,500	2.517%	0.355%
September 23, 2015	September 1, 2025	37,500	2.829%	0.355%
September 23, 2015	September 1, 2025	28,795	2.829%	0.742%
March 23, 2016	March 1, 2026	13,950	2.507%	0.742%
September 21, 2016	September 1, 2026	4,000	2.051%	0.742%
September 20, 2017	September 1, 2027	13,000	2.518%	0.742%
March 21, 2018	March 1, 2028	15,255	3.187%	0.742%
Fixed SBA-guaranteed debentures(2):				
September 19, 2018	September 1, 2028	15,000	3.548%	0.222%
September 25, 2019	September 1, 2029	19,000	2.283%	0.222%
March 25, 2020	March 1, 2030	24,000	2.078%	0.222%
March 25, 2020	March 1, 2030	17,000	2.078%	0.222%
March 25, 2020	March 1, 2030	24,000	2.078%	0.275%
Interim SBA-guaranteed debentures(2):				
	September 1, 2030 (3)	30,000	1.279%	0.275%
	September 1, 2030 (3)	21,000	1.393%	0.275%
Total SBA-guaranteed debentures		**$ 300,000**		

(1) SBA-guaranteed debentures are held in SBIC I.

(2) SBA-guaranteed debentures are held in SBIC II.

(3) Estimated maturity date as interim SBA-debentures are expected to pool in September 2020.

Prior to pooling, the SBA-guaranteed debentures bear interest at an interim floating rate of LIBOR plus 0.30%. Once pooled, which occurs in March and September each year, the SBA-guaranteed debentures bear interest at a fixed rate that is set to the current 10-year treasury rate plus a spread at each pooling date.

The following table summarizes the interest expense and amortization of financing costs incurred on the SBA-guaranteed debentures for thethree months ended March 31, 2020 and March 31, 2019.

	Three Months Ended	
	March 31, 2020	March 31, 2019
Interest expense	$ 1,823	$ 1,345
Amortization of financing costs	$ 202	$ 136
Weighted average interest rate	3.0%	3.3%
Effective interest rate	3.4%	3.6%
Average debt outstanding	$ 243,099	$ 165,000

The SBIC program is designed to stimulate the flow of private investor capital into eligible smaller businesses, as defined by the SBA. Under SBA regulations, SBICs are subject to regulatory requirements, including making investments in SBA-eligible businesses, investing at least 25.0% of its investment capital in eligible smaller businesses, as defined under the 1958 Act, placing certain limitations on the financing terms of investments, regulating the types of financing, prohibiting investments in smaller businesses with certain characteristics or in certain industries and requiring capitalization thresholds that limit distributions to the Company. SBICs are subject to an annual periodic examination by an SBA examiner to determine the SBIC's compliance with the relevant SBA regulations and an annual financial audit of its financial statements that are prepared on a basis of accounting other than GAAP (such as ASC 820) by an independent auditor. As of March 31, 2020 and December 31, 2019, SBIC I and SBIC II were in compliance with SBA regulatory requirements.

Leverage risk factors—The Company utilizes and may utilize leverage to the maximum extent permitted by the law for investment and other general business purposes. The Company's lenders will have fixed dollar claims on certain assets that are superior to the claims of the Company's common stockholders, and the Company would expect such lenders to seek recovery against these assets in the event of a default. The use of leverage also magnifies the potential for gain or loss on amounts invested. Leverage may magnify interest rate risk (particularly on the Company's fixed-rate investments), which is the risk that the prices of portfolio investments will fall or rise if market interest rates for those types of securities rise or fall. As a result, leverage may cause greater changes in the Company's net asset value. Similarly, leverage may cause a sharper decline in the Company's income than if the Company had not borrowed. Such a decline could negatively affect the Company's ability to make distributions to its stockholders. Leverage is generally considered a speculative investment technique. The Company's ability to service any debt incurred will depend largely on financial performance and will be subject to prevailing economic conditions and competitive pressures.

Note 8. Regulation

The Company has elected to be treated, and intends to comply with the requirements to continue to qualify annually, as a RIC under Subchapter M of the Code. In order to continue to qualify and be subject to tax as a RIC, among other things, the Company is required to timely distribute to its stockholders at least 90.0% of investment company taxable income, as defined by the Code, for each year. The Company, among other things, intends to make and will continue to make the requisite distributions to its stockholders, which will generally relieve the Company from U.S. federal, state, and local income taxes (excluding excise taxes which may be imposed under the Code).

Additionally, as a BDC, the Company must not acquire any assets other than "qualifying assets" specified in the 1940 Act unless, at the time the acquisition is made, at least 70.0% of its total assets are qualifying assets (with certain limited exceptions). In addition, the Company must offer to make available to all eligible portfolio companies managerial assistance.

Note 9. Commitments and Contingencies

In the normal course of business, the Company may enter into contracts that contain a variety of representations and warranties and which provide general indemnifications. The Company may also enter into future funding commitments such as revolving credit facilities, bridge financing commitments or delayed draw commitments. As of March 31, 2020, the Company had unfunded commitments on revolving credit facilities of $47,891, no outstanding bridge financing commitments and other future funding commitments of $103,029. As of December 31, 2019, the Company had unfunded commitments on revolving credit facilities of $66,061, no outstanding bridge financing commitments and other future funding commitments of $137,781. The unfunded commitments on revolving credit facilities and delayed draws are disclosed on the Company's Consolidated Schedule of Investments.

The Company also has revolving borrowings available under the Holdings Credit Facility, the DB Credit Facility and the NMNLC Credit Facility as ofMarch 31, 2020 and December 31, 2019. See Note 7. *Borrowings*, for details.

The Company may from time to time enter into financing commitment letters. As ofMarch 31, 2020 and December 31, 2019, the Company had commitment letters to purchase investments in the aggregate par amount of $0 and $34,248, respectively, which could require funding in the future.

As of March 31, 2020, the Company had unfunded commitments related to an equity investment in SLP III of $10,000, which may be funded at the Company's discretion.

COVID-19 Developments

On March 11, 2020 the World Health Organization declared the novel strain of COVID-19 a global pandemic and recommended containment and mitigation measures worldwide. As of the three months ended March 31, 2020 and subsequent to March 31, 2020, COVID-19 has had a significant impact on the U.S. economy and the Company. The Company has experienced a significant reduction in its net asset value as of March 31, 2020 as compared to its net asset value as ofDecember 31, 2019, due to an increase in unrealized depreciation of its investment portfolio resulting from decreases in fair value of investments. These decreases were attributable to the impact of the COVID-19 pandemic on the markets.

The extent of the impact of the COVID-19 outbreak on the financial performance of our current and future investments will depend on future developments, including the duration and spread of the outbreak and related advisories and restrictions and the impact of COVID-19 on the financial markets and the overall economy, all of which are highly uncertain and cannot be predicted. To the extent the Company's portfolio companies are adversely impacted by the effects of the COVID-19 pandemic, the Company may experience a material adverse impact on the its future net investment income, the fair value of its portfolio investments, its financial condition and the results of operations and financial condition of its portfolio companies.

Note 10. Net Assets

The table below illustrates the effect of certain transactions on the net asset accounts of the Company during the three months endedMarch 31, 2020:

	Common Stock		Paid in Capital in Excess	Accumulated Overdistributed Earnings				Non-Controlling Interest in	Total
				Accumulated Net Investment	Accumulated Net Realized (Losses)	Net Unrealized Appreciation			
	Shares	Par Amount	of Par	Income	Gains	(Depreciation)	Total	NMNLC	Net Assets
Net assets at December 31, 2019	96,827,342	$ 968	$ 1,287,853	$ 91,333	$ (85,448)	$ (11,238)	$ 1,283,468	$ —	$ 1,283,468
Distributions declared	—	—	—	(32,921)	—	—	(32,921)	—	(32,921)
Purchase of non-controlling interest in NMNLC	—	—	—	—	—	—	—	11,315	11,315
Net increase (decrease) in net assets resulting from operations	—	—	—	31,305	114	(203,776)	(172,357)	(65)	(172,422)
Net assets at March 31, 2020	96,827,342	$ 968	$ 1,287,853	$ 89,717	$ (85,334)	$ (215,014)	$ 1,078,190	$ 11,250	$ 1,089,440

The table below illustrates the effect of certain transactions on the net asset accounts of the Company during the three months endedMarch 31, 2019:

	Common Stock		Paid in Capital in	Accumulated Overdistributed Earnings			Total
				Accumulated Net Investment	Accumulated Net Realized	Net Unrealized Appreciation	
	Shares	Par Amount	Excess of Par	Income	(Losses) Gains	(Depreciation)	Net Assets
Net assets at December 31, 2018	76,106,372	$ 761	$ 1,035,629	$ 61,975	$ (86,338)	$ (5,758)	$ 1,006,269
Issuances of common stock	4,413,058	44	60,617	—	—	—	60,661
Deferred offering costs	—	—	(229)	—	—	—	(229)
Distributions declared	—	—	—	(27,342)	—	—	(27,342)
Net increase (decrease) in net assets resulting from operations	—	—	—	27,450	46	16,424	43,920
Net assets at March 31, 2019	80,519,430	$ 805	$ 1,096,017	$ 62,083	$ (86,292)	$ 10,666	$ 1,083,279

Note 11. Earnings Per Share

The following information sets forth the computation of basic and diluted net increase (decrease) in the Company's net assets per share resulting from operations for the three months ended March 31, 2020 and March 31, 2019:

	Three Months Ended	
	March 31, 2020	March 31, 2019
Earnings per share—basic		
Numerator for basic earnings per share:	$ (172,357)	$ 43,920
Denominator for basic weighted average share:	96,827,342	78,457,641
Basic earnings per share:	$ (1.78)	$ 0.56
Earnings per share—diluted(1)		
Numerator for increase in net assets per share	$ (172,357)	$ 43,920
Adjustment for interest on Convertible Notes and incentive fees, net	2,314	2,875
Numerator for diluted earnings per share:	$ (170,043)	$ 46,795
Denominator for basic weighted average share	96,827,342	78,457,641
Adjustment for dilutive effect of Convertible Notes	13,257,585	17,399,889
Denominator for diluted weighted average share	110,084,927	95,857,530
Diluted earnings per share	$ (1.78)	$ 0.49

(1) In applying the if-converted method, conversion is not assumed for purposes of computing diluted earnings per share if the effect would be anti-dilutive. For the three months ended March 31, 2020 there was anti-dilution. For the three months ended March 31, 2019, there was no anti-dilution.

Note 12. Financial Highlights

The following information sets forth the Company's financial highlights for thethree months ended March 31, 2020 and March 31, 2019.

	Three Months Ended	
	March 31, 2020	March 31, 2019
Per share data(1):		
Net asset value, January 1, 2020 and January 1, 2019, respectively	$ 13.26	$ 13.22
Net investment income	0.32	0.35
Net realized and unrealized gains (losses)(2)	(2.10)	0.22
Total net (decrease) increase	(1.78)	0.57
Distributions declared to stockholders from net investment income	(0.34)	(0.34)
Net asset value, March 31, 2020 and March 31, 2019, respectively	$ 11.14	$ 13.45
Per share market value, March 31, 2020 and March 31, 2019, respectively	$ 6.80	$ 13.57
Total return based on market value(3)	(48.02)%	10.57%
Total return based on net asset value(4)	(13.46)%	4.34%
Shares outstanding at end of period	96,827,342	80,519,430
Average weighted shares outstanding for the period	96,827,342	78,457,641
Average net assets for the period	$ 1,281,212	$ 1,082,424
Ratio to average net assets:		
Net investment income	9.83 %	10.28%
Total expenses, before waivers/reimbursements	14.54 %	14.71%
Total expenses, net of waivers/reimbursements	13.43 %	13.77%
Average debt outstanding—Holdings Credit Facility	$ 629,542	$ 566,338
Average debt outstanding—Unsecured Notes	453,250	336,750
Average debt outstanding—SBA-guaranteed debentures	243,099	165,000
Average debt outstanding—DB Credit Facility	235,055	38,456
Average debt outstanding—Convertible Notes	201,250	270,250
Average debt outstanding—NMFC Credit Facility	188,500	81,500
Asset coverage ratio(5)	164.08 %	179.71%
Portfolio turnover	5.66 %	0.23%

(1) Per share data is based on weighted average shares outstanding for the respective period (except for distributions declared to stockholders, which is based on actual rate per share).
(2) Includes the accretive effect of common stock issuances per share, which for thethree months ended March 31, 2020 and March 31, 2019 were $0.00 and $0.01, respectively.
(3) Total return is calculated assuming a purchase of common stock at the opening of the first day of the year and a sale on the closing of the last business day of the period. Dividends and distributions, if any, are assumed for purposes of this calculation, to be reinvested at prices obtained under the Company’s dividend reinvestment plan.
(4) Total return is calculated assuming a purchase at net asset value on the opening of the first day of the year and a sale at net asset value on the last day of the period. Dividends and distributions, if any, are assumed for purposes of this calculation, to be reinvested at the net asset value on the last day of the respective quarter.
(5) On November 5, 2014, the Company received exemptive relief from the SEC allowing the Company to modify the asset coverage requirement to exclude the SBA-guaranteed debentures from this calculation.

Note 13. Recent Accounting Standards Updates

In March 2020, the FASB issued ASU 2020-04, Reference Rate Reform. The amendments in ASU 2020-04 provide optional expedients and exceptions for applying U.S. GAAP to contracts, hedging relationships, and other transactions affected by reference rate reform if certain criteria are met. The standard is effective as of March 12, 2020 through December 31, 2022. Management is currently evaluating the impact of the optional guidance on the Company's consolidated financial statements and disclosures. The Company did not utilize the optional expedients and exceptions provided by ASU 2020-04 during the quarter ended March 31, 2020.

Note 14. Subsequent Events

On April 29, 2020, the Company’s board of directors declared a second quarter 2020 distribution of $0.30 per share payable on June 30, 2020 to holders of record as of June 16, 2020.

On May 4, 2020, the Company entered into an Amended and Restated Uncommitted Revolving Loan Agreement with NMF Investments III, L.L.C., which increased the maximum amounts of revolving borrowings available thereunder from $30,000 to $50,000.

Deloitte.

Deloitte & Touche LLP

30 Rockefeller Plaza
New York, NY 10112
USA

Tel: 212 492 4000
Fax: 212 489 1687
www.deloitte.com

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareholders and the board of directors of New Mountain Finance Corporation

Results of Review of Interim Financial Information

We have reviewed the accompanying consolidated statement of assets and liabilities of New Mountain Finance Corporation and subsidiaries (the "Company") including the consolidated schedule of investments, as of March 31, 2020, and the related consolidated statements of operations, changes in net assets, and cash flows for the three-month periods ended March 31, 2020 and 2019, and the related notes (collectively referred to as the "interim financial information"). Based on our reviews, we are not aware of any material modifications that should be made to the accompanying interim financial information for it to be in conformity with accounting principles generally accepted in the United States of America.

We have previously audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated statement of assets and liabilities of the Company, including the consolidated schedule of investments, as of December 31, 2019, and the related consolidated statements of operations, changes in net assets and cash flows for the year then ended (not presented herein); and in our report dated February 26, 2020, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying consolidated statement of assets and liabilities as of December 31, 2019, is fairly stated, in all material respects, in relation to the consolidated statement of assets and liabilities from which it has been derived.

Basis for Review Results

This interim financial information is the responsibility of the Company's management. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our reviews in accordance with standards of the PCAOB. A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the PCAOB, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

/s/ DELOITTE & TOUCHE LLP

May 6, 2020

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations

The information in management's discussion and analysis of financial condition and results of operations relates to New Mountain Finance Corporation, including its wholly-owned direct and indirect subsidiaries (collectively, "we", "us", "our", "NMFC" or the "Company").

Forward-Looking Statements

The information contained in this section should be read in conjunction with the financial data and consolidated financial statements and notes thereto appearing elsewhere in this report. Some of the statements in this report (including in the following discussion) constitute forward-looking statements, which relate to future events or our future performance or our financial condition. The forward-looking statements contained in this section involve a number of risks and uncertainties, including:

- statements concerning the impact of a protracted decline in the liquidity of credit markets;
- the general economy, including the impact of interest and inflation rates, and the COVID-19 pandemic on the industries in which we invest;
- our future operating results, our business prospects, the adequacy of our cash resources and working capital, and the impact of the COVID-19 pandemic thereon;
- the ability of our portfolio companies to achieve their objectives and the impact of COVID-19 pandemic thereon;
- our ability to make investments consistent with our investment objectives, including with respect to the size, nature and terms of our investments;
- the ability of New Mountain Finance Advisers BDC, L.L.C. (the "Investment Adviser") or its affiliates to attract and retain highly talented professionals;
- actual and potential conflicts of interest with the Investment Adviser and New Mountain Capital Group, L.P. (together with New Mountain Capital, L.L.C. and its affiliates, "New Mountain Capital") whose ultimate owners include Steven B. Klinsky and related and other vehicles; and
- the risk factors set forth in *Item 1A.—Risk Factors* contained in our annual report on Form 10-K for the year ended December 31, 2019 and in this quarterly report on Form 10-Q.

Forward-looking statements are identified by their use of such terms and phrases such as “anticipate”, “believe”, “continue”, “could”, “estimate”, “expect”, “intend”, “may”, “plan”, “potential”, “project”, “seek”, “should”, “target”, “will”, “would” or similar expressions. Actual results could differ materially from those projected in the forward-looking statements for any reason, including the factors set forth in *Item 1A.—Risk Factors* contained in our annual report on Form 10-K for the year ended December 31, 2019 and in this quarterly report on Form 10-Q.

We have based the forward-looking statements included in this report on information available to us on the date of this report. We assume no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. Although we undertake no obligation to revise or update any forward-looking statements, 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 United States Securities and Exchange Commission (the "SEC"), including annual reports on Form 10-K, registration statements on Form N-2, quarterly reports on Form 10-Q and current reports on Form 8-K.

Overview

We are a Delaware corporation that was originally incorporated on June 29, 2010 and completed our initial public offering ("IPO") on May 19, 2011. We are a closed-end, non-diversified management investment company that has elected to be regulated as a business development company ("BDC") under the Investment Company Act of 1940, as amended (the "1940 Act"). We have elected to be treated, and intend to comply with the requirements to continue to qualify annually, as a regulated investment company ("RIC") under Subchapter M of the Internal Revenue Code of 1986, as amended (the "Code"). NMFC is also registered as an investment adviser under the Investment Advisers Act of 1940, as amended (the "Advisers Act"). Since our IPO, and through March 31, 2020, we raised approximately $893.2 million in net proceeds from additional offerings of our common stock.

The Investment Adviser is a wholly-owned subsidiary of New Mountain Capital. New Mountain Capital is a firm with a track record of investing in the middle market. New Mountain Capital focuses on investing in defensive growth companies across its private equity, public equity and credit investment vehicles. The Investment Adviser manages our day-to-day operations and provides us with investment advisory and management services. The Investment Adviser also manages other funds that may have investment mandates that are similar, in whole or in part, to ours. New Mountain Finance Administration, L.L.C. (the "Administrator"), a wholly-owned subsidiary of New Mountain Capital, provides the administrative services necessary to conduct our day-to-day operations.

We have established the following wholly-owned direct and indirect subsidiaries:

- New Mountain Finance Holdings, L.L.C. ("NMF Holdings" or the "Predecessor Operating Company") and New Mountain Finance DB, L.L.C. ("NMFDB"), whose assets are used secure NMF Holdings' credit facility and NMFDB's credit facility, respectively;
- New Mountain Finance SBIC, L.P. ("SBIC I") and New Mountain Finance SBIC II, L.P. ("SBIC II"), who have received licenses from the United States ("U.S.") Small Business Administration ("SBA") to operate as small business investment companies ("SBICs") under Section 301(c) of the Small Business Investment Act of 1958, as amended (the "1958 Act") and their general partners, New Mountain Finance SBIC G.P., L.L.C. ("SBIC I GP") and New Mountain Finance SBIC II G.P., L.L.C. ("SBIC II GP"), respectively;
- NMF Ancora Holdings Inc. ("NMF Ancora"), NMF QID Holdings, Inc. ("NMF QID") and NMF YP Holdings Inc. ("NMF YP"), which serve as tax blocker corporations by holding equity or equity-like investments in portfolio companies organized as limited liability companies (or other forms of pass-through entities); we consolidate our tax blocker corporations for accounting purposes but the tax blocker corporations are not consolidated for income tax purposes and may incur income tax expense as a result of their ownership of the portfolio companies; and
- New Mountain Finance Servicing, L.L.C. ("NMF Servicing"), which serves as the administrative agent on certain investment transactions.

New Mountain Net Lease Corporation ("NMNLC") is a majority-owned consolidated subsidiary of ours, which acquires commercial real estate properties that are subject to ''triple net'' leases has elected to be treated, and intends to comply with the requirements to continue to qualify annually, as a real estate investment trust, or REIT, within the meaning of Section 856(a) of the Code;

Our investment objective is to generate current income and capital appreciation through the sourcing and origination of debt securities at all levels of the capital structure, including first and second lien debt, notes, bonds and mezzanine securities. The first lien debt may include traditional first lien senior secured loans or unitranche loans. Unitranche loans combine characteristics of traditional first lien senior secured loans as well as second lien and subordinated loans. Unitranche loans will expose us to the risks associated with second lien and subordinated loans to the extent we invest in the “last out” tranche. In some cases, our investments may also include equity interests.

Our primary focus is in the debt of defensive growth companies, which are defined as generally exhibiting the following characteristics: (i) sustainable secular growth drivers, (ii) high barriers to competitive entry, (iii) high free cash flow after capital expenditure and working capital needs, (iv) high returns on assets and (v) niche market dominance. Similar to us, SBIC I's and SBIC II's investment objectives are to generate current income and capital appreciation under our investment criteria. However, SBIC I's and SBIC II's investments must be in SBA eligible small businesses. Our portfolio may be concentrated in a limited number of industries. As of March 31, 2020, our top five industry concentrations were software, business services, healthcare services, education and investment funds (which includes our investments in our joint ventures).

As of March 31, 2020, our net asset value was approximately $1,078.2 million and our portfolio had a fair value of approximately $2,991.3 million in 114 portfolio companies, with a weighted average yield to maturity at cost for income producing investments ("YTM at Cost") of approximately 8.5% and a weighted average yield to maturity at cost for all investments ("YTM at Cost for Investments") of approximately 8.2%. The YTM at Cost calculation assumes that all investments, including secured collateralized agreements, not on non-accrual are purchased at cost on the quarter end date and held until their respective maturities with no prepayments or losses and exited at par at maturity. The YTM at Cost for Investments calculation assumes that all investments, including secured collateralized agreements, are purchased at cost on the quarter end date and held until their respective maturities with no prepayments or losses and exited at par at maturity. YTM at Cost and YTM at Cost for Investments calculations exclude the impact of existing leverage. YTM at Cost and YTM at Cost for Investments use the London Interbank Offered Rate ("LIBOR") curves at each quarter's end date. The actual yield to maturity may be higher or lower due to the future selection of the LIBOR contracts by the individual companies in our portfolio or other factors.

