

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

FORM 10-Q

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

For the Quarterly Period Ended September 30, 2021

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

Commission
File Number
814-00832

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

New Mountain Finance Corporation

27-2978010

1633 Broadway, 48th Floor
New York, New York 10019
Telephone: (212) 720-0300
State of Incorporation: Delaware

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

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

Indicate by check mark whether the registrant (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 (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

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

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

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

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

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

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Description	Shares as of November 3, 2021
Common stock, par value \$0.01 per share	96,906,988

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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)**

	September 30, 2021	December 31, 2020
Assets		
Investments at fair value		
Non-controlled/non-affiliated investments (cost of \$2,260,975 and \$2,281,184, respectively)	\$ 2,206,300	\$ 2,249,615
Non-controlled/affiliated investments (cost of \$79,591 and \$115,543, respectively)	111,605	103,012
Controlled investments (cost of \$663,216 and \$600,942, respectively)	693,749	600,875
Total investments at fair value (cost of \$3,003,782 and \$2,997,669, respectively)	3,011,654	2,953,502
Securities purchased under collateralized agreements to resell (cost of \$30,000 and \$30,000, respectively)	21,422	21,422
Cash and cash equivalents	83,357	78,966
Interest and dividend receivable	32,773	28,411
Receivable from unsettled securities sold	8,990	9,019
Receivable from affiliates	—	117
Deferred tax asset	—	101
Other assets	9,915	5,981
Total assets	\$ 3,168,111	\$ 3,097,519
Liabilities		
Borrowings		
Unsecured Notes	\$ 511,500	\$ 453,250
Holdings Credit Facility	493,263	450,163
SBA-guaranteed debentures	300,000	300,000
Convertible Notes	201,443	201,520
DB Credit Facility	167,800	244,000
NMFC Credit Facility	149,977	165,500
NMNLC Credit Facility II	5,845	—
Deferred financing costs (net of accumulated amortization of \$38,985 and \$33,325, respectively)	(21,337)	(16,839)
Net borrowings	1,808,491	1,797,594
Payable for unsettled securities purchased	24,658	26,842
Management fee payable	9,988	10,419
Interest payable	9,528	15,587
Incentive fee payable	7,661	7,354
Payable to affiliates	316	867
Deferred tax liability	13	—
Other liabilities	2,498	1,967
Total liabilities	1,863,153	1,860,630
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 shares authorized, and 96,906,988 and 96,827,342 shares issued and outstanding, respectively	969	968
Paid in capital in excess of par	1,270,719	1,269,671
Accumulated undistributed (overdistributed) earnings	13,217	(48,764)
Total net assets of New Mountain Finance Corporation	\$ 1,284,905	\$ 1,221,875
Non-controlling interest in New Mountain Net Lease Corporation	20,053	15,014
Total net assets	\$ 1,304,958	\$ 1,236,889
Total liabilities and net assets	\$ 3,168,111	\$ 3,097,519
Number of shares outstanding	96,906,988	96,827,342
Net asset value per share of New Mountain Finance Corporation	\$ 13.26	\$ 12.62

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		Nine Months Ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
Investment income				
From non-controlled/non-affiliated investments:				
Interest income (excluding Payment-in-kind ("PIK") interest income)	\$ 40,540	\$ 41,854	\$ 119,919	\$ 144,383
PIK interest income	1,903	2,547	6,501	6,464
Dividend income	867	—	867	—
Non-cash dividend income	1,956	2,274	7,324	6,898
Other income	5,249	1,497	9,651	4,085
From non-controlled/affiliated investments:				
Interest income (excluding PIK interest income)	296	781	1,322	1,963
PIK interest income	182	217	182	(1,131)
Dividend income	288	687	288	2,096
Non-cash dividend income	831	—	3,881	(3,418)
Other income	79	427	284	1,002
From controlled investments:				
Interest income (excluding PIK interest income)	1,253	2,011	3,570	4,581
PIK interest income	3,614	2,244	10,384	6,393
Dividend income	9,686	8,107	31,278	24,061
Non-cash dividend income	918	1,576	3,533	5,716
Other income	812	1,299	3,759	2,479
Total investment income	<u>68,474</u>	<u>65,521</u>	<u>202,743</u>	<u>205,572</u>
Expenses				
Incentive fee	7,661	7,135	22,207	21,857
Management fee	13,740	12,877	40,885	39,869
Interest and other financing expenses	17,693	18,077	54,949	59,500
Administrative expenses	1,082	1,024	3,240	3,303
Professional fees	923	731	2,413	2,605
Other general and administrative expenses	490	442	1,398	1,383
Total expenses	<u>41,589</u>	<u>40,286</u>	<u>125,092</u>	<u>128,517</u>
Less: management and incentive fees waived (See Note 5)	(3,752)	(3,341)	(11,193)	(10,067)
Less: expenses waived and reimbursed (See Note 5)	—	(589)	—	(924)
Net expenses	<u>37,837</u>	<u>36,356</u>	<u>113,899</u>	<u>117,526</u>
Net investment income before income taxes	30,637	29,165	88,844	88,046
Income tax (benefit) expense	(8)	123	15	116
Net investment income	<u>30,645</u>	<u>29,042</u>	<u>88,829</u>	<u>87,930</u>
Net realized gains (losses):				
Non-controlled/non-affiliated investments	2,459	30	2,797	(4,431)
Non-controlled/affiliated investments	20,549	12	8,338	12
Controlled investments	—	5	1,557	12
New Mountain Net Lease Corporation	—	—	—	812
Net change in unrealized (depreciation) appreciation:				
Non-controlled/non-affiliated investments	(19,951)	21,410	(22,601)	(67,407)
Non-controlled/affiliated investments	(20,469)	(1,111)	44,545	(14,718)
Controlled investments	9,684	39,943	30,600	(8,278)
New Mountain Net Lease Corporation	—	—	—	(812)
Foreign currency	(13)	—	(13)	—
Benefit (provision) for taxes	1	257	(114)	778
Net realized and unrealized (losses) gains	<u>(7,740)</u>	<u>60,546</u>	<u>65,109</u>	<u>(94,032)</u>
Net increase (decrease) in net assets resulting from operations	22,905	89,588	153,938	(6,102)
Less: Net increase in net assets resulting from operations related to non-controlling interest in New Mountain Net Lease Corporation	(1,058)	(1,398)	(4,789)	(1,584)
Net increase (decrease) in net assets resulting from operations related to New Mountain Finance Corporation	<u>\$ 21,847</u>	<u>\$ 88,190</u>	<u>\$ 149,149</u>	<u>\$ (7,686)</u>
Basic earnings (loss) per share	\$ 0.23	\$ 0.91	\$ 1.54	\$ (0.08)
Weighted average shares of common stock outstanding - basic (See Note 11)	96,906,988	96,827,342	96,854,474	96,827,342
Diluted earnings (loss) per share	\$ 0.22	\$ 0.82	\$ 1.42	\$ (0.08)
Weighted average shares of common stock outstanding - diluted (See Note 11)	110,164,573	110,084,927	110,112,059	110,084,927
Distributions declared and paid per share	\$ 0.30	\$ 0.30	\$ 0.90	\$ 0.94