Recent Developments

On April 29, 2020, our board of directors declared a second quarter 2020 distribution of $0.30 per share payable on June 30, 2020 to holders of record as of June 16, 2020.

On May 4, 2020, we entered into an Amended and Restated Uncommitted Revolving Loan Agreement with NMF Investments III, L.L.C., which increased the maximum amounts of revolving borrowings available thereunder from $30.0 million to $50.0 million.

COVID-19 Developments

On March 11, 2020, the World Health Organization declared the novel strain of coronavirus ("COVID-19") a global pandemic and recommended containment and mitigation measures worldwide. The COVID-19 pandemic has had a significant impact on the U.S. economy. The extent of the impact of the COVID-19 outbreak on the financial performance of our current and future investments will depend on future developments, including the duration and spread of the virus, related advisories and restrictions, and the health of the financial markets and economy as a result of COVID-19, all of which are highly uncertain and cannot be predicted. To the extent our portfolio companies are adversely impacted by the effects of the COVID-19 pandemic, we may have a material adverse impact on our future net investment income, the fair value of our portfolio investments, our financial condition and results of operations and the financial condition of our portfolio companies.

An increase in unrealized depreciation of our investment portfolio due to decreases in fair value of investments attributable to the COVID-19 pandemic has resulted in a significant reduction in our net asset value as of March 31, 2020, as compared to our net asset value as of December 31, 2019. As of March 31, 2020, we are in compliance with our asset coverage requirements under the 1940 Act. In addition, we are not in default of any of the asset coverage requirements under any of our credit facilities as of March 31, 2020. However, any continued increase in unrealized depreciation of our investment portfolio or further significant reductions in our net asset value, as a result of the effects of the COVID-19 pandemic or otherwise, increases the risk of breaching the relevant covenants. For additional discussion on the impact of COVID-19 on our portfolio companies, see "Monitoring of Portfolio Investments".

We will continue to monitor the rapidly evolving situation surrounding the COVID-19 pandemic and guidance from U.S. and international authorities, including federal, state and local public health authorities, and may take additional actions based on their recommendations. In these circumstances, there may be developments outside our control requiring us to adjust our plan of operation. As such, given the dynamic nature of this situation, we cannot reasonably estimate the impact of COVID-19 on our financial condition, results of operations or cash flows in the future.

Critical Accounting Policies

The preparation of financial statements and related disclosures in conformity with accounting principles generally accepted in the United States of America ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and revenues and expenses during the periods reported. Actual results could materially differ from those estimates. We have identified the following items as critical accounting policies.

Basis of Accounting

We consolidate our wholly-owned direct and indirect subsidiaries: NMF Holdings, NMF Servicing, NMFDB, SBIC I, SBIC I GP, SBIC II, SBIC II GP, NMF Ancora, NMF QID and NMF YP and our majority-owned consolidated subsidiary, NMNLC. We are an investment company following accounting and reporting guidance as described in Accounting Standards Codification Topic 946, *Financial Services—Investment Companies*, ("ASC 946").

Valuation and Leveling of Portfolio Investments

At all times consistent with GAAP and the 1940 Act, we conduct a valuation of assets, which impacts our net asset value.

We value our assets on a quarterly basis, or more frequently if required under the 1940 Act. In all cases, our board of directors is ultimately and solely responsible for determining the fair value of our portfolio investments on a quarterly basis in good faith, including investments that are not publicly traded, those whose market prices are not readily available and any other situation where our portfolio investments require a fair value determination. Security transactions are accounted for on a trade date basis. Our quarterly valuation procedures are set forth in more detail below:

(1) Investments for which market quotations are readily available on an exchange are valued at such market quotations based on the closing price indicated from independent pricing services.

(2) Investments for which indicative prices are obtained from various pricing services and/or brokers or dealers are valued through a multi-step valuation process, as described below, to determine whether the quote(s) obtained is representative of fair value in accordance with GAAP.

a. Bond quotes are obtained through independent pricing services. Internal reviews are performed by the investment professionals of the Investment Adviser to ensure that the quote obtained is representative of fair value in accordance with GAAP and, if so, the quote is used. If the Investment Adviser is unable to sufficiently validate the quote(s) internally and if the investment's par value or its fair value exceeds the materiality threshold, the investment is valued similarly to those assets with no readily available quotes (see (3) below); and

b. For investments other than bonds, we look at the number of quotes readily available and perform the following procedures:

i. Investments for which two or more quotes are received from a pricing service are valued using the mean of the mean of the bid and ask of the quotes obtained. We will evaluate the reasonableness of the quote, and if the quote is determined to not be representative of fair value, we will use one or more of the methodologies outlined below to determine fair value;

ii. Investments for which one quote is received from a pricing service are validated internally. The investment professionals of the Investment Adviser analyze the market quotes obtained using an array of valuation methods (further described below) to validate the fair value. If the Investment Adviser is unable to sufficiently validate the quote internally and if the investment's par value or its fair value exceeds the materiality threshold, the investment is valued similarly to those assets with no readily available quotes (see (3) below).

(3) Investments for which quotations are not readily available through exchanges, pricing services, brokers, or dealers are valued through a multi-step valuation process:

a. Each portfolio company or investment is initially valued by the investment professionals of the Investment Adviser responsible for the credit monitoring;

b. Preliminary valuation conclusions will then be documented and discussed with our senior management;

c. If an investment falls into (3) above for four consecutive quarters and if the investment's par value or its fair value exceeds the materiality threshold, then at least once each fiscal year, the valuation for each portfolio investment for which we do not have a readily available market quotation will be reviewed by an independent valuation firm engaged by our board of directors; and

d. When deemed appropriate by our management, an independent valuation firm may be engaged to review and value investment(s) of a portfolio company, without any preliminary valuation being performed by the Investment Adviser. The investment professionals of the Investment Adviser will review and validate the value provided.

For investments in revolving credit facilities and delayed draw commitments, the cost basis of the funded investments purchased is offset by any costs/netbacks received for any unfunded portion on the total balance committed. The fair value is also adjusted for the price appreciation or depreciation on the unfunded portion. As a result, the purchase of a commitment not completely funded may result in a negative fair value until it is called and funded.

The values assigned to investments are based upon available information and do not necessarily represent amounts which might ultimately be realized, since such amounts depend on future circumstances and cannot be reasonably determined until the individual positions are liquidated. 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 and the fluctuations could be material.

GAAP fair value measurement guidance classifies the inputs used in measuring fair value into three levels as follows:

Level I—Quoted prices (unadjusted) are available in active markets for identical investments and we have the ability to access such quotes as of the reporting date. The type of investments which would generally be included in Level I include active exchange-traded equity securities and exchange-traded derivatives. As required by Accounting Standards Codification Topic 820, *Fair Value Measurements and Disclosures* ("ASC 820"), we, to the extent that we hold such investments, do not adjust the quoted price for these investments, even in situations where we hold a large position and a sale could reasonably impact the quoted price.

Level II—Pricing inputs are observable for the investments, either directly or indirectly, as of the reporting date, but are not the same as those used in Level I. Level II inputs include the following:

- Quoted prices for similar assets or liabilities in active markets;

- Quoted prices for identical or similar assets or liabilities in non-active markets (examples include corporate and municipal bonds, which trade infrequently);
- Pricing models whose inputs are observable for substantially the full term of the asset or liability (examples include most over-the-counter derivatives, including foreign exchange forward contracts); and
- Pricing models whose inputs are derived principally from or corroborated by observable market data through correlation or other means for substantially the full term of the asset or liability.

Level III—Pricing inputs are unobservable for the investment and include situations where there is little, if any, market activity for the investment.

The inputs used to measure fair value may fall into different levels. In all instances when the inputs fall within different levels of the hierarchy, the level within which the fair value measurement is categorized is based on the lowest level of input that is significant to the fair value measurement in its entirety. As such, a Level III fair value measurement may include inputs that are both observable and unobservable. Gains and losses for such assets categorized within the Level III table below may include changes in fair value that are attributable to both observable inputs and unobservable inputs.

The inputs into the determination of fair value require significant judgment or estimation by management and consideration of factors specific to each investment. A review of the fair value hierarchy classifications is conducted on a quarterly basis. Changes in the observability of valuation inputs may result in the transfer of certain investments within the fair value hierarchy from period to period.

The following table summarizes the levels in the fair value hierarchy that our portfolio investments fall into as of March 31, 2020:

(in thousands)	Total	Level I	Level II	Level III
First lien	$ 1,789,750	$ —	$ 50,695	$ 1,739,055
Second lien	696,740	—	67,542	629,198
Subordinated	46,983	—	4,931	42,052
Equity and other	457,844	—	—	457,844
Total investments	$ 2,991,317	$ —	$ 123,168	$ 2,868,149

We generally use the following framework when determining the fair value of investments where there are little, if any, market activity or observable pricing inputs. We typically determine the fair value of our performing debt investments utilizing an income approach. Additional consideration is given using a market based approach, as well as reviewing the overall underlying portfolio company's performance and associated financial risks. The following outlines additional details on the approaches considered:

Company Performance, Financial Review, and Analysis: Prior to investment, as part of our due diligence process, we evaluate the overall performance and financial stability of the portfolio company. Post investment, we analyze each portfolio company's current operating performance and relevant financial trends versus prior year and budgeted results, including, but not limited to, factors affecting its revenue and earnings before interest, taxes, depreciation, and amortization ("EBITDA") growth, margin trends, liquidity position, covenant compliance and changes to its capital structure. We also attempt to identify and subsequently track any developments at the portfolio company, within its customer or vendor base or within the industry or the macroeconomic environment, generally, that may alter any material element of our original investment thesis. This analysis is specific to each portfolio company. We leverage the knowledge gained from our original due diligence process, augmented by this subsequent monitoring, to continually refine our outlook for each of our portfolio companies and ultimately form the valuation of our investment in each portfolio company. When an external event such as a purchase transaction, public offering or subsequent sale occurs, we will consider the pricing indicated by the external event to corroborate the private valuation.

For debt investments, we may employ the Market Based Approach (as described below) to assess the total enterprise value of the portfolio company, in order to evaluate the enterprise value coverage of our debt investment. For equity investments or in cases where the Market Based Approach implies a lack of enterprise value coverage for the debt investment, we may additionally employ a discounted cash flow analysis based on the free cash flows of the portfolio company to assess the total enterprise value. After enterprise value coverage is demonstrated for our debt investments through the method(s) above, the Income Based Approach (as described below) may be employed to estimate the fair value of the investment.

Market Based Approach: We may estimate the total enterprise value of each portfolio company by utilizing market value cash flow (EBITDA) multiples of publicly traded comparable companies and comparable transactions. We consider numerous factors when selecting the appropriate companies whose trading multiples are used to value our portfolio companies.

These factors include, but are not limited to, the type of organization, similarity to the business being valued, and relevant risk factors, as well as size, profitability and growth expectations. We may apply an average of various relevant comparable company EBITDA multiples to the portfolio company's latest twelve month ("LTM") EBITDA or projected EBITDA to calculate the enterprise value of the portfolio company. Significant increases or decreases in the EBITDA multiple will result in an increase or decrease in enterprise value, which may result in an increase or decrease in the fair value estimate of the investment. In applying the market based approach as of March 31, 2020, we used the relevant EBITDA multiple ranges set forth in the table below to determine the enterprise value of our portfolio companies. We believe these were reasonable ranges in light of current comparable company trading levels and the specific portfolio companies involved.

Income Based Approach: We also may use a discounted cash flow analysis to estimate the fair value of the investment. Projected cash flows represent the relevant security's contractual interest, fee and principal payments plus the assumption of full principal recovery at the investment's expected maturity date. These cash flows are discounted at a rate established utilizing a combination of a yield calibration approach and a comparable investment approach. The yield calibration approach incorporates changes in the credit quality (as measured by relevant statistics) of the portfolio company, as compared to changes in the yield associated with comparable credit quality market indices, between the date of origination and the valuation date. The comparable investment approach utilizes an average yield-to maturity of a selected set of high-quality, liquid investments to determine a comparable investment discount rate. Significant increases or decreases in the discount rate would result in a decrease or increase in the fair value measurement. In applying the income based approach as of March 31, 2020, we used the discount ranges set forth in the table below to value investments in our portfolio companies.

The unobservable inputs used in the fair value measurement of our Level III investments as ofMarch 31, 2020 were as follows:

(in thousands)				Range		
Type	**Fair Value as of March 31, 2020**	**Approach**	**Unobservable Input**	**Low**	**High**	**Weighted Average**
First lien	$ 1,664,385	Market & income approach	EBITDA multiple	2.0x	31.5x	11.4x
			Revenue multiple	3.5x	11.0x	6.9x
			Discount rate	5.3%	21.7%	10.1%
	34,359	Market quote	Broker quote	N/A	N/A	N/A
	40,311	Other	N/A(1)	N/A	N/A	N/A
Second lien	629,198	Market & income approach	EBITDA multiple	4.3x	32.0x	9.0x
			Revenue multiple	0.3x	0.4x	0.4x
			Discount rate	8.9%	24.7%	12.1%
Subordinated	42,052	Market & income approach	EBITDA multiple	3.8x	15.0x	11.0x
			Discount rate	15.8%	42.9%	26.0%
Equity and other	456,905	Market & income approach	EBITDA multiple	4.5x	19.5x	11.9x
			Revenue multiple	0.3x	0.4x	0.4x
			Discount rate	6.4%	44.3%	15.1%
	781	Black Scholes analysis	Expected life in years	6.0	6.0	6.0
			Volatility	56.8%	56.8%	56.8%
			Discount rate	2.4%	2.4%	2.4%
	158	Other	N/A(1)	N/A	N/A	N/A
	$ 2,868,149					

(1) Fair value was determined based on transaction pricing or recent acquisition or sale as the best measure of fair value with no material changes in operations of the related portfolio company since the transaction date.

NMFC Senior Loan Program I LLC

NMFC Senior Loan Program I LLC ("SLP I") was formed as a Delaware limited liability company on May 27, 2014 and commenced operations on June 10, 2014. SLP I is a portfolio company held by us. SLP I is structured as a private investment fund, in which all of the investors are qualified purchasers, as such term is defined under the 1940 Act. Transfer of interests in SLP I is subject to restrictions and, as a result, such interests are not readily marketable. SLP I operates under a limited liability company agreement (the "SLP I Agreement") and will continue in existence until August 31, 2022, subject to earlier termination pursuant to certain terms of the SLP I Agreement. The term may be extended pursuant to certain terms of the SLP I Agreement. SLP I's re-investment period is currently until August 31, 2020. SLP I invests in senior secured loans issued by companies within our core industry verticals. These investments are typically broadly syndicated first lien loans.

SLP I is capitalized with $93.0 million of capital commitments and $265.0 million of debt from a revolving credit facility and is managed by us. Our capital commitment is $23.0 million, representing less than 25.0% ownership, with third party investors representing the remaining capital commitments. As of March 31, 2020, SLP I had total investments with an aggregate fair value of approximately $272.9 million, debt outstanding of $228.0 million and capital that had been called and funded of $93.0 million. As of December 31, 2019, SLP I had total investments with an aggregate fair value of approximately $313.7 million, debt outstanding of $227.4 million and capital that had been called and funded of $93.0 million. Our investment in SLP I is disclosed on our Consolidated Schedule of Investments as of March 31, 2020 and December 31, 2019.

We, as an investment adviser registered under the Advisers Act, act as the collateral manager to SLP I and are entitled to receive a management fee for our investment management services provided to SLP I. As a result, SLP I is classified as our affiliate. No management fee is charged on our investment in SLP I in connection with the administrative services provided to SLP I. For the three months ended March 31, 2020 and March 31, 2019, we earned approximately $0.3 million and $0.3 million, respectively, in management fees related to SLP I, which is included in other income. As of March 31, 2020 and December 31, 2019, approximately $0.5 million and $0.3 million, respectively, of management fees related to SLP I was included in receivable from affiliates. For the three months ended March 31, 2020 and March 31, 2019, we earned approximately $0.7 million and $0.7 million, respectively, of dividend income related to SLP I, which is included in dividend income. As of March 31, 2020 and December 31, 2019, approximately $0.8 million and $0.7 million, respectively, of dividend income related to SLP I was included in interest and dividend receivable.

NMFC Senior Loan Program II LLC

NMFC Senior Loan Program II LLC ("SLP II") was formed as a Delaware limited liability company on March 9, 2016 and commenced operations on April 12, 2016. SLP II is structured as a private joint venture investment fund between us and SkyKnight Income, LLC (“SkyKnight”) and operates under a limited liability company agreement (the "SLP II Agreement"). The purpose of the joint venture is to invest primarily in senior secured loans issued by portfolio companies within our core industry verticals. These investments are typically broadly syndicated first lien loans. All investment decisions must be unanimously approved by the board of managers of SLP II, which has equal representation from us and SkyKnight. SLP II's investment period is currently until April 12, 2020 and SLP II will continue in existence until April 12, 2022. The term may be extended for up to one year pursuant to certain terms of the SLP II Agreement.

SLP II is capitalized with equity contributions which were called from its members, on a pro-rata basis based on their equity commitments, as transactions are completed. Any decision by SLP II to call down on capital commitments requires approval by the board of managers of SLP II. As of March 31, 2020, we and SkyKnight have committed and contributed $79.4 million and $20.1 million, respectively, of equity to SLP II. Our investment in SLP II is disclosed on our Consolidated Schedule of Investments as of March 31, 2020 and December 31, 2019.

On April 12, 2016, SLP II entered into its $275.0 million revolving credit facility with Wells Fargo Bank, National Association, which matures on April 12, 2022 and bears interest at a rate of the LIBOR plus 1.60% per annum. As of March 31, 2020 and December 31, 2019, SLP II had total investments with an aggregate fair value of approximately $291.8 million and $340.0 million, respectively, and debt outstanding under its credit facility of $236.8 million and $246.9 million, respectively. As of March 31, 2020 and December 31, 2019, none of SLP II's investments were on non-accrual. Additionally, as of March 31, 2020 and December 31, 2019, SLP II had unfunded commitments in the form of delayed draws of $1.3 million and $3.2 million, respectively. Below is a summary of SLP II's portfolio, along with a listing of the individual investments in SLP II's portfolio as of March 31, 2020 and December 31, 2019:

(in thousands)	March 31, 2020		December 31, 2019
First lien investments (1)	$	335,833	351,160
Weighted average interest rate on first lien investments (2)		5.74 %	6.29 %
Number of portfolio companies in SLP II		36	37
Largest portfolio company investment (1)	$	17,411	17,456
Total of five largest portfolio company investments (1)	$	78,467	78,932

(1) Reflects principal amount or par value of investments.

(2) Computed as the all in interest rate in effect on accruing investments divided by the total principal amount of investments.

The following table is a listing of the individual investments in SLP II's portfolio as ofMarch 31, 2020:

Portfolio Company and Type of Investment	Industry	Interest Rate (1)	Maturity Date	Principal Amount or Par Value	Cost	Fair Value (2)
Funded Investments - First lien:				(in thousands)	(in thousands)	(in thousands)
Access CIG, LLC	Business Services	5.53% (L + 3.75%)	2/27/2025	$ 4,649	$ 4,631	$ 3,835
ADG, LLC	Healthcare Services	7.17% (L + 4.75% + 0.50% PIK)	9/28/2023	16,185	16,096	13,328
Advisor Group Holdings, Inc.	Consumer Services	5.99% (L + 5.00%)	7/31/2026	4,988	4,941	3,840
Bearcat Buyer, Inc.	Healthcare Services	5.70% (L + 4.25%)	7/9/2026	90	90	86
Bearcat Buyer, Inc.	Healthcare Services	5.70% (L + 4.25%)	7/9/2026	1,375	1,369	1,318
Bleriot US Bidco Inc.	Federal Services	7.00% (P + 3.75%)	10/31/2026	1,351	1,338	1,179
Bleriot US Bidco Inc.	Federal Services	6.20% (L + 4.75%)	10/30/2026	8,649	8,565	7,546
Brave Parent Holdings, Inc.	Software	5.78% (L + 4.00%)	4/18/2025	11,680	11,647	10,201
CentralSquare Technologies, LLC	Software	5.20% (L + 3.75%)	8/29/2025	14,813	14,782	11,554
CHA Holdings, Inc.	Business Services	5.57% (L + 4.50%)	4/10/2025	2,042	2,033	1,991
CHA Holdings, Inc.	Business Services	5.57% (L + 4.50%)	4/10/2025	10,670	10,633	10,363
CommerceHub, Inc.	Software	4.49% (L + 3.50%)	5/21/2025	2,456	2,447	2,063
Dealer Tire, LLC	Distribution & Logistics	5.24% (L + 4.25%)	12/12/2025	7,481	7,463	6,210
Drilling Info Holdings, Inc.	Business Services	5.24% (L + 4.25%)	7/30/2025	14,720	14,668	13,599
Edgewood Partners Holdings LLC	Business Services	5.25% (L + 4.25%)	9/6/2024	7,413	7,351	7,144
eResearchTechnology, Inc.	Healthcare Services	5.50% (L + 4.50%)	2/4/2027	3,145	3,114	2,809
Fastlane Parent Company, Inc.	Distribution & Logistics	5.49% (L + 4.50%)	2/4/2026	3,465	3,405	2,997
Greenway Health, LLC	Software	4.82% (L + 3.75%)	2/16/2024	14,588	14,543	9,555
Help/Systems Holdings, Inc.	Software	5.75% (L + 4.75%)	11/19/2026	4,444	4,402	3,845
Institutional Shareholder Services Inc.	Business Services	5.57% (L + 4.50%)	3/5/2026	13,860	13,739	11,573
Keystone Acquisition Corp.	Healthcare Services	6.70% (L + 5.25%)	5/1/2024	5,265	5,231	4,968
LSCS Holdings, Inc.	Healthcare Services	5.32% (L + 4.25%)	3/17/2025	1,879	1,877	1,738
LSCS Holdings, Inc.	Healthcare Services	5.32% (L + 4.25%)	3/17/2025	7,280	7,272	6,734
Market Track, LLC	Business Services	6.03% (L + 4.25%)	6/5/2024	11,670	11,632	9,686
MediaOcean, LLC	Software	4.99% (L + 4.00%)	8/18/2025	4,392	4,380	4,018
Medical Solutions Holdings, Inc.	Healthcare Services	5.50% (L + 4.50%)	6/14/2024	2,788	2,779	2,481
Ministry Brands, LLC	Software	5.62% (L + 4.00%)	12/2/2022	2,089	2,084	1,997
Ministry Brands, LLC	Software	5.62% (L + 4.00%)	12/2/2022	878	875	839
Ministry Brands, LLC	Software	5.62% (L + 4.00%)	12/2/2022	12,128	12,096	11,592
NorthStar Financial Services Group, LLC	Software	4.49% (L + 3.50%)	5/25/2025	5,885	5,862	4,796
Peraton Corp. (fka MHVC Acquisition Corp.)	Federal Services	6.87% (L + 5.25%)	4/29/2024	10,211	10,178	9,548
Premise Health Holding Corp.	Healthcare Services	4.95% (L + 3.50%)	7/10/2025	1,369	1,363	1,261
Project Accelerate Parent, LLC	Business Services	5.25% (L + 4.25%)	1/2/2025	12,513	12,468	9,698
PSC Industrial Holdings Corp.	Industrial Services	4.75% (L + 3.75%)	10/11/2024	3,052	3,031	2,819
Quest Software US Holdings Inc.	Software	6.03% (L + 4.25%)	5/16/2025	14,812	14,755	13,673
Salient CRGT Inc.	Federal Services	7.57% (L + 6.50%)	2/28/2022	13,040	12,985	12,421
Wirepath LLC	Distribution & Logistics	5.07% (L + 4.00%)	8/5/2024	14,775	14,775	12,928
WP CityMD Bidco LLC	Healthcare Services	5.95% (L + 4.50%)	8/13/2026	14,963	14,822	13,504
Wrench Group LLC	Consumer Services	5.00% (L + 4.00%)	4/30/2026	459	454	390
Wrench Group LLC	Consumer Services	5.45% (L + 4.00%)	4/30/2026	4,466	4,426	3,796
YI, LLC	Healthcare Services	5.45% (L + 4.00%)	11/7/2024	14,763	14,754	11,441
Zelis Cost Management Buyer, Inc.	Healthcare I.T.	5.74% (L + 4.75%)	9/30/2026	10,337	10,238	9,562
Zywave, Inc.	Software	6.78% (L + 5.00%)	11/17/2022	16,931	16,890	16,593
Zywave, Inc.	Software	6.78% (L + 5.00%)	11/17/2022	480	476	471
Total Funded Investments				**$ 334,489**	**$ 332,960**	**$ 291,990**
Unfunded Investments - First lien:						
Bearcat Buyer, Inc.	Healthcare Services	—	7/9/2021	$ 194	$ (1)	$ (8)
Premise Health Holding Corp.	Healthcare Services	—	7/10/2020	110	—	(4)
Wrench Group LLC	Consumer Services	—	4/30/2021	1,040	—	(156)
Total Unfunded Investments				**$ 1,344**	**$ (1)**	**$ (168)**
Total Investments				**$ 335,833**	**$ 332,959**	**$ 291,822**

(1) All interest is payable in cash unless otherwise indicated. A majority of the variable rate debt investments bear interest at a rate that may be determined by reference to the LIBOR (L), the Prime Rate (P) and the alternative base rate (Base). For each investment, the current interest rate provided reflects the rate in effect as of March 31, 2020.
(2) Represents the fair value in accordance with Accounting Standards Codification Topic 820, *Fair Value Measurement and Disclosures* ("ASC 820"). Our board of directors does not determine the fair value of the investments held by SLP II.

The following table is a listing of the individual investments in SLP II's portfolio as ofDecember 31, 2019:

Portfolio Company and Type of Investment	Industry	Interest Rate (1)	Maturity Date	Principal Amount or Par Value	Cost	Fair Value (2)
Funded Investments - First lien				(in thousands)	(in thousands)	(in thousands)
Access CIG, LLC	Business Services	5.44% (L + 3.75%)	2/27/2025	$ 9,833	$ 9,794	$ 9,841
ADG, LLC	Healthcare Services	7.17% (L + 4.75% + 0.50% PIK)	9/28/2023	16,074	15,980	15,813
Advisor Group Holdings, Inc.	Consumer Services	6.80% (L + 5.00%)	7/31/2026	5,000	4,952	4,972
Bearcat Buyer, Inc.	Healthcare Services	6.19% (L + 4.25%)	7/9/2026	1,379	1,372	1,372
Bearcat Buyer, Inc.	Healthcare Services	6.19% (L + 4.25%)	7/9/2026	90	90	90
Bleriot US Bidco Inc.	Federal Services	6.69% (L + 4.75%)	10/30/2026	8,649	8,563	8,746
Brave Parent Holdings, Inc.	Software	5.93% (L + 4.00%)	4/18/2025	15,267	15,222	15,045
CentralSquare Technologies, LLC	Software	5.55% (L + 3.75%)	8/29/2025	14,850	14,819	14,231
CHA Holdings, Inc.	Business Services	6.44% (L + 4.50%)	4/10/2025	10,697	10,658	10,683
CHA Holdings, Inc.	Business Services	6.44% (L + 4.50%)	4/10/2025	2,047	2,037	2,044
CommerceHub, Inc.	Software	5.30% (L + 3.50%)	5/21/2025	2,463	2,453	2,432
Drilling Info Holdings, Inc.	Business Services	6.05% (L + 4.25%)	7/30/2025	14,758	14,703	14,696
Edgewood Partners Holdings LLC	Business Services	6.05% (L + 4.25%)	9/6/2024	7,432	7,367	7,413
Explorer Holdings, Inc.	Healthcare Services	6.26% (L + 4.50%)	11/20/2026	3,145	3,113	3,171
Fastlane Parent Company, Inc.	Distribution & Logistics	6.44% (L + 4.50%)	2/4/2026	3,474	3,411	3,448
Greenway Health, LLC	Software	5.69% (L + 3.75%)	2/16/2024	14,625	14,578	13,053
Help/Systems Holdings, Inc.	Software	6.55% (L + 4.75%)	11/19/2026	4,444	4,400	4,428
Idera, Inc.	Software	6.30% (L + 4.50%)	6/28/2024	4,446	4,417	4,449
Institutional Shareholder Services Inc.	Business Services	6.44% (L + 4.50%)	3/5/2026	13,895	13,769	13,687
Keystone Acquisition Corp.	Healthcare Services	7.19% (L + 5.25%)	5/1/2024	5,278	5,243	5,173
LSCS Holdings, Inc.	Healthcare Services	6.31% (L + 4.25%)	3/17/2025	7,298	7,290	7,225
LSCS Holdings, Inc.	Healthcare Services	6.31% (L + 4.25%)	3/17/2025	1,884	1,882	1,865
Market Track, LLC	Business Services	6.18% (L + 4.25%)	6/5/2024	11,700	11,660	10,530
MediaOcean, LLC	Software	5.80% (L + 4.00%)	8/18/2025	7,392	7,372	7,410
Medical Solutions Holdings, Inc.	Healthcare Services	6.30% (L + 4.50%)	6/14/2024	2,795	2,786	2,791
Ministry Brands, LLC	Software	5.85% (L + 4.00%)	12/2/2022	12,160	12,124	12,160
Ministry Brands, LLC	Software	5.85% (L + 4.00%)	12/2/2022	2,095	2,089	2,095
Ministry Brands, LLC	Software	5.85% (L + 4.00%)	12/2/2022	880	877	880
NorthStar Financial Services Group, LLC	Software	5.30% (L + 3.50%)	5/25/2025	5,885	5,861	5,789
Peraton Corp. (fka MHVC Acquisition Corp.)	Federal Services	7.05% (L + 5.25%)	4/29/2024	10,237	10,203	10,193
Premise Health Holding Corp.	Healthcare Services	5.44% (L + 3.50%)	7/10/2025	1,372	1,367	1,358
Project Accelerate Parent, LLC	Business Services	5.99% (L + 4.25%)	1/2/2025	13,545	13,494	13,511
PSC Industrial Holdings Corp.	Industrial Services	5.49% (L + 3.75%)	10/11/2024	7,305	7,252	7,269
Quest Software US Holdings Inc.	Software	6.18% (L + 4.25%)	5/16/2025	14,850	14,790	14,739
Salient CRGT Inc.	Federal Services	8.29% (L + 6.50%)	2/28/2022	13,134	13,071	12,510
Spring Education Group, Inc. (fka SSH Group Holdings, Inc.)	Education	6.19% (L + 4.25%)	7/30/2025	716	715	721
Wirepath LLC	Distribution & Logistics	5.94% (L + 4.00%)	8/5/2024	14,813	14,813	12,886
WP CityMD Bidco LLC	Healthcare Services	6.44% (L + 4.50%)	8/13/2026	15,000	14,855	15,038
Wrench Group LLC	Consumer Services	6.19% (L + 4.25%)	4/30/2026	4,478	4,435	4,488
YI, LLC	Healthcare Services	5.94% (L + 4.00%)	11/7/2024	14,801	14,791	13,839
Zelis Cost Management Buyer, Inc.	Healthcare I.T.	6.55% (L + 4.75%)	9/30/2026	10,363	10,261	10,427
Zywave, Inc.	Software	6.93% (L + 5.00%)	11/17/2022	16,975	16,930	16,975
Zywave, Inc.	Software	6.84% (L + 5.00%)	11/17/2022	481	477	481
Total Funded Investments				**$ 348,005**	**$ 346,336**	**$ 339,967**

Portfolio Company and Type of Investment	Industry	Interest Rate (1)	Maturity Date	Principal Amount or Par Value	Cost	Fair Value (2)
Unfunded Investments - First lien						
Bearcat Buyer, Inc.	Healthcare Services	—	7/9/2021	$ 194	$ (1)	$ (1)
Bleriot US Bidco Inc.	Federal Services	—	10/31/2020	1,351	(14)	15
Premise Health Holding Corp.	Healthcare Services	—	7/10/2020	110	—	—
Wrench Group LLC	Consumer Services	—	4/30/2021	1,500	—	4
Total Unfunded Investments				**3,155**	**(15)**	**18**
Total Investments				**$ 351,160**	**$ 346,321**	**$ 339,985**

(1) All interest is payable in cash unless otherwise indicated. A majority of the variable rate debt investments bear interest at a rate that may be determined by reference to the LIBOR (L), the Prime Rate (P) and the alternative base rate (Base). For each investment, the current interest rate provided reflects the rate in effect as of December 31, 2019.

(2) Represents the fair value in accordance with ASC 820. Our board of directors does not determine the fair value of the investments held by SLP II.

Below is certain summarized financial information for SLP II as ofMarch 31, 2020 and December 31, 2019 and for the three months ended March 31, 2020 and March 31, 2019:

Selected Balance Sheet Information:	**March 31, 2020**	**December 31, 2019**
	(in thousands)	(in thousands)
Investments at fair value (cost of $332,959 and $346,321, respectively)	$ 291,822	$ 339,985
Cash and other assets	8,364	8,159
Total assets	$ 300,186	$ 348,144
Credit facility	$ 236,770	$ 246,870
Deferred financing costs	(1,188)	(1,408)
Distribution payable	3,250	3,250
Payable for unsettled securities purchased	—	3,113
Other liabilities	2,175	2,367
Total liabilities	241,007	254,192
Members' capital	$ 59,179	$ 93,952
Total liabilities and members' capital	$ 300,186	$ 348,144

Selected Statement of Operations Information:	**Three Months Ended**	
	March 31, 2020	**March 31, 2019**
	(in thousands)	(in thousands)
Interest income	$ 5,447	$ 6,223
Other income	53	26
Total investment income	5,500	6,249
Interest and other financing expenses	2,145	2,773
Other expenses	132	135
Total expenses	2,277	2,908
Net investment income	3,223	3,341
Net realized gains on investments	56	8
Net change in unrealized (depreciation) appreciation of investments	(34,801)	1,547
Net (decrease) increase in members' capital	$ (31,522)	$ 4,896

For the three months ended March 31, 2020 and March 31, 2019, we earned approximately $2.6 million and $3.2 million, respectively, of dividend income related to SLP II, which is included in dividend income. As of March 31, 2020 and

December 31, 2019, approximately $2.6 million and $2.6 million, respectively, of dividend income related to SLP II was included in interest and dividend receivable.

We have determined that SLP II is an investment company under ASC 946; however, in accordance with such guidance we will generally not consolidate our investment in a company other than a wholly-owned investment company subsidiary. Furthermore, Accounting Standards Codification Topic 810, *Consolidation* ("ASC 810"), concludes that in a joint venture where both members have equal decision making authority, it is not appropriate for one member to consolidate the joint venture since neither has control. Accordingly, we do not consolidate SLP II.

NMFC Senior Loan Program III LLC

NMFC Senior Loan Program III LLC ("SLP III") was formed as a Delaware limited liability company and commenced operations on April 25, 2018. SLP III is structured as a private joint venture investment fund between us and SkyKnight Income II, LLC ("SkyKnight II") and operates under a limited liability company agreement (the "SLP III Agreement"). The purpose of the joint venture is to invest primarily in senior secured loans issued by portfolio companies within our core industry verticals. These investments are typically broadly syndicated first lien loans. All investment decisions must be unanimously approved by the board of managers of SLP III, which has equal representation from us and SkyKnight II. SLP III has a five year investment period and will continue in existence until April 25, 2025. The investment period may be extended for up to one year pursuant to certain terms of the SLP III Agreement.

SLP III is capitalized with equity contributions which are called from its members, on a pro-rata basis based on their equity commitments, as transactions are completed. Any decision by SLP III to call down on capital commitments requires approval by the board of managers of SLP III. As of March 31, 2020, we and SkyKnight II have committed $120.0 million and $30.0 million, respectively, of equity to SLP III. As of March 31, 2020, we and SkyKnight II have contributed $110.0 million and $27.5 million, respectively, of equity to SLP III. Our investment in SLP III is disclosed on our Consolidated Schedule of Investments as of March 31, 2020 and December 31, 2019.

On May 2, 2018, SLP III entered into its revolving credit facility with Citibank, N.A., which matures on May 2, 2023 and bears interest at a rate of LIBOR plus 1.70% per annum. Effective February 13, 2020, SLP III's revolving credit facility has a maximum borrowing capacity of $450.0 million. As of March 31, 2020 and December 31, 2019, SLP III had total investments with an aggregate fair value of approximately $462.5 million and $475.2 million, respectively, and debt outstanding under its credit facility of $401.6 million and $355.4 million, respectively. As of March 31, 2020 and December 31, 2019, none of SLP III's investments were on non-accrual. Additionally, as of March 31, 2020 and December 31, 2019, SLP III had unfunded commitments in the form of delayed draws of $9.9 million and $10.6 million, respectively. Below is a summary of SLP III's portfolio, along with a listing of the individual investments in SLP III's portfolio as of March 31, 2020 and December 31, 2019:

(in thousands)	March 31, 2020	December 31, 2019
First lien investments (1)	$ 543,798	493,787
Weighted average interest rate on first lien investments (2)	5.34 %	5.95 %
Number of portfolio companies in SLP III	55	49
Largest portfolio company investment (1)	$ 23,894	23,947
Total of five largest portfolio company investments (1)	$ 99,663	99,906

(1) Reflects principal amount or par value of investment.
(2) Computed as the all in interest rate in effect on accruing investments divided by the total principal amount of investments.

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The following table is a listing of the individual investments in SLP III's portfolio as ofMarch 31, 2020:

Portfolio Company and Type of Investment	Industry	Interest Rate (1)	Maturity Date	Principal Amount or Par Value	Cost	Fair Value (2)
Funded Investments - First lien				(in thousands)	(in thousands)	(in thousands)
Access CIG, LLC	Business Services	5.53% (L + 3.75%)	2/27/2025	$ 874	$ 874	$ 721
Advisor Group Holdings, Inc.	Consumer Services	5.99% (L + 5.00%)	7/31/2026	4,988	4,941	3,840
Affordable Care Holding Corp.	Healthcare Services	6.20% (L + 4.75%)	10/24/2022	5,948	5,875	5,183
AG Parent Holdings, LLC	Healthcare Services	6.45% (L + 5.00%)	7/31/2026	12,469	12,411	12,118
Aston FinCo S.a.r.l. / Aston US Finco, LLC	Software	6.13% (L + 4.25%)	10/9/2026	6,000	5,943	5,460
Astra Acquisition Corp.	Software	6.50% (L + 5.50%)	3/1/2027	11,577	11,491	11,490
Ascensus Specialties LLC	Business Services	6.33% (L + 4.75%)	9/24/2026	9,975	9,928	9,950
BCPE Empire Holdings, Inc.	Distribution & Logistics	4.99% (L + 4.00%)	6/11/2026	9,144	9,060	8,230
BCPE Empire Holdings, Inc.	Distribution & Logistics	4.99% (L + 4.00%)	6/11/2026	1,437	1,427	1,293
Bearcat Buyer, Inc.	Healthcare Services	5.70% (L + 4.25%)	7/9/2026	19,803	19,712	18,983
Bearcat Buyer, Inc.	Healthcare Services	5.70% (L + 4.25%)	7/9/2026	1,299	1,293	1,245
Bleriot US Bidco Inc.	Federal Services	6.20% (L + 4.75%)	10/31/2026	4,324	4,282	3,773
Bleriot US Bidco Inc.	Federal Services	6.20% (L + 4.75%)	10/31/2026	676	669	590
Bluefin Holding, LLC	Software	5.25% (L + 4.25%)	9/4/2026	9,975	9,835	9,564
Bracket Intermediate Holding Corp.	Healthcare Services	6.16% (L + 4.25%)	9/5/2025	14,775	14,715	11,894
Brave Parent Holdings, Inc.	Software	5.78% (L + 4.00%)	4/18/2025	11,304	11,272	9,872
CentralSquare Technologies, LLC	Software	5.20% (L + 3.75%)	8/29/2025	14,813	14,783	11,554
Certara Holdco, Inc.	Healthcare I.T.	4.95% (L + 3.50%)	8/15/2024	1,259	1,262	1,070
CHA Holdings, Inc.	Business Services	5.57% (L + 4.50%)	4/10/2025	985	985	957
CommerceHub, Inc.	Software	4.49% (L + 3.50%)	5/21/2025	14,738	14,681	12,379
Covenant Surgical Partners, Inc.	Healthcare Services	5.02% (L + 4.00%)	7/1/2026	9,950	9,859	8,408
CRCI Longhorn Holdings, Inc.	Business Services	4.49% (L + 3.50%)	8/8/2025	14,775	14,716	12,559
Dealer Tire, LLC	Distribution & Logistics	5.24% (L + 4.25%)	12/12/2025	9,975	9,950	8,279
Dentalcorp Health Services ULC (fka Dentalcorp Perfect Smile ULC)	Healthcare Services	4.75% (L + 3.75%)	6/6/2025	14,748	14,719	11,725
Drilling Info Holdings, Inc.	Business Services	5.24% (L + 4.25%)	7/30/2025	18,719	18,643	17,292
Edgewood Partners Holdings LLC	Business Services	5.25% (L + 4.25%)	9/6/2024	7,413	7,351	7,144
eResearchTechnology, Inc.	Healthcare Services	5.50% (L + 4.50%)	2/4/2027	3,931	3,892	3,512
EyeCare Partners, LLC	Healthcare Services	4.82% (L + 3.75%)	2/18/2027	12,162	12,147	10,054
Fastlane Parent Company, Inc.	Distribution & Logistics	5.49% (L + 4.50%)	2/4/2026	3,465	3,405	2,997
Greenway Health, LLC	Software	4.82% (L + 3.75%)	2/16/2024	14,633	14,641	9,584
Heartland Dental, LLC	Healthcare Services	4.74% (L + 3.75%)	4/30/2025	18,683	18,610	14,740
Help/Systems Holdings, Inc.	Software	5.75% (L + 4.75%)	11/19/2026	7,056	6,998	6,103
Idera, Inc.	Software	5.08% (L + 4.00%)	6/28/2024	5,558	5,535	4,891
Institutional Shareholder Services Inc.	Business Services	5.57% (L + 4.50%)	3/5/2026	990	981	827
Kestra Advisor Services Holdings A, Inc.	Business Services	5.24% (L + 4.25%)	6/3/2026	9,452	9,381	8,129
LSCS Holdings, Inc.	Healthcare Services	5.32% (L + 4.25%)	3/17/2025	2,647	2,629	2,448
LSCS Holdings, Inc.	Healthcare Services	5.32% (L + 4.25%)	3/17/2025	683	679	632
Market Track, LLC	Business Services	6.03% (L + 4.25%)	6/5/2024	4,765	4,761	3,955
MED ParentCo, LP	Healthcare Services	5.24% (L + 4.25%)	8/31/2026	10,350	10,259	8,720
MED ParentCo, LP	Healthcare Services	5.21% (L + 4.25%)	8/31/2026	1,816	1,799	1,530
Ministry Brands, LLC	Software	5.62% (L + 4.00%)	12/2/2022	4,537	4,523	4,337
Ministry Brands, LLC	Software	5.62% (L + 4.00%)	12/2/2022	878	875	839
National Intergovernmental Purchasing Alliance Company	Business Services	5.20% (L + 3.75%)	5/23/2025	8,768	8,764	7,453
National Mentor Holdings, Inc. (aka Civitas Solutions, Inc.)	Healthcare Services	5.12% (L + 4.00%)	3/9/2026	8,946	8,946	8,141
National Mentor Holdings, Inc. (aka Civitas Solutions, Inc.)	Healthcare Services	5.46% (L + 4.00%)	3/9/2026	406	406	370
Navex Topco, Inc.	Software	4.24% (L + 3.25%)	9/5/2025	18,348	18,197	15,940
Netsmart Technologies, Inc.	Healthcare I.T.	5.20% (L + 3.75%)	4/19/2023	10,304	10,304	9,376
Newport Group Holdings II, Inc.	Business Services	5.20% (L + 3.75%)	9/12/2025	4,925	4,905	4,297
NorthStar Financial Services Group, LLC	Software	4.49% (L + 3.50%)	5/25/2025	11,770	11,726	9,593
Outcomes Group Holdings, Inc.	Healthcare Services	5.11% (L + 3.50%)	10/24/2025	3,426	3,419	2,827
Pelican Products, Inc.	Business Products	4.50% (L + 3.50%)	5/1/2025	4,912	4,903	4,016

Portfolio Company and Type of Investment	Industry	Interest Rate (1)	Maturity Date	Principal Amount or Par Value	Cost	Fair Value (2)
Peraton Corp. (fka MHVC Acquisition Corp.)	Federal Services	6.87% (L + 5.25%)	4/29/2024	$ 15,391	$ 15,334	$ 14,390
Premise Health Holding Corp.	Healthcare Services	4.95% (L + 3.50%)	7/10/2025	13,689	13,634	12,613
Project Accelerate Parent, LLC	Business Services	5.25% (L + 4.25%)	1/2/2025	9,899	9,855	7,672
Quest Software US Holdings Inc.	Software	6.03% (L + 4.25%)	5/16/2025	14,811	14,756	13,673
Sierra Enterprises, LLC	Food & Beverage	5.00% (L + 4.00%)	11/11/2024	2,450	2,448	2,021
Spring Education Group, Inc. (fka SSH Group Holdings, Inc.)	Education	5.70% (L + 4.25%)	7/30/2025	14,775	14,746	11,931
TIBCO Software Inc.	Software	4.74% (L + 3.75%)	6/30/2026	7,692	7,673	7,308
Wirepath LLC	Distribution & Logistics	5.07% (L + 4.00%)	8/5/2024	17,258	17,258	15,101
WP CityMD Bidco LLC	Healthcare Services	5.76% (L + 4.50%)	8/13/2026	20,019	19,831	18,067
VT Topco, Inc.	Business Services	4.95% (L + 3.50%)	8/1/2025	2,816	2,816	2,422
YI, LLC	Healthcare Services	5.07% (L + 4.00%)	11/7/2024	9,766	9,759	7,569
Total Funded Investments				**$ 533,920**	**$ 531,472**	**$ 463,651**
Unfunded Investments - First lien						
BCPE Empire Holdings, Inc.	Distribution & Logistics	—	6/11/2021	$ 369	$ (4)	$ (37)
Bearcat Buyer, Inc.	Healthcare Services	—	7/9/2021	2,792	(14)	(116)
Covenant Surgical Partners, Inc.	Healthcare Services	—	7/1/2021	2,000	(20)	(310)
EyeCare Partners, LLC	Healthcare Services	—	2/18/2022	2,838	—	(492)
MED ParentCo, LP	Healthcare Services	—	8/27/2021	776	(8)	(122)
Premise Health Holding Corp.	Healthcare Services	—	7/10/2020	1,103	(3)	(37)
Total Unfunded Investments				**$ 9,878**	**$ (49)**	**$ (1,114)**
Total Investments				**$ 543,798**	**$ 531,423**	**$ 462,537**

(1) All interest is payable in cash unless otherwise indicated. A majority of the variable rate debt investments bear interest at a rate that may be determined by reference to the LIBOR (L), the Prime Rate (P) and the alternative base rate (Base). For each investment, the current interest rate provided reflects the rate in effect as of March 31, 2020.