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		Nine Months Ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
Increase (decrease) in net assets resulting from operations:				
Net investment income	\$ 30,645	\$ 29,042	\$ 88,829	\$ 87,930
Net realized gains (losses) on investments and New Mountain Net Lease Corporation ("NMNLC")	23,008	47	12,692	(3,595)
Net change in unrealized (depreciation) appreciation of investments, NMNLC and foreign currency	(30,749)	60,242	52,531	(91,215)
Benefit (provision) for taxes	1	257	(114)	778
Net increase (decrease) in net assets resulting from operations	22,905	89,588	153,938	(6,102)
Less: Net increase in net assets resulting from operations related to non-controlling interest in NMNLC	(1,058)	(1,398)	(4,789)	(1,584)
Net increase (decrease) in net assets resulting from operations related to New Mountain Finance Corporation	21,847	88,190	149,149	(7,686)
Capital transactions				
Distributions declared to stockholders from net investment income	(29,072)	(29,049)	(87,168)	(91,018)
Reinvestment of distributions	—	—	1,049	—
Total net decrease in net assets resulting from capital transactions	(29,072)	(29,049)	(86,119)	(91,018)
Net (decrease) increase in net assets	(7,225)	59,141	63,030	(98,704)
New Mountain Finance Corporation net assets at the beginning of the period	1,292,130	1,125,623	1,221,875	1,283,468
New Mountain Finance Corporation net assets at the end of the period	1,284,905	1,184,764	1,284,905	1,184,764
Non-controlling interest in NMNLC	20,053	12,396	20,053	12,396
Net assets at the end of the period	\$ 1,304,958	\$ 1,197,160	\$ 1,304,958	\$ 1,197,160
Capital share activity				
Shares issued from the reinvestment of distributions	—	—	79,646	—
Net increase in shares outstanding	—	—	79,646	—

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

New Mountain Finance Corporation
Consolidated Statements of Cash Flows
(in thousands)
(unaudited)

	Nine Months Ended	
	September 30, 2021	September 30, 2020
Cash flows from operating activities		
Net increase (decrease) in net assets resulting from operations	\$ 153,938	\$ (6,102)
Adjustments to reconcile net decrease (increase) in net assets resulting from operations to net cash provided by (used in) operating activities:		
Net realized (gains) losses on investments and New Mountain Net Lease Corporation ("NMNLC")	(12,692)	3,595
Net change in unrealized (appreciation) depreciation of investments and NMNLC	(52,544)	91,215
Net change in unrealized depreciation on translation of assets and liabilities in foreign currencies	13	—
Amortization of purchase discount	(6,681)	(7,942)
Amortization of deferred financing costs	5,660	3,549
Amortization of premium on Convertible Notes	(77)	(78)
Non-cash investment income	(33,226)	(22,016)
(Increase) decrease in operating assets:		
Proceeds from sale of non-controlling interest in NMNLC	—	11,315
Purchase of investments and delayed draw facilities	(769,167)	(259,127)
Proceeds from sales and paydowns of investments	816,218	480,333
Cash received for purchase of undrawn portion of revolving credit or delayed draw facilities	597	296
Cash paid for purchase of drawn portion of revolving credit facilities	(832)	(13,996)
Cash paid on drawn revolvers	(25,310)	(43,952)
Cash repayments on drawn revolvers	24,980	35,251
Deferred tax asset	101	—
Interest and dividend receivable	(4,362)	(1,768)
Receivable from unsettled securities sold	29	(4,490)
Receivable from affiliates	117	(236)
Other assets	(3,907)	(3,290)
Increase (decrease) in operating liabilities:		
Management fee payable	(431)	9,690
Incentive fee payable	307	5,885
Payable for unsettled securities purchased	(2,184)	(1,780)
Payable to affiliates	(551)	490
Interest payable	(6,059)	(6,343)
Deferred tax liability	13	(778)
Other liabilities	490	400
Contributions (distributions) related to non-controlling interest in NMNLC	250	(503)
Net cash flows provided by operating activities	84,690	269,618
Cash flows from financing activities		
Distributions paid	(86,119)	(91,018)
Offering costs paid	—	(203)
Proceeds from Holdings Credit Facility	129,000	16,000
Repayment of Holdings Credit Facility	(85,900)	(218,400)
Proceeds from Unsecured Notes	200,000	—
Repayment of Unsecured Notes	(141,750)	—
Proceeds from SBA-guaranteed debentures	—	75,000
Proceeds from NMFC Credit Facility	311,363	97,000
Repayment of NMFC Credit Facility	(326,500)	(135,000)
Proceeds from DB Credit Facility	77,500	67,000
Repayment of DB Credit Facility	(153,700)	(55,000)
Proceeds from NMNLC Credit Facility II	9,025	—
Repayment of NMNLC Credit Facility II	(3,180)	—
Deferred financing costs paid	(10,144)	(4,907)
Net cash flows used in by financing activities	(80,405)	(249,528)
Net increase in cash and cash equivalents	4,285	20,090
Effect of foreign exchange rate changes on cash and cash equivalents	106	—
Cash and cash equivalents at the beginning of the period	78,966	48,574
Cash and cash equivalents at the end of the period	\$ 83,357	\$ 68,664
Supplemental disclosure of cash flow information		
Cash interest paid	\$ 53,643	\$ 60,940
Income taxes paid	15	129
Non-cash financing activities:		
Value of shares issued in connection with the distribution reinvestment plan	\$ 1,049	\$ —
Accrual for offering costs	27	80
Accrual for deferred financing costs	14	11