(2) Represents the fair value in accordance with ASC 820. Our board of directors does not determine the fair value of the investments held by SLP III.

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The following table is a listing of the individual investments in SLP III's portfolio as ofDecember 31, 2019:

Portfolio Company and Type of Investment	Industry	Interest Rate (1)	Maturity Date	Principal Amount or Par Value	Cost	Fair Value (2)
Funded Investments - First lien				(in thousands)	(in thousands)	(in thousands)
Access CIG, LLC	Business Services	5.44% (L + 3.75%)	2/27/2025	$ 1,204	$ 1,204	$ 1,205
Advisor Group Holdings, Inc.	Consumer Services	6.80% (L + 5.00%)	7/31/2026	5,000	4,952	4,972
Affordable Care Holding Corp.	Healthcare Services	6.59% (L + 4.75%)	10/24/2022	5,963	5,884	5,814
AG Parent Holdings, LLC	Healthcare Services	6.91% (L + 5.00%)	7/31/2026	12,500	12,440	12,406
Aston FinCo S.a r.l. / Aston US Finco, LLC	Software	6.26% (L + 4.25%)	10/9/2026	6,000	5,941	5,970
Ascensus Specialties LLC	Business Services	6.44% (L + 4.75%)	9/24/2026	10,000	9,951	9,975
BCPE Empire Holdings, Inc.	Distribution & Logistics	5.80% (L + 4.00%)	6/11/2026	9,167	9,080	9,224
BCPE Empire Holdings, Inc.	Distribution & Logistics	5.80% (L + 4.00%)	6/11/2026	229	243	231
Bearcat Buyer, Inc.	Healthcare Services	6.19% (L + 4.25%)	7/9/2026	19,853	19,759	19,753
Bearcat Buyer, Inc.	Healthcare Services	6.19% (L + 4.25%)	7/9/2026	1,302	1,296	1,296
Bleriot US Bidco Inc.	Federal Services	6.69% (L + 4.75%)	10/30/2026	4,324	4,281	4,373
Bluefin Holding, LLC	Software	6.14% (L + 4.25%)	9/4/2026	10,000	9,855	9,900
Bracket Intermediate Holding Corp.	Healthcare Services	6.35% (L + 4.25%)	9/5/2025	14,813	14,750	14,775
Brave Parent Holdings, Inc.	Software	5.93% (L + 4.00%)	4/18/2025	14,775	14,732	14,560
CentralSquare Technologies, LLC	Software	5.55% (L + 3.75%)	8/29/2025	14,850	14,819	14,231
Certara Holdco, Inc.	Healthcare I.T.	5.44% (L + 3.50%)	8/15/2024	1,262	1,266	1,262
CHA Holdings, Inc.	Business Services	6.44% (L + 4.50%)	4/10/2025	987	987	986
CommerceHub, Inc.	Software	5.30% (L + 3.50%)	5/21/2025	14,775	14,716	14,590
Covenant Surgical Partners, Inc.	Healthcare Services	5.69% (L + 4.00%)	7/1/2026	9,975	9,881	9,913
CRCI Longhorn Holdings, Inc.	Business Services	5.19% (L + 3.50%)	8/8/2025	14,813	14,751	14,414
Dentalcorp Health Services ULC (fka Dentalcorp Perfect Smile ULC)	Healthcare Services	5.55% (L + 3.75%)	6/6/2025	14,786	14,755	14,737
Drilling Info Holdings, Inc.	Business Services	6.05% (L + 4.25%)	7/30/2025	18,766	18,688	18,688
Edgewood Partners Holdings LLC	Business Services	6.05% (L + 4.25%)	9/6/2024	7,432	7,367	7,413
Explorer Holdings, Inc.	Healthcare Services	6.25% (L + 4.50%)	11/20/2026	3,931	3,892	3,964
Fastlane Parent Company, Inc.	Distribution & Logistics	6.44% (L + 4.50%)	2/4/2026	3,474	3,411	3,448
Greenway Health, LLC	Software	5.69% (L + 3.75%)	2/16/2024	14,670	14,679	13,093
Heartland Dental, LLC	Healthcare Services	5.55% (L + 3.75%)	4/30/2025	18,317	18,243	18,248
Help/Systems Holdings, Inc.	Software	6.55% (L + 4.75%)	11/19/2026	5,556	5,500	5,535
Idera, Inc.	Software	6.30% (L + 4.50%)	6/28/2024	5,572	5,548	5,576
Institutional Shareholder Services Inc.	Business Services	6.44% (L + 4.50%)	3/5/2026	993	983	978
Kestra Advisor Services Holdings A, Inc.	Business Services	6.20% (L + 4.25%)	6/3/2026	9,476	9,402	9,477
LSCS Holdings, Inc.	Healthcare Services	6.31% (L + 4.25%)	3/17/2025	2,654	2,634	2,627
LSCS Holdings, Inc.	Healthcare Services	6.31% (L + 4.25%)	3/17/2025	685	680	678
Market Track, LLC	Business Services	6.18% (L + 4.25%)	6/5/2024	4,778	4,773	4,300
MED ParentCo, LP	Healthcare Services	6.05% (L + 4.25%)	8/31/2026	10,376	10,282	10,402
MED ParentCo, LP	Healthcare Services	6.05% (L + 4.25%)	8/31/2026	553	549	554
Ministry Brands, LLC	Software	5.85% (L + 4.00%)	12/2/2022	4,549	4,534	4,549
Ministry Brands, LLC	Software	5.85% (L + 4.00%)	12/2/2022	880	877	880
National Intergovernmental Purchasing Alliance Company	Business Services	5.69% (L + 3.75%)	5/23/2025	8,790	8,786	8,790
Navex Topco, Inc.	Software	5.05% (L + 3.25%)	9/5/2025	18,394	18,237	18,448
Netsmart Technologies, Inc.	Healthcare I.T.	5.55% (L + 3.75%)	4/19/2023	10,330	10,330	10,308
Newport Group Holdings II, Inc.	Business Services	5.65% (L + 3.75%)	9/12/2025	4,938	4,917	4,950
NorthStar Financial Services Group, LLC	Software	5.30% (L + 3.50%)	5/25/2025	11,770	11,723	11,579
Outcomes Group Holdings, Inc.	Healthcare Services	5.41% (L + 3.50%)	10/24/2025	6,435	6,421	6,344
Pelican Products, Inc.	Business Products	5.24% (L + 3.50%)	5/1/2025	4,925	4,915	4,531
Peraton Corp. (fka MHVC Acquisition Corp.)	Federal Services	7.05% (L + 5.25%)	4/29/2024	15,430	15,371	15,363
Premise Health Holding Corp.	Healthcare Services	5.44% (L + 3.50%)	7/10/2025	13,723	13,666	13,580
Project Accelerate Parent, LLC	Business Services	5.99% (L + 4.25%)	1/2/2025	9,924	9,878	9,899
Quest Software US Holdings Inc.	Software	6.18% (L + 4.25%)	5/16/2025	14,850	14,790	14,739
Sierra Enterprises, LLC	Food & Beverage	5.80% (L + 4.00%)	11/11/2024	2,456	2,454	2,447
Spring Education Group, Inc. (fka SSH Group Holdings, Inc.)	Education	6.19% (L + 4.25%)	7/30/2025	14,812	14,782	14,905
Wirepath LLC	Distribution & Logistics	5.94% (L + 4.00%)	8/5/2024	17,302	17,302	15,053

Portfolio Company and Type of Investment	Industry	Interest Rate (1)	Maturity Date	Principal Amount or Par Value	Cost	Fair Value (2)
WP CityMD Bidco LLC	Healthcare Services	6.44% (L + 4.50%)	8/13/2026	$ 20,069	$ 19,875	$ 20,119
YI, LLC	Healthcare Services	5.94% (L + 4.00%)	11/7/2024	9,791	9,784	9,155
Total Funded Investments				**$ 483,179**	**$ 480,816**	**$ 475,207**
Unfunded Investments - First lien						
BCPE Empire Holdings, Inc.	Distribution & Logistics	—	6/11/2021	$ 1,580	$ (16)	$ 10
Bearcat Buyer, Inc.	Healthcare Services	—	7/9/2021	2,792	(14)	(14)
Bleriot US Bidco Inc.	Federal Services	—	10/31/2020	676	(7)	8
Covenant Surgical Partners, Inc.	Healthcare Services	—	7/1/2021	2,000	(20)	(13)
Heartland Dental, LLC	Healthcare Services	—	4/30/2020	413	—	(2)
MED ParentCo, LP	Healthcare Services	—	8/27/2021	2,044	(20)	5
Premise Health Holding Corp.	Healthcare Services	—	7/10/2020	1,103	(3)	(3)
Total Unfunded Investments				**$ 10,608**	**$ (80)**	**$ (9)**
Total Investments				**$ 493,787**	**$ 480,736**	**$ 475,198**

(1) All interest is payable in cash unless otherwise indicated. A majority of the variable rate debt investments bear interest at a rate that may be determined by reference to the LIBOR (L), the Prime Rate (P) and the alternative base rate (Base). For each investment, the current interest rate provided reflects the rate in effect as of December 31, 2019.

(2) Represents the fair value in accordance with ASC 820. Our board of directors does not determine the fair value of the investments held by SLP III.

Below is certain summarized financial information for SLP III as ofMarch 31, 2020 and December 31, 2019 and for the three months ended March 31, 2020 and March 31, 2019:

Selected Balance Sheet Information:	**March 31, 2020**	**December 31, 2019**
	(in thousands)	(in thousands)
Investments at fair value (cost of $531,423 and $480,736)	$ 462,537	$ 475,198
Cash and other assets	15,472	12,836
Total assets	$ 478,009	$ 488,034
Credit facility	$ 401,600	$ 355,400
Deferred financing costs	(2,773)	(2,385)
Payable for unsettled securities purchased	—	8,166
Distribution payable	3,592	3,650
Other liabilities	6,832	3,736
Total liabilities	409,251	368,567
Members' capital	$ 68,758	$ 119,467
Total liabilities and members' capital	$ 478,009	$ 488,034

Selected Statement of Operations Information:	**Three Months Ended**	
	March 31, 2020	**March 31, 2019**
	(in thousands)	(in thousands)
Interest income	$ 7,407	$ 6,293
Other income	181	70
Total investment income	7,588	6,363
Interest and other financing expenses	3,696	3,391
Other expenses	157	138
Total expenses	3,853	3,529
Net investment income	3,735	2,834
Net realized (losses) gains on investments	(2)	33
Net change in unrealized (depreciation) appreciation of investments	(63,348)	2,967
Net (decrease) increase in members' capital	$ (59,615)	$ 5,834

For the three months ended March 31, 2020 and March 31, 2019, we earned approximately $2.9 million and $2.7 million of dividend income related to SLP III, which is included in dividend income. As of March 31, 2020 and December 31, 2019, approximately $2.9 million and $2.9 million, respectively, of dividend income related to SLP III was included in interest and dividend receivable.

We have determined that SLP III is an investment company under ASC 946; however, in accordance with such guidance we will generally not consolidate our investment in a company other than a wholly-owned investment company subsidiary. Furthermore, ASC 810 concludes that in a joint venture where both members have equal decision making authority, it is not appropriate for one member to consolidate the joint venture since neither has control. Accordingly, we do not consolidate SLP III.

New Mountain Net Lease Corporation

NMNLC was formed to acquire commercial real estate properties that are subject to "triple net" leases. NMNLC's investments are disclosed on our Consolidated Schedule of Investments as of March 31, 2020.

On March 30, 2020, an affiliate of the Investment Adviser purchased directly from NMNLC 105,030 shares of NMNLC’s common stock at a price of $107.73 per share, which represented the net asset value per share of NMNLC at the date of purchase, for an aggregate purchase price of approximately $11.3 million. Immediately thereafter, NMNLC redeemed 105,030 shares of its common stock held by NMFC in exchange for a promissory note with a principal amount of $11.3 million and a 7.0% interest rate, which was repaid by NMNLC to NMFC on March 31, 2020.

Below is certain summarized property information for NMNLC as of March 31, 2020:

Portfolio Company	Tenant	Lease Expiration Date	Location	Total Square Feet	Fair Value as of March 31, 2020
				(in thousands)	(in thousands)
NM NL Holdings LP / NM GP Holdco LLC	Various	Various	Various	Various	$ 45,917
NM GLCR LP	Arctic Glacier U.S.A.	2/28/2038	CA	214	22,282
NM CLFX LP	Victor Equipment Company	8/31/2033	TX	423	11,709
NM APP Canada, Corp.	A.P. Plasman, Inc.	9/30/2031	Canada	436	10,481
NM APP US LLC	Plasman Corp, LLC / A-Brite LP	9/30/2033	AL / OH	261	6,529
NM YI, LLC	Young Innovations, Inc.	10/31/2039	IL / MO	212	5,897
NM DRVT LLC	FMH Conveyors, LLC	10/31/2031	AR	195	5,783
NM JRA LLC	J.R. Automation Technologies, LLC	1/31/2031	MI	88	3,522
NM KRLN LLC	Kirlin Group, LLC	6/30/2029	MD	95	1,058
					$ 113,178

Collateralized agreements or repurchase financings

We follow the guidance in Accounting Standards Codification Topic 860, *Transfers and Servicing—Secured Borrowing and Collateral*, ("ASC 860") when accounting for transactions involving the purchases of securities under collateralized agreements to resell (resale agreements). These transactions are treated as collateralized financing transactions and are recorded at their contracted resale or repurchase amounts, as specified in the respective agreements. Interest on collateralized agreements is accrued and recognized over the life of the transaction and included in interest income. As of March 31, 2020 and December 31, 2019, we held one collateralized agreement to resell with a cost basis of $30.0 million and $30.0 million, respectively, and a fair value of $21.4 million and $21.4 million, respectively. The collateralized agreement to resell is on non-accrual. The collateralized agreement to resell is guaranteed by a private hedge fund, PPVA Fund, L.P.. The private hedge fund is currently in liquidation under the laws of the Cayman Islands. Pursuant to the terms of the collateralized agreement, the private hedge fund was obligated to repurchase the collateral from us at the par value of the collateralized agreement. The private hedge fund has breached its agreement to repurchase the collateral under the collateralized agreement. The default by the private hedge fund did not release the collateral to us, therefore, we do not have full rights and title to the collateral. A claim has been filed with the Cayman Islands joint official liquidators to resolve this matter. The joint official liquidators have recognized our contractual rights under the collateralized agreement. We continue to exercise our rights under the collateralized agreement and continue to monitor the liquidation process of the private hedge fund. The fair value of the collateralized agreement to resell is reflective of the increased risk of the position.

PPVA Black Elk (Equity) LLC

On May 3, 2013, we entered into a collateralized securities purchase and put agreement (the "SPP Agreement") with a private hedge fund. Under the SPP Agreement, we purchased twenty million Class E Preferred Units of Black Elk Energy Offshore Operations, LLC ("Black Elk") for $20.0 million with a corresponding obligation of the private hedge fund, PPVA Black Elk (Equity) LLC, to repurchase the preferred units for $20.0 million plus other amounts due under the SPP Agreement. The majority owner of Black Elk was the private hedge fund. In August 2014, we received a payment of $20.5 million, the full amount due under the SPP Agreement.

In August 2017, a trustee (the "Trustee") for Black Elk informed us that the Trustee intended to assert a fraudulent conveyance claim (the "Claim") against us and one of its affiliates seeking the return of the $20.5 million repayment. Black Elk filed a Chapter 11 bankruptcy petition pursuant to the United States Bankruptcy Code in August 2015. The Trustee alleged that individuals affiliated with the private hedge fund conspired with Black Elk and others to improperly use proceeds from the sale of certain Black Elk assets to repay, in August 2014, the private hedge fund's obligation to us under the SPP Agreement. We were unaware of these claims at the time the repayment was received. The private hedge fund is currently in liquidation under the laws of the Cayman Islands.

On December 22, 2017, we settled the Trustee's $20.5 million Claim for $16.0 million and filed a claim with the Cayman Islands joint official liquidators of the private hedge fund for $16.0 million that is owed to us under the SPP Agreement. The SPP Agreement was restored and is in effect since repayment has not been made. We continue to exercise our rights under the SPP Agreement and continue to monitor the liquidation process of the private hedge fund. During the year ended December 31, 2018, we received a $1.5 million payment from our insurance carrier in respect to the settlement. As of March 31, 2020 and December 31, 2019, the SPP Agreement has a cost basis of $14.5 million and $14.5 million, respectively, and a fair value of $10.4 million and $10.4 million, respectively, which is reflective of the higher inherent risk in this transaction.

Revenue Recognition

Sales and paydowns of investments: Realized gains and losses on investments are determined on the specific identification method.

Interest and dividend income: Interest income, including amortization of premium and discount using the effective interest method, is recorded on the accrual basis and periodically assessed for collectability. Interest income also includes interest earned from cash on hand. Upon the prepayment of a loan or debt security, any prepayment penalties are recorded as part of interest income. We have loans and certain preferred equity investments in the portfolio that contain a payment-in-kind ("PIK") interest or dividend provision. PIK interest and dividends are accrued and recorded as income at the contractual rates, if deemed collectible. The PIK interest and dividends are added to the principal or share balances on the capitalization dates and are generally due at maturity or when redeemed by the issuer. For the three months ended March 31, 2020 and March 31, 2019, we recognized PIK and non-cash interest from investments of approximately $3.5 million million and $3.0 million, respectively, and PIK and non-cash dividends from investments of approximately $1.6 million and $4.3 million, respectively.

Dividend income on common equity is recorded on the record date for private portfolio companies or on the ex-dividend date for publicly traded portfolio companies. Dividend income on preferred securities is recorded as dividend income on an accrual basis to the extent that such amounts are deemed collectible.

Non-accrual income: Investments are placed on non-accrual status when principal or interest payments are past due for 30 days or more and when there is reasonable doubt that principal or interest will be collected. Accrued cash and un-capitalized PIK interest or dividends are reversed when an investment is placed on non-accrual status. Previously capitalized PIK interest or dividends are not reversed when an investment is placed on non-accrual status. Interest or dividend payments received on non-accrual investments may be recognized as income or applied to principal depending upon management's judgment of the ultimate collectibility. Non-accrual investments are restored to accrual status when past due principal and interest is paid and, in management's judgment, are likely to remain current.

Other income: Other income represents delayed compensation, consent or amendment fees, revolver fees, structuring fees, upfront fees, management fees from a non-controlled/affiliated investment and other miscellaneous fees received and are typically non-recurring in nature. Delayed compensation is income earned from counterparties on trades that do not settle within a set number of business days after trade date. Other income may also include fees from bridge loans. We may from time to time enter into bridge financing commitments, an obligation to provide interim financing to a counterparty until permanent credit can be obtained. These commitments are short-term in nature and may expire unfunded. A fee is received for providing such commitments. Structuring fees and upfront fees are recognized as income when earned, usually when paid at the closing of the investment, and are non-refundable.

Monitoring of Portfolio Investments

We monitor the performance and financial trends of our portfolio companies on at least a quarterly basis. We attempt to identify any developments within the portfolio company, the industry or the macroeconomic environment that may alter any material element of our original investment strategy.

We use an investment rating system to characterize and monitor the credit profile and expected level of returns on each investment in the portfolio. We use a four-level numeric rating scale as follows:

- Investment Rating 1—Investment is performing materially above expectations;
- Investment Rating 2—Investment is performing materially in-line with expectations. All new loans are rated 2 at initial purchase;
- Investment Rating 3—Investment is performing materially below expectations, where the risk of loss has materially increased since the original investment; and
- Investment Rating 4—Investment is performing substantially below expectations and risks have increased substantially since the original investment. Payments may be delinquent. There is meaningful possibility that we will not recoup our original cost basis in the investment and may realize a substantial loss upon exit.

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The following table shows the distribution of our investments and securities purchased under collateralized agreements to resell on the 1 to 4 investment rating scale at fair value as of March 31, 2020:

(in millions)	As of March 31, 2020			
Investment Rating	Cost	Percent	Fair Value	Percent
Investment Rating 1	$ 59.3	1.9%	$ 57.3	1.9%
Investment Rating 2	2,772.0	86.2%	2,675.6	88.8%
Investment Rating 3	287.4	8.9%	224.7	7.5%
Investment Rating 4	97.8	3.0%	55.1	1.8%
	$ 3,216.5	100.0%	$ 3,012.7	100.0%

As of March 31, 2020, all investments in our portfolio had an Investment Rating of 1 or 2 with the exception of eight portfolio companies that had an Investment Rating of 3 and six portfolio companies that had an Investment Rating of 4.