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

New Mountain Finance Corporation

Consolidated Schedule of Investments

September 30, 2021

(in thousands, except shares)

(unaudited)

Portfolio Company, Location and Industry (1)	Type of Investment	Interest Rate (14)	Acquisition Date	Maturity / Expiration Date	Principal Amount, Par Value or Shares (36)	Cost	Fair Value	Percent of Net Assets
Non-Controlled/Non-Affiliated Investments								
Funded Debt Investments - Jersey								
Tennessee Bidco Limited **								
Business Services	First lien (3)(12)(35)	7.33% (Sonia + 7.00%/D)	8/6/2021	8/3/2028	£ 12,879	\$ 17,600	\$ 17,093	
	First lien (3)(12)	7.15% (L + 7.00%/S)	8/6/2021	8/3/2028	\$ 10,184	10,033	10,032	
						27,633	27,125	2.08 %
						\$ 27,633	\$ 27,125	2.08 %
Total Funded Debt Investments - Jersey								
Funded Debt Investments - United Arab Emirates								
GEMS Menasa (Cayman) Limited**								
Education	First lien (8)	6.00% (L + 5.00%/S)	7/30/2019	7/31/2026	\$ 10,560	\$ 10,527	\$ 10,591	0.81 %
						\$ 10,527	\$ 10,591	0.81 %
Total Funded Debt Investments - United Arab Emirates								
Funded Debt Investments - United Kingdom								
Aston FinCo S.a.r.l. / Aston US Finco, LLC**								
Software	Second lien (8)(12)	8.33% (L + 8.25%/M)	10/8/2019	10/8/2027	\$ 34,459	\$ 34,234	\$ 34,459	2.64 %
						\$ 34,234	\$ 34,459	2.64 %
Total Funded Debt Investments - United Kingdom								
Funded Debt Investments - United States								
GS Acquisitionco, Inc.								
Software	First lien (2)(12)	6.75% (L + 5.75%/S)	8/7/2019	5/22/2026	\$ 26,436	\$ 26,338	\$ 26,436	
	First lien (2)(12)	6.75% (L + 5.75%/S)	8/7/2019	5/22/2026	25,754	25,650	25,754	
	First lien (5)(12)	6.75% (L + 5.75%/S)	8/7/2019	5/22/2026	22,024	21,943	22,024	
	First lien (2)(12)	6.75% (L + 5.75%/S)	8/7/2019	5/22/2026	12,554	12,498	12,554	
	First lien (2)(12)	6.75% (L + 5.75%/S)	8/13/2021	5/22/2026	3,395	3,387	3,395	
						89,816	90,163	6.91 %
PhyNet Dermatology LLC								
Healthcare Services	First lien (2)(12)	7.00% (L + 5.50% + 0.50% PIK/M)*	9/17/2018	8/16/2024	49,682	49,417	49,682	
	First lien (3)(12)	7.00% (L + 5.50% + 0.50% PIK/M)*	9/17/2018	8/16/2024	19,013	18,884	19,013	
						68,301	68,695	5.26 %
iCIMS, Inc.								
Software	First lien (8)(12)	7.50% (L + 6.50%/S)	9/12/2018	9/12/2024	41,636	41,394	41,636	
	First lien (8)(12)	7.50% (L + 6.50%/S)	6/14/2019	9/12/2024	8,667	8,614	8,667	
	First lien (3)(12)(13) - Drawn	7.50% (L + 6.50%/S)	9/12/2018	9/12/2024	2,915	2,886	2,915	
						52,894	53,218	4.08 %

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

New Mountain Finance Corporation

Consolidated Schedule of Investments (Continued)
September 30, 2021
(in thousands, except shares)
(unaudited)