In December 2019, our preferred shares in Permian Holdco 1, Inc. were placed on non-accrual status and had an investment rating of 4. In addition, as of March 31, 2020, we placed our subordinated positions in Permian Holdco 2, Inc. on non-accrual. As of March 31, 2020, our investments in Permian Holdco 1, Inc. and Permian Holdco 2, Inc. had an aggregate cost basis of $9.9 million and an aggregate fair value of $2.8 million and had an Investment Rating of 4. During the three months ended March 31, 2020, we reversed $3.4 million of previously recorded PIK dividends related to our investment in Permian Holdco 1, Inc. as we believe these PIK dividends will ultimately not be collectible.

As of March 31, 2020, we placed our investment in our junior preferred shares of UniTek Global Services, Inc. on non-accrual status and the investment had a rating of 4. As of March 31, 2020, our investment had an aggregate cost basis of $34.4 million and an aggregate fair value of $19.5 million.

During the first quarter of 2018, we placed our first lien positions in Education Management II LLC on non-accrual status as the portfolio company announced its intention to wind down and liquidate the business. Our first lien positions and our preferred and common shares in Education Management Corporation ("EDMC") had an investment rating of 4. As of March 31, 2020, our investment in EDMC, with an Investment Rating of 4, had an aggregate cost basis of $1.4 million, an aggregate fair value of $3.4 million and total unearned interest income of $0.0 million for the three months then ended.

As of March 31, 2020, our investment in NM KRLN LLC had an investment rating of 4 and had an aggregate cost basis of $7.6 million and an aggregate fair value of $1.1 million.

Since December 31, 2019, our subordinated position in PPVA Black Elk (Equity) LLC had an investment rating of 4. As of March 31, 2020, our investment in this security had an aggregate cost basis of $14.5 million and an aggregate fair value of $10.4 million.

During the year ended December 31, 2019, our security purchased under collateralized agreements to resell was placed on non-accrual and the investment had an Investment Rating of 4. As of March 31, 2020, our investment in this security had an aggregate cost basis of $30.0 million and an aggregate fair value of $21.4 million.

In response to the continuing impact of the outbreak of COVID-19 pandemic and its impact on the overall market environment and the health of our portfolio companies, we performed a company-by-company evaluation of the anticipated impact of COVID-19. The evaluation process consisted of dialogue with sponsors and portfolio companies to understand COVID-19's impact on each portfolio company, the portfolio company's response to any disruption, the level of sponsor support, and the current and projected financial and liquidity position of the portfolio company. Based on this evaluation, we assigned each portfolio company a "Risk Rating" of red, orange, yellow and green, with red reflecting a portfolio company with the potential for the most severe impact, due to COVID-19, and green reflecting the least. We will continue to monitor our portfolio companies and provide support to their management teams where possible. The following table shows the Risk Rating of our portfolio companies as of March 31, 2020:

(in millions)	March 31, 2020			
Risk Rating	Cost	Percent	Fair Value	Percent
Red	$ 212.4	6.7%	$ 156.3	5.2%
Orange	103.8	3.2%	83.2	2.8%
Yellow	398.1	12.5%	343.3	11.5%
Green	2,472.2	77.6%	2,408.5	80.5%
	$ 3,186.5	100.0%	$ 2,991.3	100.0%

Portfolio and Investment Activity

The fair value of our investments was approximately $2,991.3 million in 114 portfolio companies at March 31, 2020 and approximately $3,160.3 million in 114 portfolio companies at December 31, 2019.

The following table shows our portfolio and investment activity for the three months ended March 31, 2020 and March 31, 2019:

	Three Months Ended	
(in millions)	**March 31, 2020**	**March 31, 2019**
New investments in 17 and 17 portfolio companies, respectively	$ 181.7	$ 158.3
Debt repayments in existing portfolio companies	151.5	5.9
Sales of securities in 3 and 0 portfolio companies, respectively	38.6	—
Change in unrealized appreciation on 6 and 38 portfolio companies, respectively	1.0	19.6
Change in unrealized depreciation on 112 and 54 portfolio companies, respectively	(205.7)	(3.3)

Recent Accounting Standards Updates

See Item 1.—Financial Statements—Note 13. Recent Accounting Standards for details on recent accounting standards updates.

Results of Operations for the Three Months Ended March 31, 2020 and March 31, 2019

Revenue

	Three Months Ended	
(in thousands)	**March 31, 2020**	**March 31, 2019**
Interest income	$ 61,636	$ 47,924
Total dividend income	10,493	13,493
Other income	1,955	2,774
Total investment income	$ 74,084	$ 64,191

Our total investment income increased by approximately $9.9 million, or 15%, for the three months ended March 31, 2020 as compared to the three months ended March 31, 2019. For the three months ended March 31, 2020, total investment income of approximately $74.1 million consisted of approximately $53.6 million in cash interest from investments, approximately $3.5 million in PIK and non-cash interest from investments, approximately $1.0 million in prepayment fees, net amortization of purchase premiums and discounts of approximately $3.5 million, approximately $8.9 million in cash dividends from investments, approximately $1.6 million in PIK and non-cash dividends from investments and approximately $2.0 million in other income. The increase in interest income of approximately $13.7 million during the three months ended March 31, 2020 as compared to the three months ended March 31, 2019 was primarily due to increased interest income which is attributable to larger invested balances. Our larger invested balances were driven by the proceeds from our June 2019 convertible notes issuances, proceeds from our April 2019 unsecured notes issuances, higher drawn balances on our Holdings Credit Facility (as defined below), borrowings from our DB Credit Facility (as defined below) and proceeds from the July 2019 and October 2019 public offerings of our common stock, all of which contributed to the origination of new investments. The decrease in dividend income for the three months ended March 31, 2020 as compared to the three months ended March 31, 2019 was primarily due to the reversal of approximately $3.4 million of previously recorded PIK dividends related to our preferred shares in Permian Holdco 1, Inc., which was deemed to no longer be collectible. Other income during the three months ended March 31, 2020, which represents fees that are generally non-recurring in nature, was primarily attributable to upfront and amendment fees received from 10 different portfolio companies and management fees from a non-controlled affiliated portfolio company.

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Operating Expenses

	Three Months Ended	
(in thousands)	**March 31, 2020**	**March 31, 2019**
Management fee	$ 13,858	$ 10,975
Less: management fee waiver	(3,543)	(2,533)
Total management fee	10,315	8,442
Incentive fee	7,826	6,863
Interest and other financing expenses	22,194	19,146
Professional fees	905	766
Administrative expenses	1,040	1,095
Other general and administrative expenses	499	412
Net expenses before income taxes	42,779	36,724
Income tax expense	—	17
Net expenses after income taxes	$ 42,779	$ 36,741

Our total net operating expenses increased by approximately $6.0 million for the three months ended March 31, 2020 as compared to the three months ended March 31, 2019. Our management fee increased by approximately $1.9 million, net of a management fee waiver, and our incentive fee increased by approximately $1.0 million for the three months ended March 31, 2020 as compared to the three months ended March 31, 2019. The increase in management and incentive fees was attributable to larger invested balances, driven by the proceeds from our convertible notes issuances, our unsecured notes issuances, our July 2019 and October 2019 public offering of common stock and our use of leverage from our revolving credit facilities and SBA-guaranteed debentures used to originate new investments.

Interest and other financing expenses increased by approximately $3.0 million during the three months ended March 31, 2020 as compared to the three months ended March 31, 2019, primarily due to our issuances of unsecured notes and higher drawn balances on our SBA-guaranteed debentures, Holdings Credit Facility, NMFC Credit Facility and DB Credit Facility. Our total professional fees, administrative expenses and total other general and administrative expenses for the three months ended March 31, 2020 as compared to the three months ended March 31, 2019 remained relatively flat.

Net Realized Gains (Losses) and Net Change in Unrealized Appreciation (Depreciation)

	Three Months Ended	
(in thousands)	**March 31, 2020**	**March 31, 2019**
Net realized gains on investments	$ 114	$ 46
Net change in unrealized (depreciation) appreciation of investments	(204,739)	16,314
Benefit for taxes	898	110
Net realized and unrealized (losses) gains	$ (203,727)	$ 16,470

Our net realized gains and unrealized losses resulted in a net loss of approximately $203.7 million for the three months ended March 31, 2020 compared to net realized and unrealized gains resulting in a net gain of approximately $16.5 million for the same period in 2019. As movement in unrealized appreciation or depreciation can be the result of realizations, we look at net realized and unrealized gains or losses together. The net loss for the three months ended March 31, 2020 was primarily driven by the overall decrease in market prices of our investments during the period due to the impact of COVID-19. The provision for income taxes was attributable to equity investments that are held as of March 31, 2020 in three of our corporate subsidiaries. The net gain for the three months ended March 31, 2019 was primarily driven by the overall increase in market prices of our investments during the period.

Liquidity and Capital Resources

The primary use of existing funds and any funds raised in the future is expected to be for repayment of indebtedness, investments in portfolio companies, cash distributions to our stockholders or for other general corporate purposes.

Since our IPO, and through March 31, 2020, we raised approximately $893.2 million in net proceeds from additional offerings of common stock.

Our liquidity is generated and generally available through advances from the revolving credit facilities, from cash flows from operations, and, we expect, through periodic follow-on equity offerings. In addition, we may from time to time enter into additional debt facilities, increase the size of existing facilities or issue additional debt securities, including unsecured debt and/or debt securities convertible into common stock. Any such incurrence or issuance would be subject to prevailing market conditions, our liquidity requirements, contractual and regulatory restrictions and other factors. As permitted by the Small Business Credit Availability Act (the "SBCA") on June 8, 2018 our shareholders approved the application of the modified asset coverage requirements set forth in Section 61(a) of the 1940 Act, as amended by the SBCA, which resulted in the reduction from 200.0% to 150.0% of the minimum asset coverage ratio applicable to us as of June 9, 2018. In accordance with the 1940 Act, with certain limited exceptions, we are only allowed to borrow amounts such that our asset coverage, calculated pursuant to the 1940 Act, is at least 150.0% after such borrowing (which means we can borrow $2 for every $1 of our equity). As a result of our exemptive relief received on November 5, 2014, we are permitted to exclude our SBA-guaranteed debentures from the 150.0% asset coverage ratio that the we are required to maintain under the 1940 Act. The agreements governing the NMFC Credit Facility, the 2018 Convertible Notes and the Unsecured Notes (as defined below) contain certain covenants and terms, including a requirement that we not exceed a debt-to-equity ratio of 1.65 to 1.00 at the time of incurring additional indebtedness and a requirement that we not exceed a secured debt ratio of 0.70 to 1.00 at any time. As of March 31, 2020, our asset coverage ratio was 164.1%.

At March 31, 2020 and December 31, 2019, we had cash and cash equivalents of approximately $22.1 million and $48.6 million, respectively. Our cash used in operating activities during the three months ended March 31, 2020 and March 31, 2019 was approximately $13.5 million and $139.3 million, respectively. We expect that all current liquidity needs will be met with cash flows from operations and other activities.

Borrowings

Holdings Credit Facility—On December 18, 2014, we entered into the Second Amended and Restated Loan and Security Agreement among us, as the Collateral Manager, NMF Holdings, as the Borrower, Wells Fargo Securities, LLC, as the Administrative Agent and Wells Fargo Bank, National Association, as the Lender and Collateral Custodian (as amended from time to time, the "Holdings Credit Facility"). As of the most recent amendment on September 6, 2019, the maturity date of the Holdings Credit Facility is October 24, 2022, and the maximum facility amount is the lesser of $800.0 million and the actual commitments of the lenders to make advances as of such date.

As of March 31, 2020, the maximum amount of revolving borrowings available under the Holdings Credit Facility is $800.0 million. Under the Holdings Credit Facility, NMF Holdings is permitted to borrow up to 25.0%, 45.0% or 70.0% of the purchase price of pledged assets, subject to approval by Wells Fargo Bank, National Association. The Holdings Credit Facility is non-recourse to us and is collateralized by all of the investments of NMF Holdings on an investment by investment basis. All fees associated with the origination or upsizing of the Holdings Credit Facility are capitalized on our Consolidated Statement of Assets and Liabilities and charged against income as other financing expenses over the life of the Holdings Credit Facility. The Holdings Credit Facility contains certain customary affirmative and negative covenants and events of default. In addition, the Holdings Credit Facility requires us to maintain a minimum asset coverage ratio of 150.0%. The covenants are generally not tied to mark to market fluctuations in the prices of NMF Holdings investments, but rather to the performance of the underlying portfolio companies.

The Holdings Credit Facility bears interest at a rate of LIBOR plus 1.75% per annum for Broadly Syndicated Loans (as defined in the Loan and Security Agreement) and LIBOR plus 2.25% per annum for all other investments. The Holdings Credit Facility also charges a non-usage fee, based on the unused facility amount multiplied by the Non-Usage Fee Rate (as defined in the Loan and Security Agreement).

The following table summarizes the interest expense, non-usage fees and amortization of financing costs incurred on the Holdings Credit Facility for the three months ended March 31, 2020 and March 31, 2019.

	Three Months Ended	
(in millions)	**March 31, 2020**	**March 31, 2019**
Interest expense	$ 5.4	$ 6.3
Non-usage fee	$ 0.2	$ 0.1
Amortization of financing costs	$ 0.3	$ 0.7
Weighted average interest rate	3.5%	4.5%
Effective interest rate	3.8%	5.1%
Average debt outstanding	$ 629.5	$ 566.3

As of March 31, 2020 and December 31, 2019, the outstanding balance on the Holdings Credit Facility was $569.2 million and $661.6 million, respectively, and NMF Holdings was in compliance with the applicable covenants in the Holdings Credit Facility on such dates.

NMFC Credit Facility—The Senior Secured Revolving Credit Agreement, (as amended from time to time, and together with the related guarantee and security agreement, the "NMFC Credit Facility"), dated June 4, 2014, among us, as the Borrower, Goldman Sachs Bank USA, as the Administrative Agent and Collateral Agent, and Goldman Sachs Bank USA, Morgan Stanley Bank, N.A., Stifel Bank & Trust and MUFG Union Bank, N.A., as Lenders, is structured as a senior secured revolving credit facility. The NMFC Credit Facility is guaranteed by certain of our domestic subsidiaries and proceeds from the NMFC Credit Facility may be used for general corporate purposes, including the funding of portfolio investments. The maturity date of the NMFC Credit Facility is June 4, 2022.

As of March 31, 2020, the maximum amount of revolving borrowings available under the NMFC Credit Facility was $188.5 million. We are permitted to borrow at various advance rates depending on the type of portfolio investment as outlined in the related Senior Secured Revolving Credit Agreement. All fees associated with the origination of the NMFC Credit Facility are capitalized on our Consolidated Statement of Assets and Liabilities and charged against income as other financing expenses over the life of the NMFC Credit Facility. The NMFC Credit Facility contains certain customary affirmative and negative covenants and events of default, including certain financial covenants related to the asset coverage and liquidity and other maintenance covenants.

The NMFC Credit Facility generally bears interest at a rate of LIBOR plus 2.50% per annum or the prime rate plus 1.50% per annum, and charges a commitment fee, based on the unused facility amount multiplied by 0.375% per annum (as defined in the Senior Secured Revolving Credit Agreement).

The following table summarizes the interest expense, non-usage fees and amortization of financing costs incurred on the NMFC Credit Facility for the three months ended March 31, 2020 and March 31, 2019.

	Three Months Ended	
(in millions)	**March 31, 2020**	**March 31, 2019**
Interest expense	$ 1.9	$ 1.0
Non-usage fee	$ —	$ 0.1
Amortization of financing costs	$ —	$ 0.1
Weighted average interest rate	4.1%	5.1%
Effective interest rate	4.2%	5.9%
Average debt outstanding	$ 188.5	$ 81.5

(1) For the three months ended March 31, 2020, the total amortization of financing costs were less than $50 thousand.

As of March 31, 2020 and December 31, 2019, the outstanding balance on the NMFC Credit Facility was $188.5 million and $188.5 million, respectively, and NMFC was in compliance with the applicable covenants in the NMFC Credit Facility on such dates.

DB Credit Facility—The Loan Financing and Servicing Agreement (the "DB Credit Facility") dated December 14, 2018 and as amended from time to time, among NMFDB as the borrower, Deutsche Bank AG, New York Branch ("Deutsche

Bank") as the facility agent, Lender and other agent from time to time party thereto and U.S. Bank National Association, as collateral agent and collateral custodian, is structured as a secured revolving credit facility and matures on December 14, 2023.

As of March 31, 2020, the maximum amount of revolving borrowings available under the DB Credit Facility was$280.0 million. We are permitted to borrow at various advance rates depending on the type of portfolio investment, as outlined in the Loan Financing and Servicing Agreement. The DB Credit Facility is non-recourse to us and is collateralized by all of the investments of NMFDB on an investment by investment basis. All fees associated with the origination of the DB Credit Facility are capitalized on our Consolidated Statement of Assets and Liabilities and charged against income as other financing expenses over the life of the DB Credit Facility. The DB Credit Facility contains certain customary affirmative and negative covenants and events of default. The covenants are generally not tied to mark to market fluctuations in the prices of NMFDB investments, but rather to the performance of the underlying portfolio companies.

The advances under the DB Credit Facility accrue interest at a per annum rate equal to the Applicable Margin plus the lender's Cost of Funds Rate. The "Applicable Margin" is equal to 2.85% during the Revolving Period and then increases by 0.20% during an Event of Default. The "Cost of Funds Rate" for a conduit lender is the lower of its commercial paper rate and the Base Rate plus 0.50%, and for any other lender is the Base Rate. The "Base Rate" is the three-months LIBOR Rate but may become an alternative base rate based on Deutsche Bank's base lending rate if certain LIBOR disruption events occur. We are also charged a non-usage fee, based on the unused facility amount multiplied by the Undrawn Fee Rate (as defined in the Loan Financing and Servicing Agreement).

The following table summarizes the interest expense, non-usage fees and amortization of financing costs incurred on the DB Credit Facility for the three months ended March 31, 2020 and March 31, 2019.

	Three Months Ended	
(in millions)	**March 31, 2020**	**March 31, 2019**
Interest expense(1)	$ 2.6	$ 0.5
Non-usage fee(1)	$ 0.1	$ 0.1
Amortization of financing costs	$ 0.2	$ 0.1
Weighted average interest rate	4.5%	5.6%
Effective interest rate	4.9%	7.1%
Average debt outstanding	$ 235.1	$ 38.5

(1) Interest expense includes the portion of the facility agent fee applicable to the drawn portion of the DB Credit Facility and non-usage fee includes the portion of the facility agent fee applicable to the undrawn portion of the DB Credit Facility.

As of March 31, 2020 and December 31, 2019, the outstanding balance on the DB Credit Facility was $270.0 million and $230.0 million, respectively, and NMFDB was in compliance with the applicable covenants in the DB Credit Facility on such date.

Unsecured Management Company Revolver—The Uncommitted Revolving Loan Agreement, (the "Unsecured Management Company Revolver"), dated March 30, 2020, among us as the Borrower and NMF Investments III, L.L.C., as Lender, an affiliate of the Investment Adviser, is structured as a discretionary unsecured revolving credit facility. The proceeds from the Unsecured Management Company Revolver may be used for general corporate purposes, including the funding of portfolio investments. The maturity date of the Unsecured Management Company Revolver is December 31, 2022. The Unsecured Management Company Revolver generally bears interest at a rate of 7.00% per annum (as defined in the Uncommitted Revolving Loan Agreement). As of March 31, 2020, the maximum amount of revolving borrowings available under the Unsecured Management Company Revolver was $30.0 million and no borrowings were outstanding. Subsequent to March 31, 2020, the Unsecured Management Company Revolver's maximum amounts of revolving borrowings available was increased to $50.0 million (see *Recent Developments*).

NMNLC Credit Facility—The Revolving Credit Agreement (together with the related guarantee and security agreement, the “NMNLC Credit Facility”), dated September 21, 2018, among NMNLC, as the Borrower, and KeyBank National Association, as the Administrative Agent and Lender, is structured as a senior secured revolving credit facility and matures on September 23, 2020. The NMNLC Credit Facility is guaranteed by us and proceeds from the NMNLC Credit Facility may be used for funding of additional acquisition properties.

The NMNLC Credit Facility generally bears interest at a rate of LIBOR plus 2.50% per annum or the prime rate plus 1.50% per annum, and charges a commitment fee, based on the unused facility amount multiplied by 0.15% per annum (as defined in the Revolving Credit Agreement).

As of March 31, 2020, the maximum amount of revolving borrowings available under the NMNLC Credit Facility was$30.0 million. For the three months ended March 31, 2020, interest expense, non-usage fees and amortization of financing costs were each less than $50 thousand. For thethree months ended March 31, 2019, interest expense, non-usage fees and amortization of financing costs were each less than $50 thousand. As of March 31, 2020 and December 31, 2019, the outstanding balance on the NMNLC Credit Facility was $0 and $0, respectively, and NMNLC was in compliance with the applicable covenants in the NMNLC Credit Facility on such date.

Convertible Notes

2014 Convertible Notes—On June 3, 2014, we closed a private offering of $115.0 million aggregate principal amount of unsecured convertible notes (the “2014 Convertible Notes”), pursuant to an indenture, dated June 3, 2014 (the “2014 Indenture”). The 2014 Convertible Notes were issued in a private placement only to qualified institutional buyers pursuant to Rule 144A under the Securities Act of 1933, as amended (the "Securities Act"). As of June 3, 2015, the restrictions under Rule 144A under the Securities Act were removed, allowing the 2014 Convertible Notes to be eligible and freely tradable without restrictions for resale pursuant to Rule 144(b)(1) under the Securities Act. On September 30, 2016, we closed a public offering of an additional $40.3 million aggregate principal amount of the 2014 Convertible Notes. These additional 2014 Convertible Notes constitute a further issuance of, rank equally in right of payment with, and form a single series with the $115.0 million aggregate principal amount of 2014 Convertible Notes that we issued on June 3, 2014.

The 2014 Convertible Notes bore interest at an annual rate of 5.0%, payable semi-annually in arrears on June 15 and December 15 of each year, which commenced on December 15, 2014.

On June 15, 2019, our $155.3 million aggregate principal amount of 2014 Convertible Notes matured and we repaid the outstanding principal and accrued but unpaid interest in cash.

2018 Convertible Notes—On August 20, 2018, we closed a registered public offering of $100.0 million aggregate principal amount of unsecured convertible notes (the “2018 Convertible Notes” and together with the 2014 Convertible Notes, the "Convertible Notes"), pursuant to an indenture, dated August 20, 2018, as supplemented by a first supplemental indenture thereto, dated August 20, 2018 (together the “2018A Indenture”). On August 30, 2018, in connection with the registered public offering, we issued an additional $15.0 million aggregate principal amount of the 2018 Convertible Notes pursuant to the exercise of an overallotment option by the underwriter of the 2018 Convertible Notes. On June 7, 2019, we closed a registered public offering of an additional $86.3 million aggregate principal amount of the 2018 Convertible Notes. These additional 2018 Convertible Notes constitute a further issuance of, rank equally in right of payment with, and form a single series with the $115.0 million aggregate principal amount of 2018 Convertible Notes that we issued in August 2018.