Portfolio Company, Location and Industry (1)	Type of Investment	Interest Rate (14)	Acquisition Date	Maturity / Expiration Date	Principal Amount, Par Value or Shares (36)	Cost	Fair Value	Percent of Net Assets
Frontline Technologies Group Holdings, LLC								
Software	First lien (4)(12)	6.75% (L + 5.75%/Q)	9/18/2017	9/18/2023	\$ 21,773	\$ 21,712	\$ 21,773	
	First lien (2)(12)	6.75% (L + 5.75%/Q)	9/18/2017	9/18/2023	18,349	18,318	18,349	
	First lien (2)(12)	6.75% (L + 5.75%/Q)	9/18/2017	9/18/2023	7,575	7,546	7,575	
	First lien (2)(12)	6.75% (L + 5.75%/Q)	6/15/2021	9/18/2023	5,044	5,044	5,044	
						52,620	52,741	4.04 %
Integro Parent Inc.								
Business Services	First lien (2)(12)	6.75% (L + 5.75%/M)	10/9/2015	10/31/2022	34,112	34,062	34,112	
	First lien (3)(12)(13) - Drawn	4.33% (L + 4.25%/M)	6/8/2018	4/30/2022	6,743	6,709	6,743	
	Second lien (8)(12)	10.25% (L + 9.25%/M)	10/9/2015	10/30/2023	10,000	9,966	10,000	
						50,737	50,855	3.90 %
CentralSquare Technologies, LLC								
Software	Second lien (3)	7.63% (L + 7.50%/Q)	8/15/2018	8/31/2026	47,838	47,413	43,652	
	Second lien (8)	7.63% (L + 7.50%/Q)	8/15/2018	8/31/2026	7,500	7,433	6,844	
						54,846	50,496	3.87 %
NM GRC Holdco, LLC								
Business Services	First lien (2)(12)	8.50% (L + 6.00% + 1.50% PIK/Q)*	2/9/2018	2/9/2024	38,512	38,428	38,512	
	First lien (2)(12)	8.50% (L + 6.00% + 1.50% PIK/Q)*	2/9/2018	2/9/2024	10,704	10,679	10,704	
						49,107	49,216	3.77 %
Brave Parent Holdings, Inc.								
Software	Second lien (5)	7.58% (L + 7.50%/M)	4/17/2018	4/17/2026	22,500	22,426	22,613	
	Second lien (2)	7.58% (L + 7.50%/M)	4/17/2018	4/17/2026	16,624	16,513	16,707	
	Second lien (8)	7.58% (L + 7.50%/M)	4/17/2018	4/17/2026	6,000	5,960	6,030	
						44,899	45,350	3.48 %
Quest Software US Holdings Inc.								
Software	Second lien (2)	8.38% (L + 8.25%/Q)	5/17/2018	5/18/2026	43,697	43,404	43,675	3.35 %
Kaseya Inc.								
Software	First lien (8)(12)	8.00% (L + 4.00% + 3.00% PIK/Q)*	5/9/2019	5/2/2025	28,872	28,693	28,872	
	First lien (8)(12)	8.00% (L + 4.00% + 3.00% PIK/M)*	9/8/2021	5/2/2025	7,780	7,713	7,780	
	First lien (3)(12)	8.00% (L + 4.00% + 3.00% PIK/Q)*	5/9/2019	5/2/2025	3,379	3,352	3,379	
						39,758	40,031	3.07 %
Affinity Dental Management, Inc.								
Healthcare Services	First lien (2)(12)	7.00% (L + 6.00%/S)	9/15/2017	9/15/2023	26,017	25,990	26,017	
	First lien (4)(12)	7.00% (L + 6.00%/S)	9/17/2019	9/15/2023	10,509	10,509	10,509	
	First lien (3)(12)(13) - Drawn	7.00% (L + 6.00%/S)	9/15/2017	3/15/2023	1,738	1,721	1,738	
						38,220	38,264	2.93 %

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Portfolio Company, Location and Industry (1)	Type of Investment	Interest Rate (14)	Acquisition Date	Maturity / Expiration Date	Principal Amount, Par Value or Shares (36)	Cost	Fair Value	Percent of Net Assets
Deca Dental Holdings LLC								
Healthcare Services	First lien (2)(12)	6.50% (L + 5.75%/Q)	8/26/2021	8/28/2028	\$ 38,340	\$ 37,961	\$ 37,956	2.91 %
Associations, Inc.								
Business Services	First lien (2)(12)	7.50% (L + 4.00% + 2.50% PIK/Q)*	7/2/2021	7/2/2027	30,000	29,854	29,850	
	First lien (3)(12)	7.50% (L + 4.00% + 2.50% PIK/Q)*	7/2/2021	7/2/2027	5,154	5,129	5,128	
	First lien (3)(12)(13) - Drawn	7.50% (L + 4.00% + 2.50% PIK/Q)*	7/2/2021	7/2/2027	618	615	615	
						35,598	35,593	2.73 %
GC Waves Holdings, Inc.**								
Business Services	First lien (5)(12)	6.25% (L + 5.50%/Q)	8/13/2021	8/13/2026	22,163	22,042	22,163	
	First lien (2)(12)	6.25% (L + 5.50%/Q)	8/13/2021	8/13/2026	13,379	13,278	13,379	
						35,320	35,542	2.72 %
KAMC Holdings, Inc.								
Business Services	Second lien (2)(12)	8.12% (L + 8.00%/Q)	8/14/2019	8/13/2027	18,750	18,638	16,827	
	Second lien (8)(12)	8.12% (L + 8.00%/Q)	8/14/2019	8/13/2027	18,750	18,638	16,827	
						37,276	33,654	2.58 %
Diamond Parent Holdings Corp. (30)								
Diligent Corporation								
Software	First lien (2)(12)	6.75% (L + 5.75%/Q)	3/30/2021	8/4/2025	17,807	17,728	17,718	
	First lien (2)(12)	6.75% (L + 5.75%/Q)	3/4/2021	8/4/2025	9,930	9,886	9,880	
	First lien (3)(12)	7.25% (L + 6.25%/Q)	12/19/2018	8/4/2025	5,902	5,873	5,980	
						33,487	33,578	2.57 %
EAB Global, Inc.								
Education	Second lien (2)(12)	7.00% (L + 6.50%/M)	8/16/2021	8/16/2029	33,452	32,957	32,951	2.53 %
Finalsite Holdings, Inc.								
Software	First lien (4)(12)	7.50% (L + 6.50%/Q)	9/28/2018	9/25/2024	21,256	21,169	21,469	
	First lien (2)(12)	7.50% (L + 6.50%/Q)	9/28/2018	9/25/2024	10,499	10,456	10,604	
						31,625	32,073	2.46 %
Ansira Holdings, Inc.								
Business Services	First lien (8)(12)	7.50% (L + 6.50% PIK/S)*	12/19/2016	12/20/2024	31,195	31,146	25,325	
	First lien (3)(12)	7.50% (L + 6.50% PIK/S)*	12/19/2016	12/20/2024	7,883	7,873	6,399	
						39,019	31,724	2.43 %