The 2018 Convertible Notes bear interest at an annual rate of 5.75%, payable semi-annually in arrears on February 15 and August 15 of each year. The 2018 Convertible Notes will mature on August 15, 2023 unless earlier converted, repurchased or redeemed pursuant to the terms of the 2018A Indenture. We may not redeem the 2018 Convertible Notes prior to May 15, 2023. On or after May 15, 2023, we may redeem the 2018 Convertible Notes for cash, in whole or from time to time in part, at our option at a redemption price, subject to an exception for redemption dates occurring after a record date but on or prior to the interest payment date, equal to the sum of (i) 100% of the principal amount of the 2018 Convertible Notes to be redeemed, (ii) accrued and unpaid interest thereon to, but excluding, the redemption date and (iii) a make-whole premium.

No sinking fund is provided for the 2018 Convertible Notes. Holders of 2018 Convertible Notes may, at their option, convert their 2018 Convertible Notes into shares of our common stock at any time on or prior to the close of business on the business day immediately preceding the maturity date of the 2018 Convertible Notes. In addition, if certain corporate events occur, holders of the 2018 Convertible Notes may require us to repurchase for cash all or part of their 2018 Convertible Notes at a repurchase price equal to 100.0% of the principal amount of the 2018 Convertible Notes to be repurchased, plus accrued and unpaid interest through, but excluding, the repurchase date.

The 2018A Indenture contains certain covenants, including covenants requiring us to provide certain financial information to the holders of the 2018 Convertible Notes and the trustee if we cease to be subject to the reporting requirements of the Exchange Act. The 2018A Indenture also includes additional financial covenants related to our asset coverage ratio. These covenants are subject to limitations and exceptions that are described in the 2018A Indenture.

The following table summarizes certain key terms related to the convertible features of our 2018 Convertible Notes as of March 31, 2020.

		2018 Convertible Notes
Initial conversion premium		10.0 %
Initial conversion rate(1)		65.8762
Initial conversion price	$	15.18
Conversion premium at March 31, 2020		10.0 %
Conversion rate at March 31, 2020(1)(2)		65.8762
Conversion price at March 31, 2020(2)(3)	$	15.18
Last conversion price calculation date		August 20, 2019

(1) Conversion rates denominated in shares of common stock per $1.0 thousand principal amount of the 2018 Convertible Notes converted.

(2) Represents conversion rate and conversion price, as applicable, taking into account certain de minimis adjustments that will be made on the conversion date.

(3) The conversion price in effect at March 31, 2020 was calculated on the last anniversary of the issuance and will be calculated again on the next anniversary, unless the exercise price shall have changed by more than 1.0% before the anniversary.

The conversion rate will be subject to adjustment upon certain events, such as stock splits and combinations, mergers, spin-offs, increases in dividends in excess of $0.34 per share per quarter and certain changes in control. Certain of these adjustments, including adjustments for increases in dividends, are subject to a conversion price floor of $13.80 per share. In no event will the total number of shares of common stock issuable upon conversion exceed 72.4637 per $1 principal amount. We have determined that the embedded conversion option in the 2018 Convertible Notes is not required to be separately accounted for as a derivative under GAAP.

The 2018 Convertible Notes are unsecured obligations and rank senior in right of payment to our existing and future indebtedness, if any, that is expressly subordinated in right of payment to the 2018 Convertible Notes; equal in right of payment to our existing and future unsecured indebtedness that is not so subordinated; effectively junior in right of payment to any of our secured indebtedness (including existing unsecured indebtedness that we later secure) to the extent of the value of the assets securing such indebtedness; and structurally junior to all existing and future indebtedness (including trade payables) incurred by our subsidiaries and financing vehicles. As reflected in Note 11. *Earnings Per Share*, the issuance is considered part of the if-converted method for calculation of diluted earnings per share.

The following table summarizes the interest expense, amortization of financing costs and amortization of premium incurred on the Convertible Notes for the three months ended March 31, 2020 and March 31, 2019.

	Three Months Ended			
(in millions)	March 31, 2020		March 31, 2019	
Interest expense	$	2.9	$	3.6
Amortization of financing costs	$	0.1	$	0.3
Amortization of premium	$	—(1)	$	—
Weighted average interest rate		5.8%		5.4%
Effective interest rate		5.9%		5.9%
Average debt outstanding	$	201.3	$	270.3

(1) For the three months ended March 31, 2020 and March 31, 2019, the amortization of premium was less than $50 thousand.

As of March 31, 2020 and December 31, 2019, the outstanding balance on the Convertible Notes was $201.2 million and $201.2 million, respectively, and NMFC was in compliance with the terms of the 2018A Indenture on such date.

Unsecured Notes

On May 6, 2016, we issued $50.0 million in aggregate principal amount of five-year unsecured notes that mature on May 15, 2021 (the "2016 Unsecured Notes"), pursuant to a note purchase agreement, dated May 4, 2016, to an institutional investor in a private placement. On September 30, 2016, we entered into an amended and restated note purchase agreement (the "NPA") and issued an additional $40.0 million in aggregate principal amount of 2016 Unsecured Notes to institutional investors in a private placement. On June 30, 2017, we issued $55.0 million in aggregate principal amount of five-year unsecured notes that mature on July 15, 2022 (the "2017A Unsecured Notes"), pursuant to the NPA and a supplement to the NPA. On January 30, 2018, we issued $90.0 million in aggregate principal amount of five year unsecured notes that mature on January 30, 2023 (the "2018A Unsecured Notes") pursuant to the NPA and a second supplement to the NPA. On July 5, 2018, we issued $50.0 million in aggregate principal amount of five year unsecured notes that mature on June 28, 2023 (the "2018B Unsecured Notes") pursuant to the NPA and a third supplement to the NPA (the "Third Supplement"). On April 30, 2019, we issued $116.5 million in aggregate principal amount of five year unsecured notes that mature on April 30, 2024 (the "2019A Unsecured Notes") pursuant to the NPA and a fourth supplement to the NPA. The NPA provides for future issuances of unsecured notes in separate series or tranches.

The 2016 Unsecured Notes bear interest at an annual rate of 5.313%, payable semi-annually on May 15 and November 15 of each year. The 2017A Unsecured Notes bear interest at an annual rate of 4.760%, payable semi-annually on January 15 and July 15 of each year. The 2018A Unsecured Notes bear interest at an annual rate of 4.870%, payable semi-annually on February 15 and August 15 of each year. The 2018B Unsecured Notes bear interest at an annual rate of 5.360%, payable semi-annually on January 15 and July 15 of each year. These interest rates are subject to increase in the event that: (i) subject to certain exceptions, the underlying unsecured notes or we cease to have an investment grade rating or (ii) the aggregate amount of our unsecured debt falls below $150.0 million. In each such event, we have the option to offer to prepay the underlying unsecured notes at par, in which case holders of the underlying unsecured notes who accept the offer would not receive the increased interest rate. In addition, we are obligated to offer to prepay the underlying unsecured notes at par if the Investment Adviser, or an affiliate thereof, ceases to be our investment adviser or if certain change in control events occur with respect to the Investment Adviser.

The NPA contains customary terms and conditions for unsecured notes issued, including, without limitation, an option to offer to prepay all or a portion of the unsecured notes under its governance at par (plus a make-whole amount if applicable), affirmative and negative covenants such as information reporting, maintenance of our status as a BDC under the 1940 Act and a RIC under the Code, minimum stockholders' equity, minimum asset coverage ratio, and prohibitions on certain fundamental changes at NMFC or any subsidiary guarantor, as well as customary events of default with customary cure and notice, including, without limitation, nonpayment, misrepresentation in a material respect, breach of covenant, cross-default under other indebtedness of NMFC or certain significant subsidiaries, certain judgments and orders, and certain events of bankruptcy. The Third Supplement includes additional financial covenants related to asset coverage as well as other terms.

On September 25, 2018, we closed a registered public offering of $50.0 million in aggregate principal amount of five-year 5.75% Unsecured Notes (together with the 2016 Unsecured Notes, 2017A Unsecured Notes, 2018A Unsecured Notes and 2018B Unsecured Notes, the "Unsecured Notes"), pursuant to an indenture, dated August 20, 2018, as supplemented by a second supplemental indenture thereto, dated September 25, 2018 (together, the "2018B Indenture"). On October 17, 2018, in connection with the registered public offering, we issued an additional $1.8 million aggregate principal amount of the 5.75% Unsecured Notes pursuant to the exercise of an overallotment option by the underwriters of the 5.75% Unsecured Notes.

The 5.75% Unsecured Notes bear interest at an annual rate of 5.75%, payable quarterly on January 1, April 1, July 1 and October 1 of each year. The 5.75% Unsecured Notes will mature on October 1, 2023 unless earlier redeemed. The 5.75% Unsecured Notes are listed on the New York Stock Exchange and trade under the trading symbol "NMFX."

We may redeem the 5.75% Unsecured Notes, in whole or in part, at any time, or from time to time, at our option on or after October 1, 2020, upon not less than 30 days nor more than 60 days written notice by mail prior to the date fixed for redemption thereof, at a redemption price of 100% of the outstanding principal amount thereof plus accrued and unpaid interest payments otherwise payable for the then-current quarterly interest period accrued to but not including the date fixed for redemption.

No sinking fund is provided for the 5.75% Unsecured Notes and holders of the 5.75% Unsecured Notes have no option to have their 5.75% Unsecured Notes repaid prior to the stated maturity date.

The 2018B Indenture contains certain covenants, including covenants requiring us to (i) comply with the asset coverage requirements set forth in Section 18(a)(1)(A) of the 1940 Act as modified by Section 61(a) of the 1940 Act as may be applicable to us from time to time or any successor provisions, whether or not we continue to be subject to such provisions of the 1940 Act, but giving effect, in either case, to any exemptive relief granted to us by the SEC and (ii) provide certain financial information to the holders of the 5.75% Unsecured Notes and the trustee if we cease to be subject to the reporting requirements of the Exchange Act. The 2018B Indenture also includes additional financial covenants related to asset coverage. These covenants are subject to limitations and exceptions that are described in the 2018B Indenture.

The 2018B Indenture provides for customary events of default and further provides that the trustee or the holders of 25% in aggregate principal amount of the outstanding 5.75% Unsecured Notes may declare such 5.75% Unsecured Notes immediately due and payable upon the occurrence of any event of default after expiration of any applicable grace period.

The Unsecured Notes are unsecured obligations and rank senior in right of payment to our existing and future indebtedness, if any, that is expressly subordinated in right of payment to the Unsecured Notes; equal in right of payment to our existing and future unsecured indebtedness that is not so subordinated; effectively junior in right of payment to any of our secured indebtedness (including existing unsecured indebtedness that we later secure) to the extent of the value of the assets securing such indebtedness; and structurally junior to all existing and future indebtedness (including trade payables) incurred by our subsidiaries and financing vehicles.

The following table summarizes the interest expense and amortization of financing costs incurred on the Unsecured Notes for thethree months ended March 31, 2020 and March 31, 2019.

	Three Months Ended	
(in millions)	**March 31, 2020**	**March 31, 2019**
Interest expense	$ 6.0	$ 4.4
Amortization of financing costs	$ 0.3	$ 0.3
Weighted average interest rate	5.3%	5.3%
Effective interest rate	5.6%	5.6%
Average debt outstanding	$ 453.3	$ 336.8

As of March 31, 2020 and December 31, 2019, the outstanding balance on the Unsecured Notes was $453.3 million and $453.3 million, respectively, and we were in compliance with the terms of the NPA and the 2018B Indenture as of such dates, as applicable.

SBA-guaranteed debentures—On August 1, 2014 and August 25, 2017, respectively, SBIC I and SBIC II received SBIC licenses from the SBA to operate as SBICs.

The SBIC license allows SBICs to obtain leverage by issuing SBA-guaranteed debentures, subject to the issuance of a capital commitment by the SBA and other customary procedures. SBA-guaranteed debentures are non-recourse to us, interest only debentures with interest payable semi-annually and have a ten year maturity. The principal amount of SBA-guaranteed debentures is not required to be paid prior to maturity but may be prepaid at any time without penalty. The interest rate of SBA-guaranteed debentures is fixed on a semi-annual basis at a market-driven spread over U.S. Treasury Notes with ten year maturities. The SBA, as a creditor, will have a superior claim to the assets of SBIC I and SBIC II over our stockholders in the event SBIC I and SBIC II are liquidated or the SBA exercises remedies upon an event of default.

The maximum amount of borrowings available under current SBA regulations for a single licensee is $150.0 million as long as the licensee has at least $75.0 million in regulatory capital, receives a capital commitment from the SBA and has been through an examination by the SBA subsequent to licensing. In June 2018, legislation amended the 1958 Act by increasing the individual leverage limit from $150.0 million to $175.0 million, subject to SBA approvals.

As of March 31, 2020 and December 31, 2019, SBIC I had regulatory capital of $75.0 million and $75.0 million, respectively, and SBA-guaranteed debentures outstanding of $150.0 million and $150.0 million, respectively. As of March 31, 2020 and December 31, 2019, SBIC II had regulatory capital of $75.0 million and $64.5 million, respectively, and $150.0 million and $75.0 million, respectively, of SBA-guaranteed debentures outstanding. The SBA-guaranteed debentures incur upfront fees of 3.435%, which consists of a 1.00% commitment fee and a 2.435% issuance discount, which are amortized over the life of the SBA-guaranteed debentures. The following table summarizes our SBA-guaranteed debentures as of March 31, 2020.

(in millions)

Issuance Date	Maturity Date	Debenture Amount	Interest Rate	SBA Annual Charge
Fixed SBA-guaranteed debentures(1):				
March 25, 2015	March 1, 2025	$ 37.5	2.517%	0.355%
September 23, 2015	September 1, 2025	37.5	2.829%	0.355%
September 23, 2015	September 1, 2025	28.8	2.829%	0.742%
March 23, 2016	March 1, 2026	13.9	2.507%	0.742%
September 21, 2016	September 1, 2026	4.0	2.051%	0.742%
September 20, 2017	September 1, 2027	13.0	2.518%	0.742%
March 21, 2018	March 1, 2028	15.3	3.187%	0.742%
Fixed SBA-guaranteed debentures(2):				
September 19, 2018	September 1, 2028	15.0	3.548%	0.222%
September 25, 2019	September 1, 2029	19.0	2.283%	0.222%
March 25, 2020	March 1, 2030	24.0	2.078%	0.222%
March 25, 2020	March 1, 2030	17.0	2.078%	0.222%
March 25, 2020	March 1, 2030	24.0	2.078%	0.275%
Interim SBA-guaranteed debentures(2):				
	September 1, 2030 (3)	30.0	1.279%	0.275%
	September 1, 2030 (3)	21.0	1.393%	0.275%
Total SBA-guaranteed debentures		**$ 300.0**		

(1) SBA-guaranteed debentures are held in SBIC I.

(2) SBA-guaranteed debentures are held in SBIC II.

(3) Estimated maturity date as interim SBA-debentures are expected to pool in September 2020.

Prior to pooling, the SBA-guaranteed debentures bear interest at an interim floating rate of LIBOR plus 0.30%. Once pooled, which occurs in March and September each year, the SBA-guaranteed debentures bear interest at a fixed rate that is set to the current 10-year treasury rate plus a spread at each pooling date.

The following table summarizes the interest expense and amortization of financing costs incurred on the SBA-guaranteed debentures for thethree months ended March 31, 2020 and March 31, 2019.

	Three Months Ended	
(in millions)	**March 31, 2020**	**March 31, 2019**
Interest expense	$ 1.8	$ 1.3
Amortization of financing costs	$ 0.2	$ 0.1
Weighted average interest rate	3.0%	3.3%
Effective interest rate	3.4%	3.6%
Average debt outstanding	$ 243.1	$ 165.0

The SBIC program is designed to stimulate the flow of private investor capital into eligible smaller businesses, as defined by the SBA. Under SBA regulations, SBICs are subject to regulatory requirements, including making investments in SBA-eligible businesses, investing at least 25.0% of its investment capital in eligible smaller businesses, as defined under the 1958 Act, placing certain limitations on the financing terms of investments, regulating the types of financing, prohibiting investments in small businesses with certain characteristics or in certain industries and requiring capitalization thresholds that limit distributions to us. SBICs are subject to an annual periodic examination by an SBA examiner to determine the SBIC's compliance with the relevant SBA regulations and an annual financial audit of its financial statements that are prepared on a basis of accounting other than GAAP (such as ASC 820) by an independent auditor. As of March 31, 2020 and December 31, 2019, SBIC I and SBIC II were in compliance with SBA regulatory requirements.

Off-Balance Sheet Arrangements

We may become a party to financial instruments with off-balance sheet risk in the normal course of business to meet the financial needs of our portfolio companies. These instruments may include commitments to extend credit and involve, to varying degrees, elements of liquidity and credit risk in excess of the amount recognized in the balance sheet. As of March 31, 2020 and December 31, 2019, we had outstanding commitments to third parties to fund investments totaling $150.9 million and $203.8 million, respectively, under various undrawn revolving credit facilities, delayed draw commitments or other future funding commitments.

We may from time to time enter into financing commitment letters or bridge financing commitments, which could require funding in the future. As of March 31, 2020 and December 31, 2019, we had commitment letters to purchase investments in an aggregate par amount of $0 and $34.2 million, respectively. As of March 31, 2020 and December 31, 2019, we had not entered into any bridge financing commitments which could require funding in the future.

As of March 31, 2020, we had unfunded commitments related to an equity investment in SLP III of $10.0 million, which may be funded at our discretion.

Contractual Obligations

A summary of our significant contractual payment obligations as of March 31, 2020 is as follows:

	Contractual Obligations Payments Due by Period				
(in millions)	**Total**	**Less than 1 Year**	**1 - 3 Years**	**3 - 5 Years**	**More than 5 Years**
Holdings Credit Facility(1)	$ 569.2	$ —	$ 569.2	$ —	$ —
Unsecured Notes(2)	453.3	—	235.0	218.3	—
SBA-guaranteed debentures(3)	300.0	—	—	37.5	262.5
DB Credit Facility(4)	270.0	—	—	270.0	—
Convertible Notes(5)	201.2	—	—	201.2	—
NMFC Credit Facility(6)	188.5	—	188.5	—	—
Total Contractual Obligations	$ 1,982.2	$ —	$ 992.7	$ 727.0	$ 262.5

(1) Under the terms of the $800.0 million Holdings Credit Facility, all outstanding borrowings under that facility ($569.2 million as of March 31, 2020) must be repaid on or before October 24, 2022. As of March 31, 2020, there was approximately $230.8 million of possible capacity remaining under the Holdings Credit Facility.

(2) $90.0 million of the 2016 Unsecured Notes will mature on May 15, 2021 unless earlier repurchased, $55.0 million of the 2017A Unsecured Notes will mature on July 15, 2022 unless earlier repurchased, $90.0 million of the 2018A Unsecured Notes will mature on January 30, 2023 unless earlier repurchased, $50.0 million of the 2018B Unsecured Notes will mature on June 28, 2023 unless earlier repurchased, $51.8 million of the 5.75% Unsecured Notes will mature on October 1, 2023 unless earlier repurchased and $116.5 million of the 2019A Unsecured Notes will mature on April 30, 2024 unless earlier repurchased.

(3) Our SBA-guaranteed debentures will begin to mature on March 1, 2025.

(4) Under the terms of the $280.0 million DB Credit Facility, all outstanding borrowings under that facility ($270.0 million as of March 31, 2020) must be repaid on or before December 14, 2023. As of March 31, 2020, there was approximately $10.0 million of possible capacity remaining under the DB Credit Facility.

(5) The 2018 Convertible Notes will mature on August 15, 2023 unless earlier converted or repurchased at the holder's option or redeemed by us.

(6) Under the terms of the $188.5 million NMFC Credit Facility, all outstanding borrowings under that facility ($188.5 million as of March 31, 2020) must be repaid on or before June 4, 2022. As of March 31, 2020, there was no capacity remaining under the NMFC Credit Facility.

We have entered into the Investment Management Agreement with the Investment Adviser in accordance with the 1940 Act. Under the Investment Management Agreement, the Investment Adviser has agreed to provide us with investment advisory and management services. We have agreed to pay for these services (1) a management fee and (2) an incentive fee based on our performance.

We have also entered into the administration agreement, as amended and restated (the "Administration Agreement") with the Administrator. Under the Administration Agreement, the Administrator has agreed to arrange office space for us and provide office equipment and clerical, bookkeeping and record keeping services and other administrative services necessary to conduct our respective day-to-day operations. The Administrator has also agreed to maintain, or oversee the maintenance of, our financial records, our reports to stockholders and reports filed with the SEC.

If any of the contractual obligations discussed above are terminated, our costs under any new agreements that are entered into may increase. In addition, we would likely incur significant time and expense in locating alternative parties to provide the services we expect to receive under the Investment Management Agreement and the Administration Agreement.

Distributions and Dividends

Distributions declared and paid to stockholders for the three months ended March 31, 2020 totaled approximately $32.9 million.

The following table reflects cash distributions, including dividends and returns of capital, if any, per share that have been declared by our board of directors for the two most recent fiscal years and the current fiscal year to date:

Fiscal Year Ended	Date Declared	Record Date	Payment Date	Per Share Amount (1)
December 31, 2020				
First Quarter	February 19, 2020	March 13, 2020	March 27, 2020	$ 0.34
				$ 0.34
December 31, 2019				
Fourth Quarter	November 4, 2019	December 13, 2019	December 27, 2019	$ 0.34
Third Quarter	August 1, 2019	September 13, 2019	September 27, 2019	0.34
Second Quarter	May 1, 2019	June 14, 2019	June 28, 2019	0.34
First Quarter	February 22, 2019	March 15, 2019	March 29, 2019	0.34
				$ 1.36
December 31, 2018				
Fourth Quarter	November 1, 2018	December 14, 2018	December 28, 2018	$ 0.34
Third Quarter	August 1, 2018	September 14, 2018	September 28, 2018	0.34
Second Quarter	May 2, 2018	June 15, 2018	June 29, 2018	0.34
First Quarter	February 21, 2018	March 15, 2018	March 29, 2018	0.34
				$ 1.36

(1) Tax characteristics of all distributions paid are reported to stockholders on Form 1099 after the end of the calendar year. For the years ended December 31, 2019 and December 31, 2018, total distributions were $117.4 million and $103.4 million, respectively, of which the distributions were comprised of approximately 72.01% and 83.74%, respectively, of ordinary income, 0.00% and 0.00%, respectively, of long-term capital gains and approximately 27.99% and 16.26%, respectively, of a return of capital. Future quarterly distributions, if any, will be determined by our board of directors.

We intend to pay quarterly distributions to our stockholders in amounts sufficient to maintain our status as a RIC. We intend to distribute approximately all of our net investment income on a quarterly basis and substantially all of our taxable income on an annual basis, except that we may retain certain net capital gains for reinvestment.

We maintain an "opt out" dividend reinvestment plan on behalf of our common stockholders, pursuant to which each of our stockholders' cash distributions will be automatically reinvested in additional shares of common stock, unless the stockholder elects to receive cash. See *Item 1— Financial Statements—Note 2. Summary of Significant Accounting Policies* for additional details regarding our dividend reinvestment plan.

Related Parties

We have entered into a number of business relationships with affiliated or related parties, including the following:

- We have entered into the Investment Management Agreement with the Investment Adviser, a wholly-owned subsidiary of New Mountain Capital. Therefore, New Mountain Capital is entitled to any profits earned by the Investment Adviser, which includes any fees payable to the Investment Adviser under the terms of the Investment

Management Agreement, less expenses incurred by the Investment Adviser in performing its services under the Investment Management Agreement.

- We have entered into the Administration Agreement with the Administrator, a wholly-owned subsidiary of New Mountain Capital. The Administrator arranges our office space and provides office equipment and administrative services necessary to conduct our respective day-to-day operations pursuant to the Administration Agreement. We reimburse the Administrator for the allocable portion of overhead and other expenses incurred by it in performing its obligations to us under the Administration Agreement, which includes the fees and expenses associated with performing administrative, finance, and compliance functions, and the compensation of our chief financial officer and chief compliance officer and their respective staffs. Pursuant to the Administration Agreement and further restricted by us, the Administrator may, in its own discretion, submit to us for reimbursement some or all of the expenses that the Administrator has incurred on our behalf during any quarterly period. As a result, the amount of expenses for which we will have to reimburse the Administrator may fluctuate in future quarterly periods and there can be no assurance given as to when, or if, the Administrator may determine to limit the expenses that the Administrator submits to us for reimbursement in the future. However, it is expected that the Administrator will continue to support part of our expense burden in the near future and may decide to not calculate and charge through certain overhead related amounts as well as continue to cover some of the indirect costs. The Administrator cannot recoup any expenses that the Administrator has previously waived. For the three months ended March 31, 2020 approximately \$0.7 million of indirect administrative expenses were included in administrative expenses, of which approximately \$0.0 million were waived by the Administrator. As of March 31, 2020, approximately \$1.3 million of indirect administrative expenses were included in payable to affiliates. For the three months ended March 31, 2020, the reimbursement to the Administrator represented approximately 0.02% of our gross assets.
- We, the Investment Adviser and the Administrator have entered into a royalty-free Trademark License Agreement, as amended, with New Mountain Capital, pursuant to which New Mountain Capital has agreed to grant us, the Investment Adviser and the Administrator a non-exclusive, royalty-free license to use the name "New Mountain" and "New Mountain Finance".

In addition, we have adopted a formal code of ethics that governs the conduct of our officers and directors, which is available on our website at http://www.newmountainfinance.com. These officers and directors also remain subject to the duties imposed by the 1940 Act and the Delaware General Corporation Law.

The Investment Adviser and its affiliates may also manage other funds in the future that may have investment mandates that are similar, in whole or in part, to our investment mandates. The Investment Adviser and its affiliates may determine that an investment is appropriate for us and for one or more of those other funds. In such event, depending on the availability of such investment and other appropriate factors, the Investment Adviser or its affiliates may determine that we should invest side-by-side with one or more other funds. Any such investments will be made only to the extent permitted by applicable law and interpretive positions of the SEC and its staff, and consistent with the Investment Adviser's allocation procedures. On October 8. 2019, the SEC issued an exemptive order (the “Exemptive Order”), which superseded a prior order issued on December 18, 2017, which permits us to co-invest in portfolio companies with certain funds or entities managed by the Investment Adviser or its affiliates in certain negotiated transactions where co-investing would otherwise be prohibited under the 1940 Act, subject to the conditions of the Exemptive Order. Pursuant to the Exemptive Order, we are permitted to co-invest with our affiliates if a “required majority” (as defined in Section 57(o) of the 1940 Act) of our independent directors make certain conclusions in connection with a co-investment transaction, including, but not limited to, that (1) the terms of the potential co-investment transaction, including the consideration to be paid, are reasonable and fair to us and our stockholders and do not involve overreaching in respect of us or our stockholders on the part of any person concerned, and (2) the potential co-investment transaction is consistent with the interests of our stockholders and is consistent with our then-current investment objective and strategies.

On March 30, 2020, an affiliate of the Investment Adviser purchased directly from NMNLC 105,030 shares of NMNLC’s common stock at a price of \$107.73 per share, which represented the net asset value per share of NMNLC at the date of purchase, for an aggregate purchase price of approximately \$11.3 million. Immediately thereafter, NMNLC redeemed 105,030 shares of its common stock held by NMFC in exchange for a promissory note with a principal amount of \$11.3 million and a 7.0% interest rate, which was repaid by NMNLC to NMFC on March 31, 2020.

On March 30, 2020, we entered into an unsecured revolving credit facility with NMF Investments III, L.L.C., an affiliate of the Investment Adviser, with a \$30.0 million maximum amount of revolver borrowings available and a maturity date of December 31, 2022. Subsequent to March 31, 2020, the Unsecured Management Company Revolver was upsized from \$30.0 million to \$50.0 million. Refer to *Borrowings* and *Recent Developments* for discussion of the Unsecured Management Company Revolver.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

We are subject to certain financial market risks, such as interest rate fluctuations. During thethree months ended March 31, 2020, certain of the loans held in our portfolio had floating interest rates. As of March 31, 2020, approximately 95.56% of investments at fair value (excluding investments on non-accrual, unfunded debt investments and non-interest bearing equity investments) represent floating-rate investments with a LIBOR floor (includes investments bearing prime interest rate contracts) and approximately 4.44% of investments at fair value represent fixed-rate investments. Additionally, our senior secured revolving credit facilities are also subject to floating interest rates and are currently paid based on floating LIBOR rates.

The following table estimates the potential changes in net cash flow generated from interest income and expenses, should interest rates increase by 100, 200 or 300 basis points, or decrease by 25 basis points. Interest income is calculated as revenue from interest generated from our portfolio of investments held on March 31, 2020. Interest expense is calculated based on the terms of our outstanding revolving credit facilities, convertible notes and unsecured notes. For our floating rate credit facilities, we use the outstanding balance as of March 31, 2020. Interest expense on our floating rate credit facilities is calculated using the interest rate as ofMarch 31, 2020, adjusted for the hypothetical changes in rates, as shown below. The base interest rate case assumes the rates on our portfolio investments remain unchanged from the actual effective interest rates as of March 31, 2020. These hypothetical calculations are based on a model of the investments in our portfolio, held as ofMarch 31, 2020, and are only adjusted for assumed changes in the underlying base interest rates. In addition, in a prolonged low interest rate environment, including a reduction of LIBOR to zero, the difference between the total interest income earned on interest earning assets and the total interest expense incurred on interest bearing liabilities may be compressed, reducing our net interest income and potentially adversely affecting our operating results.

Actual results could differ significantly from those estimated in the table.

Change in Interest Rates	Estimated Percentage Change in Interest Income Net of Interest Expense (unaudited)
-25 Basis Points	(1.22)%
Base Interest Rate	— %
+100 Basis Points	11.33 %
+200 Basis Points	22.67 %
+300 Basis Points	34.01 %

Item 4. Controls and Procedures

(a) Evaluation of Disclosure Controls and Procedures

As of March 31, 2020 (the end of the period covered by this report), we, including our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rule 13a-15(e) of the Exchange Act. Based on that evaluation, our management, including the Chief Executive Officer and Chief Financial Officer, concluded that our disclosure controls and procedures were effective and provided reasonable assurance that information required to be disclosed in our periodic United States Securities and Exchange Commission filings is recorded, processed, summarized and reported within the time periods specified in the United States Securities and Exchange Commission's rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. However, in evaluating the disclosure controls and procedures, management recognized that any controls and procedures, no matter how well designed and operated can provide only reasonable assurance of achieving the desired control objectives, and management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of such possible controls and procedures.

(b) Changes in Internal Controls Over Financial Reporting

Management has not identified any change in our internal control over financial reporting that occurred during the quarter ended March 31, 2020 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

The terms "we", "us", "our" and the "Company" refers to New Mountain Finance Corporation and its consolidated subsidiaries.

Item 1. Legal Proceedings

We, and our consolidated subsidiaries, the Investment Adviser and the Administrator are not currently subject to any material pending legal proceedings threatened against us as of March 31, 2020. From time to time, we may be a party to certain legal proceedings incidental to the normal course of our business including the enforcement of our rights under contracts with our portfolio companies. While the outcome of these legal proceedings cannot be predicted with certainty, we do not expect that these proceedings will have a material effect upon our business, financial condition or results of operations.

Item 1A. Risk Factors

In addition to the other information set forth in this report, you should carefully consider the factors discussed in *Item 1A. Risk Factors* in our Annual Report on Form 10-K for the fiscal year ended December 31, 2019, which could materially affect our business, financial condition and/or operating results, including the Risk Factor titled "Recent legislation allows us to incur additional leverage, which could increase the risk of investing in our securities". The risks described in our Annual Report on Form 10-K are not the only risks facing us. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially and adversely affect our business, financial condition and/or operating results. Other than as set forth below, there have been no material changes during the three months ended March 31, 2020 to the risk factors discussed in *Item 1A. Risk Factors* in our Annual Report on Form 10-K for the year ended December 31, 2019.

Events outside of our control, including public health crises, could negatively affect our portfolio companies and our results of our operations.

Periods of market volatility have occurred and could continue to occur in response to pandemics or other events outside of our control. These types of events have adversely affected and could continue to adversely affect operating results for us and for our portfolio companies. For example, in December 2019, a novel strain of coronavirus ("COVID-19") surfaced in China and has since spread to other countries, including the United States, which has resulted in restrictions on travel and the temporary closure of many corporate offices, retail stores, and manufacturing facilities and factories in the affected jurisdictions, including the United States. In addition to these developments having adverse consequences for us and our portfolio companies have been, and could continue to be, adversely impacted, including through quarantine measures and travel restrictions imposed on its personnel or service providers based or temporarily located in affected countries, or any related health issues of such personnel or service providers. As the potential impact of COVID-19 is difficult to predict, the extent to which COVID-19 could negatively affect our and our portfolio companies' operating results or the duration of any potential business or supply-chain disruption, is uncertain. Any potential impact to our results of operations will depend to a large extent on future developments and new information that could emerge regarding the duration and severity of COVID-19 and the actions taken by authorities and other entities to contain COVID-19 or treat its impact, all of which are beyond our control. These potential impacts, while uncertain, could adversely affect our and our portfolio companies' operating results.

We are currently operating in a period of capital markets disruption and economic uncertainty.

The U.S. capital markets have experienced extreme volatility and disruption following the global outbreak of COVID-19 that began in December 2019. Some economists and major investment banks have expressed concern that the continued spread of the virus globally could lead to a world-wide economic downturn. Disruptions in the capital markets have increased the spread between the yields realized on risk-free and higher risk securities, resulting in illiquidity in parts of the capital markets. These and future market disruptions and/or illiquidity could be expected to have an adverse effect on our business, financial condition, results of operations and cash flows. Unfavorable economic conditions also could be expected to increase our funding costs, limit our access to the capital markets or result in a decision by lenders not to extend credit to us. These events have limited and could continue to limit our investment originations, limit our ability to grow and have a material negative impact on our operating results and the fair values of our debt and equity investments.

If the current period of capital market disruption and instability continues for an extended period of time, there is a risk that investors in our equity securities may not receive distributions consistent with historical levels or at all or that our distributions may not grow over time and a portion of our distributions may be a return of capital.

We intend to make distributions on a quarterly basis to our stockholders out of assets legally available for distribution. We cannot assure you that we will achieve investment results that will allow us to make a specified level of cash distributions. Our ability to pay distributions might be adversely affected by the impact of one or more of the risk factors described in our Annual Report on Form 10-K including the COVID-19 pandemic described above. For example, if the temporary closure of many corporate offices, retail stores, and manufacturing facilities and factories in the jurisdictions, including the United States, affected by the COVID-19 pandemic were to continue for an extended period of time it could result in reduced cash flows to us from our existing portfolio companies, which could reduce cash available for distribution to our stockholders. If we violate certain covenants under our existing or future credit facilities or other leverage, we may be limited in our ability to make distributions. If we declare a distribution and if more stockholders opt to receive cash distributions rather than participate in our dividend reinvestment plan, we may be forced to sell some of our investments in order to make cash distribution payments. To the extent we make distributions to stockholders that include a return of capital, such portion of the distribution essentially constitutes a return of the stockholder’s investment. Although such return of capital may not be taxable, such distributions would generally decrease a stockholder’s basis in our common stock and may therefore increase such stockholder’s tax liability for capital gains upon the future sale of such stock. A return of capital distribution may cause a stockholder to recognize a capital gain from the sale of our common stock even if the stockholder sells its shares for less than the original purchase price.

Due to the COVID-19 pandemic or other disruptions in the economy, we may not be able to increase our dividends and may reduce or defer our dividends and choose to incur US federal excise tax in order preserve cash and maintain flexibility.

As a BDC, we are not required to make any distributions to shareholders other than in connection with our election to be taxed as a RIC under subchapter M of the Code. In order to maintain our tax treatment as a RIC, we must distribute to shareholders for each taxable year at least 90.0% of our investment company taxable income (i.e., net ordinary income plus realized net short-term capital gains in excess of realized net long-term capital losses). If we qualify for taxation as a RIC, we generally will not be subject to corporate-level U.S. federal income tax on our investment company taxable income and net capital gains (i.e., realized net long-term capital gains in excess of realized net short-term capital losses) that we timely distribute to shareholders. We will be subject to a 4.0% US federal excise tax on undistributed earnings of a RIC unless we distribute each calendar year at least the sum of (i) 98.0% of our ordinary income for the calendar year, (ii) 98.2% of our capital gains in excess of capital losses for the one-year period ending on October 31 of the calendar year, and (iii) any ordinary income and net capital gains for preceding years that were not distributed during such years and on which we paid no federal income tax.

Under the Code, we may satisfy certain of our RIC distributions with dividends paid after the end of the current year. In particular, if we pay a distribution in January of the following year that was declared in October, November, or December of the current year and is payable to shareholders of record in the current year, the dividend will be treated for all US federal tax purposes as if it were paid on December 31 of the current year. In addition, under the Code, we may pay dividends, referred to as “spillover dividends,” that are paid during the following taxable year that will allow us to maintain our qualification for taxation as a RIC and eliminate our liability for corporate-level U.S. federal income tax. Under these spillover dividend procedures, we may defer distribution of income earned during the current year until December of the following year. For example, we may defer distributions of income earned during 2020 until as late as December 31, 2021. If we choose to pay a spillover dividend, we will incur the 4% U.S. federal excise tax on some or all of the distribution.

Due to the COVID-19 pandemic or other disruptions in the economy, we anticipate that we may take certain actions with respect to the timing and amounts of our distributions in order to preserve cash and maintain flexibility. For example, we anticipate that we will not be able to increase our dividends. In addition, we may reduce our dividends and/or defer our dividends to the following taxable year. If we defer our dividends, we may choose to utilize the spillover dividend rules discussed above and incur the 4.0% U.S. federal excise tax on such amounts. To further preserve cash, we may combine these reductions or deferrals of dividends with one or more distributions that are payable partially in our common stock as discussed below under “We may in the future choose to pay dividends in our own common stock, in which case you may be required to pay tax in excess of the cash you receive.”

We may in the future choose to pay dividends in our own common stock, in which case you may be required to pay tax in excess of the cash you receive.

We may distribute taxable dividends that are payable in part in our common stock. In accordance with certain applicable Treasury regulations and published guidance issued by the Internal Revenue Service, a publicly offered RIC may treat a distribution of its own stock as fulfilling the RIC distribution requirements if each shareholder may elect to receive his or her entire distribution in either cash or stock of the RIC, subject to a limitation that the aggregate amount of cash to be distributed to all shareholders must be at least 20.0% (which has been temporarily reduced to 10% for distributions declared on or after April 1, 2020, and on or before December 31, 2020) of the aggregate declared distribution. If too many shareholders elect to receive cash, the cash available for distribution must be allocated among the shareholders electing to receive cash (with the balance of the distribution paid in stock). In no event will any shareholder, electing to receive cash, receive less than the lesser of (a) the portion of the distribution such shareholder has elected to receive in cash or (b) an amount equal to his or her entire distribution times the percentage limitation on cash available for distribution. If these and certain other requirements are met, for U.S. federal income tax purposes, the amount of the dividend paid in stock will be equal to the amount of cash that could have been received instead of stock. Taxable shareholders receiving such dividends will be required to include the amount of the dividends as ordinary income (or as long-term capital gain to the extent such distribution is properly reported as a capital gain dividend) to the extent of our current and accumulated earnings and profits for U.S. federal income tax purposes. As a result, a U.S. shareholder may be required to pay tax with respect to such dividends in excess of any cash received. If a U.S. shareholder sells the stock it receives as a dividend in order to pay this tax, the sales proceeds may be less than the amount included in income with respect to the dividend, depending on the market price of our common stock at the time of the sale. Furthermore, with respect to non-U.S. shareholders, we may be required to withhold U.S. tax with respect to such dividends, including in respect of all or a portion of such dividend that is payable in common stock. In addition, if a significant number of our shareholders determine to sell shares of our common stock in order to pay taxes owed on dividends, it may put downward pressure on the trading price of our common stock.

Due to the recent COVID-19 pandemic, shares of BDCs have traded below their respective net asset values ("NAV"). If our shares of common stock trade at a discount from NAV, it could limit our ability to raise equity capital.

As a result of the COVID-19 pandemic, the stocks of BDCs as an industry, including shares of our common stock, have traded below NAV, at or near historic lows as a result of concerns over liquidity, leverage restrictions and distribution requirements. If our common stock trades below its NAV, we will generally not be able to issue additional shares of our common stock at its market price without first obtaining the approval for such issuance from our stockholders and our independent directors. If additional funds are not available to us, we could be forced to curtail or cease our new lending and investment activities, and our NAV could decrease and our level of distributions could be impacted.

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

We did not engage in unregistered sales of equity securities during the quarter endedMarch 31, 2020.

Issuer Purchases of Equity Securities

Dividend Reinvestment Plan

During the quarter ended March 31, 2020, as part of our dividend reinvestment plan for our common stockholders, our dividend reinvestment plan administrator purchased 133,539 shares of our common stock for $0.9 million in the open market in order to satisfy the reinvestment portion of our distribution. The following table outlines purchases by our dividend reinvestment administrator of our common stock for this purpose during the quarter ended March 31, 2020.

(in thousands, except shares and per share data) Period	Total Number of Shares Purchased	Weighted Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number (or Approximate Dollar Value) of Shares that May Yet Be Purchased Under the Plans or Programs
January 2020	—	$ —	—	$ —
February 2020	—	—	—	—
March 2020	133,539	6.75	—	—
Total	133,539	$ 6.75	—	—

Stock Repurchase Program

On February 4, 2016, our board of directors authorized a program for the purpose of repurchasing up to $50.0 million worth of our common stock. Under the repurchase program, we were permitted, but were not obligated to, repurchase our outstanding common stock in the open market from time to time, provided that we complied with our code of ethics and the guidelines specified in Rule 10b-18 of the Exchange Act, including certain price, market volume and timing constraints. In addition, any repurchases were conducted in accordance with the 1940 Act. On December 31, 2019, our board of directors extended our repurchase program and we expect the repurchase program to be in place until the earlier of December 31, 2020 or until $50.0 million of outstanding shares of common stock have been repurchased. We did not repurchase any shares of our common stock under the repurchase program during the quarter ended March 31, 2020.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

None.

Table of Contents

Item 6. Exhibits

(a) Exhibits

The following exhibits are filed as part of this report or hereby incorporated by reference to exhibits previously filed with the United States Securities and Exchange Commission:

Exhibit Number	Description
3.1(a)	Amended and Restated Certificate of Incorporation of New Mountain Finance Corporation(2)
3.1(b)	Certificate of Change of Registered Agent and/or Registered Office of New Mountain Finance Corporation(3)
3.2	Amended and Restated Bylaws of New Mountain Finance Corporation(2)
3.3	Certificate of Amendment to the Amended and Restated Certificate of Incorporation New Mountain Finance Corporation(4)
4.1	Form of Stock Certificate of New Mountain Finance Corporation(1)
10.1	Amended and Restated Uncommitted Revolving Loan Agreement, by and between New Mountain Finance Corporation, as Borrower, and NMF Investments III, L.L.C., as Lender*
31.1	Certification of Chief Executive Officer pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934, as amended*
31.2	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934, as amended*
32.1	Certification of Chief Executive Officer pursuant to Section 906 of The Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350)*
32.2	Certification of Chief Financial Officer pursuant to Section 906 of The Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350)*

(1) Previously filed in connection with New Mountain Finance Holdings, L.L.C.'s registration statement on Form N-2 Pre-Effective Amendment No. 3 (File Nos. 333-168280 and 333-172503) filed on May 9, 2011.

(2) Previously filed in connection with New Mountain Finance Corporation's quarterly report on Form 10-Q filed on August 11, 2011.

(3) Previously filed in connection with New Mountain Finance Corporation and New Mountain Finance AIV Holdings Corporation report on Form 8-K filed on August 25, 2011.

(4) Previously filed in connection with New Mountain Finance Corporation's report on Form 8-K filed on April 3, 2019.

* Filed herewith.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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 on May 6, 2020.

NEW MOUNTAIN FINANCE CORPORATION

By:	/s/ ROBERT A. HAMWEE
	Robert A. Hamwee
	Chief Executive Officer
	(Principal Executive Officer), and Director
By:	/s/ SHIRAZ Y. KAJEE
	Shiraz Y. Kajee
	Chief Financial Officer
	(Principal Financial and Accounting Officer)

AMENDED AND RESTATED UNCOMMITTED REVOLVING LOAN AGREEMENT

Dated as of May 4, 2020

New Mountain Finance Corporation, a Delaware corporation (the "**Borrower**"), and NMF Investments III, L.L.C., a Delaware limited liability company (the "**Lender**") hereby agree as follows (with capitalized terms not otherwise defined herein having the meanings ascribed to them in Section 19):

1. Loans. Upon the terms and subject to the conditions of this Agreement, the Lender hereby establishes a discretionary revolving credit facility for the Borrower (the "**Facility**"), pursuant to which the Lender, on a discretionary and uncommitted basis, agrees to consider advancing, from time to time during the period from the date hereof through the Business Day immediately preceding the Maturity Date (the "**Facility Period**"), amounts in Dollars to the Borrower (the "**Loans**"), the aggregate outstanding principal amount of which shall not exceed $50,000,000 (the "**Maximum Facility Amount**") at any time. Within the limits set forth in the preceding sentence and subject to the conditions of this Agreement, amounts of Loans that are repaid may be re-borrowed under this Section 1. Following the Lender's receipt of a Loan Request from the Borrower pursuant to Section 6, the Lender will advise the Borrower if it agrees to advance the requested Loan. If the Lender confirms that it will advance such Loan, then upon the fulfillment of the further conditions specified in Section 6, such Loan shall be disbursed by the Lender on the requested date therefor (which shall be a Business Day) in Dollars in funds immediately available to the Borrower in such manner as shall be reasonably requested by the Borrower and reasonably acceptable to the Lender.