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Granicus, Inc.								
Software	First lien (4)(12)	7.25% (L + 6.25%/Q)	1/27/2021	1/29/2027	\$ 15,561	\$ 15,454	\$ 15,444	
	First lien (3)(12)	7.25% (L + 6.25%/Q)	1/27/2021	1/29/2027	6,019	5,976	5,974	
	First lien (2)(12)	7.25% (L + 6.25%/Q)	1/27/2021	1/29/2027	5,937	5,896	5,892	
	First lien (3)(12)(13) - Drawn	7.00% (L + 6.00%/Q)	4/23/2021	1/29/2027	2,778	2,751	2,751	
						<u>30,077</u>	<u>30,061</u>	2.30 %
IG Investments Holdings, LLC								
Business Services	First lien (2)	6.75% (L + 6.00%/Q)	9/22/2021	9/22/2028	29,502	29,208	29,207	2.24 %
MRI Software LLC								
Software	First lien (5)(12)	6.50% (L + 5.50%/S)	1/31/2020	2/10/2026	22,160	22,076	22,160	
	First lien (2)(12)	6.50% (L + 5.50%/S)	1/31/2020	2/10/2026	6,221	6,196	6,221	
	First lien (3)(12)	6.50% (L + 5.50%/S)	1/31/2020	2/10/2026	320	318	320	
						<u>28,590</u>	<u>28,701</u>	2.20 %
Keystone Acquisition Corp.								
Healthcare Services	First lien (2)	6.25% (L + 5.25%/Q)	5/10/2017	5/1/2024	24,044	23,974	23,608	
	Second lien (2)(12)	10.25% (L + 9.25%/Q)	5/10/2017	5/1/2025	4,500	4,475	4,500	
						<u>28,449</u>	<u>28,108</u>	2.15 %
Foundational Education Group, Inc.								
Education	Second lien (5)(12)	7.00% (L + 6.50%/S)	8/19/2021	8/31/2029	22,500	22,388	22,388	
	Second lien (2)(12)	7.00% (L + 6.50%/S)	8/19/2021	8/31/2029	5,009	4,984	4,984	
						<u>27,372</u>	<u>27,372</u>	2.10 %
HS Purchaser, LLC / Help/Systems Holdings, Inc.								
Software	Second lien (5)	7.50% (L + 6.75%/Q)	11/14/2019	11/19/2027	22,500	22,400	22,781	
	Second lien (2)	7.50% (L + 6.75%/Q)	11/14/2019	11/19/2027	4,208	4,173	4,261	
						<u>26,573</u>	<u>27,042</u>	2.07 %
Confluent Health, LLC								
Healthcare Services	First lien (2)	5.08% (L + 5.00%/M)	6/21/2019	6/24/2026	26,881	26,784	26,948	2.07 %
Tenawa Resource Holdings LLC (16)								
Tenawa Resource Management LLC								
Specialty Chemicals & Materials	First lien (3)(12)	10.50% (Base + 8.00%/Q)(33)	5/12/2014	10/30/2024	38,500	38,465	24,166	
	First lien (3)(12)	10.50% (Base + 8.00%/Q)(33)	7/6/2021	10/30/2024	4,400	4,400	2,762	
						<u>42,865</u>	<u>26,928</u>	2.06 %
New Trojan Parent, Inc.								
Healthcare Services	Second lien (2)	7.75% (L + 7.25%/Q)	1/22/2021	1/5/2029	26,762	26,637	26,829	2.06 %