2. Interest. Interest on each Loan shall accrue at the Interest Rate from the date of such Loan until such Loan is repaid in full. Interest shall be calculated on the basis of a year of 365/366 days, as the case may be, and the actual number of days elapsed and shall be payable in cash on the first Business Day of each calendar quarter, beginning on July 1, 2020, or, if earlier, on the date on which the outstanding principal amount of such Loan is repaid or prepaid in accordance with the terms hereof but no later than the Maturity Date.

3. Repayment; Termination; Exchange or Redemption.

(a) Maturity. The Borrower promises to repay the entire unpaid principal amount of all Loans and all accrued but unpaid interest on the Maturity Date or, if earlier, upon the obligations hereunder becoming due pursuant to the last paragraph of Section 9.

(b) Voluntary Prepayment. The Borrower may, at any time and from time to time, prepay, without premium or penalty, the Loans in whole or in part, together with accrued interest to the date of such prepayment on the aggregate principal prepaid. Each prepayment of the Loans by the Borrower pursuant to this Section 3(b) shall be allocated first to accrued but unpaid interest on such Loans to the date of such prepayment and then to unpaid principal amounts outstanding under such Loans.

(c) Reduction; Termination. The Borrower may, at any time and from time to time, by written notice to the Lender, reduce the Maximum Facility Amount, provided that, after giving effect thereto, the outstanding principal amount of the Loans will not exceed the Maximum Facility Amount as so reduced. The Borrower may, at any time, by written notice to the Lender, terminate the Facility or the Facility Period, provided that, on the effective date of the termination of the Facility, all of the Loans, all accrued interest thereon and all other obligations of the Borrower hereunder have been paid in full.

(d) Exchange or Redemption. Any portion of the Loans outstanding hereunder and under the Note shall, at the option of the Borrower by written notice to the Lender, be exchangeable or redeemable, in whole or in part, in either cash or, at the election of the Borrower, shares of the Borrower's common stock, subject to the approval of the Borrower's board of directors and compliance with applicable law, including the requirements of the Investment Company Act of 1940, as amended.

4. Evidence of Indebtedness. The Loans and the Borrower's obligation to repay the Loans and pay interest thereon in accordance with this Agreement shall be evidenced by this Agreement, the records of the Lender and an Amended and Restated Promissory Note of the Borrower in the form of Exhibit A hereto dated as of the date hereof payable to the Lender or its registered assigns in a principal amount set forth in such Amended and Restated Promissory Note from time to time, which shall not at any time exceed the Maximum Facility Amount (the "**Note**").

5. Lender Acknowledgement. The Lender acknowledges that each subsidiary of the Borrower, including New Mountain Finance Holdings, L.L.C., New Mountain Finance DB, L.L.C., New Mountain Finance SBIC, L.P., New Mountain Finance SBIC II, L.P., New Mountain Net Lease Corporation, NMF Ancora Holdings Inc., NMF QID Holdings, Inc., NMF YP Holdings Inc. and New Mountain Finance Servicing, L.L.C. (the "**Subsidiaries**"), and each portfolio company of the Borrower, including NMFC Senior Loan Program I LLC, NMFC Senior Loan Program II LLC and NMFC Senior Loan Program II LLC (the "**Portfolio Companies**"), is a legal entity separate from the Borrower and the assets of each of the Subsidiaries and Portfolio Companies are not intended to be available to satisfy any obligations of the Borrower hereunder or under the Note.

6. Loan Requests; Conditions to Loans. During the Facility Period, the Borrower may request a Loan by delivering a written request (a "**Loan Request**") to the Lender at least two Business Days prior to the requested funding date (or such shorter period as Lender shall accept). The obligation of the Lender to make any Loan shall arise only upon the Lender's confirmation to the Borrower that it will fund the Loan requested in the Loan Request, provided that, the Lender's obligation to make each Loan is further subject to the fulfillment of each of the following conditions, in form and substance satisfactory to the Lender:

(a) the Lender shall have received the Note, duly executed by the Borrower;

(b) each representation and warranty contained in this Agreement shall be true and correct, and no Event of Default shall have occurred and be continuing, in each case as of the date each Loan is to be made hereunder, both prior to and after giving effect to such Loan and to the application of the proceeds thereof; and

(c) the Lender shall have received such other documents and information, if any, as it shall have reasonably requested.

7. Representations and Warranties. In order to induce the Lender to enter into this Agreement and to consider making each Loan hereunder, the Borrower represents and warrants that:

(a) the Borrower is duly incorporated, validly existing and in good standing under the laws of Delaware;

(b) the Borrower has the power and authority to execute, deliver and perform the terms hereof; and the execution, delivery and performance by the Borrower of this Agreement and the Note have been duly authorized by all necessary corporate action and do not contravene (i) the Borrower's charter or amended and restated bylaws or (ii) any law or any contractual restriction binding upon or affecting the Borrower or its property;

(c) this Agreement and the Note have been duly executed and delivered by the Borrower and constitute the legal, valid and binding obligations of the Borrower, enforceable against the Borrower in accordance with their respective terms, except as limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and any other laws of general application affecting enforcement of creditors' rights generally; and

(d) the execution, delivery and performance of this Agreement and the Note in accordance with their respective terms, and each borrowing of the Loans hereunder, do not and will not (i) require any governmental approval or other consent or approval, other than such approvals and consents that have been obtained and are in full force and effect, or (ii) violate or conflict with, result in a breach of, or constitute a default under, or result in or require creation of any lien or encumbrance upon any assets of the Borrower under, any applicable law or any agreement, indenture, lease, license, instrument or other contractual restriction or any organizational document to which the Borrower is a party or by which the Borrower or any of its properties may be bound; and

(e) the Borrower will use the proceeds of the Loans for working capital and general corporate purposes permitted under its governing documents, including, without limitation, to fund its investments.

8. Covenants. From the date hereof and until the date upon which the Facility shall have terminated (whether as a result of the expiration or termination of the Facility Period, pursuant to Section 3(c) or pursuant to the last paragraph of Section 9) and the Loans and all other amounts payable or accrued hereunder shall have been paid in full in any manner provided for in Section 3 (the "**Repayment Date**"), the Borrower shall:

(a) Preservation of Existence and Franchises, Scope of Business, Compliance with Law, Preservation of Enforceability. (i) Preserve and maintain its legal existence and all of its other franchises, licenses, rights and privileges, (ii) comply with applicable law in all material respects, and (iii) take all action and obtain all consents and governmental approvals required so that its obligations hereunder will at all times be legal, valid and binding and enforceable in accordance with their respective terms, except to the extent that the failure to take such action or obtain any such consent or approval could not reasonably be expected to have a material adverse effect on the Borrower; *provided*, *however*, that neither the Borrower nor any of its subsidiaries shall be required to preserve any right or franchise if the board of directors of the Borrower shall determine that the preservation thereof is no longer desirable for the conduct of the business of the Borrower and that the loss thereof is not disadvantageous in any material respect to the Borrower or the Lender.

(b) Information. Upon the request from time to time of the Lender, the Borrower shall promptly furnish to the Lender such documents and information regarding this Agreement, the Note, the Loans, and the business, assets, liabilities, financial condition (including financial statements of the Borrower), results of operations or business prospects of the Borrower, as the Lender may reasonably request, in each case in form and substance reasonably satisfactory to the Lender.

9. Events of Default; Remedies. If any of the following events (each, an "**Event of Default**") shall have occurred and be continuing for any reason whatsoever (whether voluntary or involuntary, arising or effected by operation of law or otherwise):

(a) any payment of principal of the Loans or the Note shall not be paid when and as due (whether at maturity, by reason of acceleration or otherwise) and in accordance with the terms of this Agreement and the Note;

(b) any payment of interest on the Loans or the Note shall not be paid when and as due (whether at maturity, by reason of acceleration or otherwise) and in accordance with the terms of this Agreement and the Note, and such default is not cured within five Business Days;

(c) the Borrower shall default in the performance or observance of any other term, covenant or agreement contained herein, and such default shall continue without cure for a period of 30 days after receipt of written notice thereof from the Lender, or any representation or warranty contained herein or therein shall at any time prove to have been incorrect or misleading in any material respect when made; or

(d) a case or proceeding shall be commenced against the Borrower and shall continue undismissed and unstayed for a period of 60 or more days, or the Borrower shall commence a voluntary case, in either case seeking relief under any Bankruptcy Law, in each case as now or hereafter in effect, or an order for such relief shall be entered, or the Borrower shall apply for, consent to, or fail to contest, the appointment of a receiver, liquidator, custodian, trustee or the like of the Borrower or for all or any part of its property, or the Borrower shall make a general assignment for the benefit of its creditors, or the

Borrower shall fail, or admit in writing its inability, to pay, or generally not be paying, its debts as they become due;

then during the continuance of any such Event of Default (other than any Event of Default specified in clause (d) above), the Lender may by written notice to the Borrower, terminate the Facility and declare, in whole or from time to time in part, the principal of, and accrued interest on, the Loans and the Note and all other amounts owing hereunder to be, and the Loans and the Note and such other amounts shall thereupon and to that extent become, due and payable to the Lender. During the continuance of any Event of Default specified in clause (d) above, automatically and without any notice to the Borrower, the principal of, and accrued interest on, the Loans and the Note and all other amounts payable hereunder shall be due and payable to the Lender and the Facility shall terminate.

10. Notices and Deliveries. All notices, communications and material to be given or delivered hereunder shall be in writing and shall be deemed sufficient upon delivery, when delivered personally or by overnight courier or sent by facsimile (upon confirmation of receipt) or sent by email, or 72 hours after being deposited in the U.S. mail, as certified or registered mail, with postage prepaid, addressed to the party to be notified at such party's address as set forth below.

If to the Lender:

NMF Investments III, L.L.C.
787 Seventh Avenue
48th Floor
New York, New York 10019
Attention: Adam Weinstein

If to the Borrower:

New Mountain Finance Corporation
787 Seventh Avenue
48th Floor
New York, New York 10019
Attention: Shiraz Kajee

11. Assignment.

(a) The Borrower may not assign any of its rights or obligations under this Agreement or the Note without the prior written consent of the Lender.

(b) The Lender may not assign any of its rights or obligations under this Agreement or the Note without the prior written consent of the Borrower, which shall not be unreasonably withheld; *provided* that the Lender may do any of the following from time to time without the consent of the Borrower: (i) assign any or all of its rights and obligations under this Agreement or the Note to one or more Affiliates; (ii) pledge or otherwise grant a security interest or lien in any of its rights, obligations or interests under this Agreement and/or the Note to one or more of its lenders or (iii) assign or transfer any of its rights, obligations or interests under this Agreement or the Note to any Person during the continuance of an Event of Default or in connection with any exercise of remedies by any of its lender(s).

(c) The Lender, acting solely for this purpose as a non-fiduciary agent for the Borrower, shall maintain a register for the recordation of the name and address of the Lender and each assignee of the Lender, and the principal amounts (and stated interest) owing to the Lender or such assignee pursuant to the terms hereof from time to time (the "**Register**"). The entries in the Register shall be conclusive absent manifest error, and the Borrower, the Lender and each assignee of the Lender shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder. The Register shall be available for inspection by the Lender, any assignee thereof and the Borrower at any reasonable time and from time to time upon reasonable prior notice.

12. <u>Tax Forms</u>. The Lender and any assignee thereof that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under this Agreement and the Note shall deliver to the Borrower, at the time or times reasonably requested by the Borrower, such properly completed and executed documentation reasonably requested by the Borrower as will permit such payments to be made without withholding or at a reduced rate of withholding. Without limiting the foregoing, the Lender shall deliver to the Borrower on or prior to the date hereof an executed copy of IRS Form W-9 certifying that the Lender is exempt from U.S. federal backup withholding tax.

13. <u>Enforcement Expenses</u>. The Borrower shall pay or reimburse the Lender for all reasonable and documented out-of-pocket costs and expenses (including but not limited to reasonable fees and disbursements of legal counsel) incurred by the Lender in connection with, arising out of, or in any way related to, the enforcement, exercise, preservation or protection by the Lender of any of its rights under this Agreement or the Note.

14. <u>Judicial Proceedings; Waiver of Jury Trial</u>. Each of the Borrower and the Lender agree to submit to personal jurisdiction in any court of competent jurisdiction in New York, New York, and to irrevocably waive any objection it may now or hereafter have as to the venue of any proceeding brought in such court or that such court is an inconvenient forum. Each of the Borrower and the Lender hereby waives personal service of process and consents that service of process upon it may be made, and deemed completed, in accordance with the provisions of Section 10. THE BORROWER AND THE LENDER WAIVE TRIAL BY JURY IN ANY JUDICIAL PROCEEDING ARISING OUT OF OR RELATING TO THE LOANS, THIS AGREEMENT OR THE NOTE OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY.

15. <u>Indemnity</u>. The Borrower agrees to indemnify the Lender, its directors, officers, employees and agents (each such Person, an "**Indemnitee**") against, and to hold each Indemnitee harmless from, its proportionate share of any and all losses, claims, damages, liabilities and related expenses, including reasonable counsel fees, charges and disbursements, incurred by or asserted against any Indemnitee arising out of (i) the execution or delivery of this Agreement or any agreement or instrument contemplated hereby or related hereto, the performance by the parties

thereto (other than the Lender) of their respective obligations thereunder or the consummation of the transactions contemplated thereby, (ii) the use of the proceeds of any of the Loans, or (iii) any claim, litigation, investigation, or proceeding relating to any of the foregoing, whether or not any Indemnitee is a party thereto, in each case, to the fullest extent possible without such indemnification being inconsistent with such Borrower's organizational documents. The foregoing provision shall remain operative and in full force and effect regardless of the expiration of the term of this Agreement, the consummation of the transactions contemplated hereby, the repayment of all or any portion of the Loans, the invalidity or unenforceability of any term or provision of this Agreement or any other Loan Document, or any investigation made by or on behalf of the Lender. Upon Borrower's receipt of written demand therefor, all amounts due under this Section 15 shall be payable as directed by the Lender.

16. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York.

17. Counterparts. This Agreement may be signed in two counterparts, each of which shall constitute an original but both of which when taken together shall constitute but one agreement.

18. Amendment and Restatement. This Agreement amends and restates in its entirety the Uncommitted Revolving Loan Agreement, dated as of March 27, 2020 (the "Existing Agreement"), by and among the Borrower and the Lender. As of the date hereof, the Existing Agreement shall be superseded and replaced in its entirety by this Agreement, provided that, the execution of this Agreement does not extinguish the indebtedness, liabilities, or other obligations of the Borrower arising under the Existing Agreement, and does not constitute a novation or payment of any part of the indebtedness, liabilities or other obligations of the Borrower incurred under the Existing Agreement.

19. Definitions. For purposes of this Agreement:

"**Affiliate**" of a specified Person shall mean any other Person that directly or indirectly controls, is controlled by, or is under common control with such specified Person.

"**Agreement**" shall mean this Uncommitted Revolving Loan Agreement, as amended from time to time.

"**Bankruptcy Law**" shall mean Title 11, U.S. Code or any similar federal or state law for the relief of debtors.

"**Borrower**" is defined in the first paragraph of this Agreement.

"**Business Day**" shall mean any day other than a Saturday, Sunday or other day on which banks in New York, New York are authorized to close.

"**Dollars**" and the sign "**$**" shall mean lawful money of the United States of America.

"**Event of Default**" is defined in Section 9 of this Agreement.

“**Facility**” is defined in Section 1 of this Agreement.

“**Facility Period**” is defined in Section 1 of this Agreement.

“**Indemnitee**” is defined in Section 15 of this Agreement.

“**Interest Rate**” means a rate per annum equal to 7.00%.

“**Loan Request**” is defined in Section 6 of this Agreement.

“**Loans**” is defined in Section 1 of this Agreement.

“**Lender**” is defined in the first paragraph of this Agreement.

“**Maturity Date**” shall mean December 31, 2022.

“**Maximum Facility Amount**” is defined in Section 1 of this Agreement.

“**Note**” is defined in Section 4 of this Agreement.

“**Person**” shall mean any individual, corporation, limited liability company, partnership, joint venture, trust, unincorporated organization or government or any agency or political subdivision thereof.

“**Register**” is defined in Section 11 of this Agreement.

“**Repayment Date**” is defined in Section 8 of this Agreement.

[signature page follows]

IN WITNESS WHEREOF, the Borrower and the Lender have caused this Agreement to be duly executed by their duly authorized officers, all as of the day and year first above written.

BORROWER:

NEW MOUNTAIN FINANCE CORPORATION

By: /s/ Robert A. Hamwee
Name: Robert A. Hamwee
Title: Chief Executive Officer

LENDER:

NMF INVESTMENTS III, L.L.C.

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

EXHIBIT A

AMENDED AND RESTATED PROMISSORY NOTE

U.S. $50,000,000 May 4, 2020

FOR VALUE RECEIVED, NEW MOUNTAIN FINANCE CORPORATION, a Delaware corporation (the "**Borrower**"), hereby promises to pay to NMF Investments III, L.L.C., a Delaware limited liability company, or its registered assigns (the "**Lender**"), the principal amount equal to the aggregate unpaid principal amount advanced to the Borrower by the Lender under the Loan Agreement referred to below (the "**Loans**"), which amount may be set forth from time to time on Schedule I attached hereto (such amount not to exceed Fifty Million Dollars (U.S. $50,000,000)), with interest accrued on the Loans as provided in the Loan Agreement on the dates and in the amounts specified in the Loan Agreement. All payments due to the Lender hereunder shall be made to the Lender at the place, in the type of funds and in the matter specified in the Loan Agreement. Without limiting the foregoing, in accordance with Section 3(d) of the Loan Agreement, any portion of the Loans outstanding hereunder shall, at the option of the Borrower by written notice to the Lender, be exchangeable or redeemable, in whole or in part, in either cash or, at the election of the Borrower, shares of the Borrower's common stock, subject to the approval of the Borrower's board of directors and compliance with applicable law, including the requirements of the Investment Company Act of 1940, as amended.

The holder hereof is authorized to endorse on Schedule I hereto the principal amount of each Loan and each payment or prepayment with respect thereto, provided that any failure in such regard shall not reduce or otherwise affect the Borrower's obligations under the Loan Agreement and this Note.

Presentation, demand, protest, notice of dishonor and notice of intent to accelerate are hereby waived by the Borrower. No delay or omission by the Lender in exercising its rights under this Note shall operate as a waiver of such rights, nor shall the exercise of any right with respect to this Note waive or preclude the later exercise of such right or any other right.

This Note evidences the Loans made under, and is entitled to the benefits of, the Uncommitted Revolving Loan Agreement, dated as of the date hereof, by and between the Borrower and the Lender, as the same may be amended from time to time (the "**Loan Agreement**"). Reference is made to the Loan Agreement for provisions relating to the prepayment and the acceleration of the maturity hereof. Assignment or transfer of this Note may only be made in accordance with Section 11 of the Loan Agreement.

This Note amends and restates in its entirety the Promissory Note, dated as of March 27, 2020 (the "**Existing Note**"), made by the Borrower in favor of the Lender, in an aggregate principle amount not to exceed Thirty Million Dollars (U.S. $30,000,000). As of the date hereof, the Existing Note shall be superseded and replaced in its entirety by this Note. This Note does not extinguish the indebtedness, liabilities, or other obligations of the Borrower arising under the Existing Note, and does not constitute a novation or payment of any part of the indebtedness, liabilities or other obligations of the Borrower evidenced by the Existing Note. The Lender agrees that following delivery to it of the Note, it shall mark the Existing Note “canceled” and return the Existing Note to the Borrower.

[signature page follows]

This Note shall be governed by and construed in accordance with the laws of the State of New York.

NEW MOUNTAIN FINANCE CORPORATION

By: ______________________________

Name:

Title:

Agreed and accepted:

NMF INVESTMENTS III, L.L.C.

By: ________

Name:

Title:

[Signature Page to Promissory Note]

Schedule I

AMENDED AND RESTATED PROMISSORY NOTE

Date	Amount of Loan	Amount of Principal Paid or Prepaid	Unpaid Principal Amount of Note	Notation Made By

EXHIBIT 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

I, Robert A. Hamwee, Chief Executive Officer of New Mountain Finance Corporation, certify that:

1. I have reviewed this quarterly report on Form 10-Q of New Mountain Finance Corporation;

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 registrants, including their consolidated subsidiaries, 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.

Dated this 6th day of May, 2020

/s/ ROBERT A. HAMWEE

Robert A. Hamwee

EXHIBIT 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER

I, Shiraz Y. Kajee, Chief Financial Officer of New Mountain Finance Corporation, certify that:

1. I have reviewed this quarterly report on Form 10-Q of New Mountain Finance Corporation;
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 registrants, including their consolidated subsidiaries, 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.

Dated this 6th day of May, 2020

/s/ SHIRAZ Y. KAJEE

Shiraz Y. Kajee

EXHIBIT 32.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002 (18 U.S.C. 1350)

In connection with the Quarterly Report on Form 10-Q for the period endedMarch 31, 2020 (the “Report”) of New Mountain Finance Corporation (the “Registrant”), as filed with the United States Securities and Exchange Commission on the date hereof, I, Robert A. Hamwee, the Chief Executive Officer of the Registrant, hereby certify, to the best of my knowledge, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

/s/ ROBERT A. HAMWEE

Name:	Robert A. Hamwee
Date:	May 6, 2020

EXHIBIT 32.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER

PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002 (18 U.S.C. 1350)

In connection with the Quarterly Report on Form 10-Q for the period endedMarch 31, 2020 (the “Report”) of New Mountain Finance Corporation (the “Registrant”), as filed with the United States Securities and Exchange Commission on the date hereof, I, Shiraz Y. Kajee, the Chief Financial Officer of the Registrant, hereby certify, to the best of my knowledge, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

/s/ SHIRAZ Y. KAJEE

Name: Shiraz Y. Kajee
Date: May 6, 2020