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VT Topco, Inc.								
Business Services	Second lien (2)(12)	7.50% (L + 6.75%/M)	7/30/2021	7/31/2026	\$ 16,183	\$ 16,124	\$ 16,124	
	Second lien (4)(12)	6.83% (L + 6.75%/M)	8/14/2018	7/31/2026	10,000	9,983	10,000	
						26,107	26,124	2.00 %
CRCI Longhorn Holdings, Inc.								
Business Services	Second lien (3)(12)	7.34% (L + 7.25%/M)	8/2/2018	8/10/2026	18,266	18,219	18,266	
	Second lien (8)(12)	7.34% (L + 7.25%/M)	8/2/2018	8/10/2026	7,500	7,481	7,500	
						25,700	25,766	1.97 %
Idera, Inc.								
Software	Second lien (4)	7.50% (L + 6.75%/M)	6/27/2019	3/2/2029	22,500	22,204	22,613	
	Second lien (3)	7.50% (L + 6.75%/M)	4/29/2021	3/2/2029	3,000	2,986	3,015	
						25,190	25,628	1.96 %
RealPage, Inc.								
Business Services	Second lien (2)	7.25% (L + 6.50%/M)	2/18/2021	4/23/2029	25,000	24,820	25,614	1.96 %
TMK Hawk Parent, Corp.								
Distribution & Logistics	First lien (2)(12)	3.58% (L + 3.50%/M)	6/24/2019	8/28/2024	16,606	15,034	12,993	
	First lien (8)(12)	3.58% (L + 3.50%/M)	10/23/2019	8/28/2024	16,016	14,104	12,533	
						29,138	25,526	1.96 %
Galway Borrower LLC								
Financial Services	First lien (2)	6.00% (L + 5.25%/Q)	9/30/2021	9/29/2028	24,340	24,096	24,096	1.85 %
NMC Crimson Holdings, Inc.								
Healthcare Services	First lien (8)(12)	6.75% (L + 6.00%/S)	3/1/2021	3/1/2028	19,259	18,989	19,028	
	First lien (2)(12)	6.75% (L + 6.00%/S)	3/2/2021	3/1/2028	4,913	4,844	4,854	
						23,833	23,882	1.83 %
Syndigo LLC								
Software	Second lien (4)	8.75% (L + 8.00%/S)	12/14/2020	12/15/2028	22,500	22,343	22,528	1.73 %
Astra Acquisition Corp.								
Software	First lien (5)(12)	5.50% (L + 4.75%/M)	2/26/2020	3/1/2027	22,220	22,084	22,220	1.70 %
ACI Parent Inc. (31)								
ACI Group Holdings, Inc.								
Healthcare Services	First lien (2)(12)	6.25% (L + 5.50%/Q)	8/2/2021	8/2/2028	22,362	22,142	22,138	1.70 %
Cardinal Parent, Inc.								
Software	First lien (4)	5.25% (L + 4.50%/Q)	10/30/2020	11/12/2027	12,127	12,045	12,112	
	Second lien (4)(12)	8.50% (L + 7.75%/Q)	11/12/2020	11/13/2028	9,767	9,677	9,962	
						21,722	22,074	1.69 %
Spring Education Group, Inc (fka SSH Group Holdings, Inc.)								
Education	Second lien (2)	8.38% (L + 8.25%/Q)	7/26/2018	7/30/2026	21,959	21,919	21,667	1.66 %

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MED Parentco, LP								
Healthcare Services	Second lien (8)	8.33% (L + 8.25%/M)	8/2/2019	8/30/2027	\$ 20,857	\$ 20,730	\$ 21,014	1.61 %
DCA Investment Holding, LLC								
Healthcare Services	First lien (2)	7.00% (L + 6.25%/Q)	3/12/2021	3/12/2027	19,928	19,790	19,853	
	First lien (3)(13) - Drawn	7.00% (L + 6.25%/Q)	3/12/2021	3/12/2027	962	955	959	
						20,745	20,812	1.59 %
DG Investment Intermediate Holdings 2, Inc.								
Business Services	Second lien (3)	7.50% (L + 6.75%/M)	3/18/2021	3/30/2029	20,313	20,264	20,465	1.57 %
YLG Holdings, Inc.								
Business Services	First lien (5)(12)	7.00% (L + 6.00%/S)	11/1/2019	10/31/2025	18,091	18,026	18,091	
	First lien (5)(12)	7.00% (L + 6.00%/S)	11/1/2019	10/31/2025	2,357	2,346	2,357	
						20,372	20,448	1.57 %
DiversiTech Holdings, Inc.								
Distribution & Logistics	Second lien (2)	8.50% (L + 7.50%/Q)	5/18/2017	6/2/2025	12,000	11,934	12,030	
	Second lien (8)	8.50% (L + 7.50%/Q)	5/18/2017	6/2/2025	7,500	7,459	7,519	
						19,393	19,549	1.50 %
Convey Health Solutions, Inc.**								
Healthcare Services	First lien (4)(12)	5.50% (L + 4.75%/Q)	9/9/2019	9/4/2026	19,263	19,101	19,456	1.49 %
Xactly Corporation								
Software	First lien (4)(12)	8.25% (L + 7.25%/S)	7/31/2017	7/31/2023	19,047	18,999	19,047	1.46 %
Infogain Corporation								
Software	First lien (2)(12)	6.75% (L + 5.75%/Q)	7/30/2021	7/28/2028	19,137	18,997	18,994	1.46 %
Bluefin Holding, LLC								
Software	Second lien (8)(12)	7.83% (L + 7.75%/M)	9/6/2019	9/3/2027	18,000	18,000	18,000	
	First lien (3)(12)(13) - Drawn	4.38% (L + 4.25%/Q)	9/6/2019	9/6/2024	909	895	909	
						18,895	18,909	1.45 %
Bullhorn, Inc.								
Software	First lien (2)(12)	6.75% (L + 5.75%/Q)	9/24/2019	9/30/2026	16,873	16,780	16,873	
	First lien (3)(12)	6.75% (L + 5.75%/Q)	9/24/2019	9/30/2026	781	775	781	
	First lien (3)(12)	6.75% (L + 5.75%/Q)	9/24/2019	9/30/2026	350	348	350	
	First lien (3)(12)	6.75% (L + 5.75%/Q)	9/24/2019	9/30/2026	279	277	279	
						18,180	18,283	1.40 %

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Portfolio Company, Location and Industry (1)	Type of Investment	Interest Rate (14)	Acquisition Date	Maturity / Expiration Date	Principal Amount, Par Value or Shares (36)	Cost	Fair Value	Percent of Net Assets
AAC Lender Holdings, LLC (28)								
American Achievement Corporation (aka AAC Holding Corp.)								
Education	First lien (2)(12)	7.25% (L + 5.75% PIK + 0.50%/M) (33)*	9/30/2015	9/30/2026	\$ 27,343	\$ 27,290	\$ 17,218	
	First lien (3)(12)	15.00% (L + 13.50% PIK + 0.50%/M)(33)*	6/10/2021	9/30/2026	1,527	1,527	370	
	Subordinated (3)(12)	2.00% (L + 1.00% PIK/Q)(33)*	3/16/2021	9/30/2026	5,230	—	—	
						28,817	17,588	1.35 %
Kele Holdco, Inc.								
Distribution & Logistics	First lien (5)(12)	7.00% (L + 6.00%/M)	2/20/2020	2/20/2026	15,990	15,928	15,990	
	First lien (3)(12)(13) - Drawn	7.00% (L + 6.00%/M)	2/20/2020	2/20/2026	967	962	967	
						16,890	16,957	1.30 %
The Kleinfelder Group, Inc.								
Business Services	First lien (4)(12)	6.25% (L + 5.25%/Q)	12/18/2018	11/29/2024	16,751	16,703	16,751	1.28 %
Coyote Buyer, LLC								
Specialty Chemicals & Materials	First lien (5)(12)	7.00% (L + 6.00%/S)	3/13/2020	2/6/2026	13,972	13,918	13,972	
	First lien (5)(12)	9.00% (L + 8.00%/S)	10/15/2020	8/6/2026	2,514	2,492	2,514	
						16,410	16,486	1.26 %
Mamba Purchaser, Inc.								
Healthcare Services	Second lien (3)	7.00% (L + 6.50%/M)	9/29/2021	10/14/2029	16,291	16,185	16,185	1.24 %
Instructure, Inc. **								
Software	First lien (8)(12)	6.50% (L + 5.50%/M)	3/24/2020	3/24/2026	15,252	15,177	15,252	1.17 %
Trinity Air Consultants Holdings Corporation								
Business Services	First lien (2)(12)	6.00% (L + 5.25%/M)	6/30/2021	6/29/2027	15,382	15,232	15,229	1.17 %
Hill International, Inc.								
Business Services	First lien (2)(12)	6.75% (L + 5.75%/M)	6/21/2017	6/21/2023	15,129	15,103	15,129	1.16 %
CFS Management, LLC								
Healthcare Services	First lien (2)(12)	6.50% (L + 5.50%/S)	8/6/2019	7/1/2024	11,527	11,492	11,527	
	First lien (3)(12)	6.50% (L + 5.50%/S)	8/6/2019	7/1/2024	3,433	3,421	3,433	
						14,913	14,960	1.15 %
FR Arsenal Holdings II Corp.								
Business Services	First lien (2)(12)	8.50% (L + 7.50%/S)	9/29/2016	9/8/2022	14,999	14,968	14,662	1.12 %
Alegeus Technologies Holding Corp.								
Healthcare Services	First lien (8)(12)	9.25% (L + 8.25%/S)	9/5/2018	9/5/2024	13,444	13,406	13,444	1.03 %

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Community Brands ParentCo, LLC (f.k.a Ministry Brands, LLC)								
Software	First lien (2)(12)	5.00% (L + 4.00%/M)	12/7/2016	12/2/2022	\$ 2,880	\$ 2,876	\$ 2,880	
	Second lien (8)(12)	10.25% (L + 9.25%/M)	12/7/2016	6/2/2023	7,840	7,821	7,840	
	Second lien (3)(12)	10.25% (L + 9.25%/M)	12/7/2016	6/2/2023	2,160	2,155	2,160	
						<u>12,852</u>	<u>12,880</u>	0.99 %
Castle Management Borrower LLC								
Business Services	First lien (2)(12)	3.19% (L + 2.19%/Q)	5/31/2018	2/15/2025	14,590	14,559	12,843	0.98 %
Geo Parent Corporation								
Business Services	First lien (2)	5.33% (L + 5.25%/M)	12/13/2018	12/19/2025	12,835	12,793	12,771	0.98 %
Transcendia Holdings, Inc.								
Packaging	Second lien (8)(12)	9.00% (L + 8.00%/M)	6/28/2017	5/30/2025	14,500	14,389	12,634	0.97 %
Calabrio, Inc.								
Software	First lien (5)(12)	8.00% (L + 7.00%/Q)	4/16/2021	4/16/2027	12,347	12,260	12,366	0.95 %
OEConnection LLC								
Business Services	Second lien (2)(12)	8.33% (L + 8.25%/M)	9/25/2019	9/25/2027	12,044	11,947	12,044	0.92 %
Apptio, Inc.								
Software	First lien (8)(12)	8.25% (L + 7.25%/S)	1/10/2019	1/10/2025	11,203	11,065	11,203	
	First lien (3)(12)(13) - Drawn	8.25% (L + 7.25%/S)	1/10/2019	1/10/2025	827	810	827	
						<u>11,875</u>	<u>12,030</u>	0.92 %
CHA Holdings, Inc.								
Business Services	Second lien (4)(12)	9.75% (L + 8.75%/Q)	4/3/2018	4/10/2026	7,012	6,965	7,036	
	Second lien (3)(12)	9.75% (L + 8.75%/Q)	4/3/2018	4/10/2026	4,453	4,423	4,468	
						<u>11,388</u>	<u>11,504</u>	0.88 %
USRP Holdings, Inc.								
Federal Services	First lien (2)(12)	6.25% (L + 5.50%/Q)	7/22/2021	7/23/2027	11,454	11,342	11,340	0.87 %
Alert Holding Company, Inc. (17)								
Appriss Holdings, Inc.								
Business Services	First lien (8)	7.00% (L + 6.00%/Q)	5/24/2019	5/29/2026	10,887	10,821	10,887	
	First lien (3)(13) - Drawn	8.25% (P + 5.00%/Q)	5/24/2019	5/30/2025	230	228	230	
						<u>11,049</u>	<u>11,117</u>	0.85 %
Recorded Future, Inc.								
Software	First lien (8)(12)	7.00% (L + 6.00%/Q)	8/26/2019	7/3/2025	6,234	6,213	6,234	
	First lien (8)(12)	7.00% (L + 6.00%/Q)	3/26/2021	7/3/2025	4,788	4,760	4,788	
						<u>10,973</u>	<u>11,022</u>	0.84 %

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Vectra Co.								
Business Products	Second lien (8)(12)	7.33% (L + 7.25%/M)	2/23/2018	3/8/2026	\$ 10,788	\$ 10,762	\$ 10,788	0.83 %
Masergy Holdings, Inc.								
Business Services	Second lien (2)	8.50% (L + 7.50%/M)	12/14/2016	12/16/2024	10,500	10,471	10,448	0.80 %
PPVA Black Elk (Equity) LLC								
Business Services	Subordinated (3)(12)	—	5/3/2013	—	14,500	14,500	10,354	0.79 %
Quartz Holding Company								
Software	Second lien (3)(12)	8.09% (L + 8.00%/M)	4/2/2019	4/2/2027	10,000	9,848	10,000	0.77 %
AgKnowledge Holdings Company, Inc.								
Business Services	First lien (2)(12)	5.75% (L + 4.75%/S)	11/30/2018	7/21/2023	9,182	9,163	9,182	0.70 %
CG Group Holdings, LLC								
Specialty Chemicals & Materials	First lien (2)(12)	6.25% (L + 5.25%/M)	7/19/2021	7/19/2027	8,302	8,211	8,209	
	First lien (3)(12)(13) - Drawn	6.25% (L + 5.25%/M)	7/19/2021	7/19/2026	453	448	448	
						8,659	8,657	0.66 %
Cloudera, Inc.**								
Software	Second lien (2)(12)	6.50% (L + 6.00%/M)	8/10/2021	10/8/2029	8,494	8,472	8,472	0.65 %
Specialtycare, Inc.								
Healthcare Services	First lien (2)(12)	6.75% (L + 5.75%/Q)	6/18/2021	6/18/2028	7,224	7,119	7,115	0.55 %
Restaurant Technologies, Inc.								
Business Services	Second lien (4)	6.58% (L + 6.50%/M)	9/24/2018	10/1/2026	6,722	6,710	6,718	0.51 %
Appriss Health Holdings, Inc. (18)								
Appriss Health, LLC								
Business Services	First lien (8)(12)	8.25% (L + 7.25%/Q)	5/6/2021	5/6/2027	6,250	6,191	6,223	0.48 %
ADG, LLC								
Healthcare Services	Second lien (3)(12)	11.00% (L + 10.00% PIK/Q)*	10/3/2016	3/28/2024	6,410	6,379	5,935	0.45 %
Stats Intermediate Holdings, LLC**								
Business Services	First lien (2)	5.37% (L + 5.25%/Q)	5/22/2019	7/10/2026	5,835	5,796	5,835	0.45 %
Safety Borrower Holdings LLC								
Information Services	First lien (2)	6.75% (L + 5.75%/S)	9/1/2021	9/1/2027	5,756	5,728	5,728	0.44 %
Sun Acquirer Corp.								
Consumer Services	First lien (2)	6.50% (L + 5.75%/Q)	9/8/2021	9/8/2028	4,025	3,990	3,990	
	First lien (3)(13) - Drawn	6.50% (L + 5.75%/Q)	9/8/2021	9/8/2028	419	416	416	
						4,406	4,406	0.34 %
Wealth Enhancement Group, LLC**								
Business Services	First lien (3)(12)(13) - Drawn	6.75% (L + 5.75%/Q)	8/13/2021	10/4/2027	827	825	825	0.06 %

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Education Management Corporation (15)								
Education Management II LLC								
Education	First lien (2)	13.00% (L + 7.50%/M)(33)	1/5/2015	7/2/2020	\$ 300	\$ 292	\$ —	
	First lien (3)	13.00% (L + 7.50%/M)(33)	1/5/2015	7/2/2020	169	165	—	
	First lien (2)	9.75% (L + 6.50%/Q)(33)	1/5/2015	7/2/2020	206	201	—	
	First lien (3)	9.75% (L + 6.50%/Q)(33)	1/5/2015	7/2/2020	116	113	—	
	First lien (2)	11.75% (P + 8.50%/M)(33)	1/5/2015	7/2/2020	140	116	—	
	First lien (3)	11.75% (P + 8.50%/M)(33)	1/5/2015	7/2/2020	79	65	—	
	First lien (2)	11.75% (P + 8.50%/M)(33)	1/5/2015	7/2/2020	4	3	—	
	First lien (3)	11.75% (P + 8.50%/M)(33)	1/5/2015	7/2/2020	2	2	—	
						957	—	— %
PPVA Fund, L.P.								
Business Services	Collateralized Financing (33) (34)	—	11/7/2014	—	—	—	—	— %
Total Funded Debt Investments - United States						\$ 2,054,387	\$ 2,007,091	153.81 %
Total Funded Debt Investments						\$ 2,126,781	\$ 2,079,266	159.34 %
Equity - Hong Kong								
Bach Special Limited (Bach Preference Limited)**								
Education	Preferred shares (3)(12)(24)	—	9/1/2017	—	93,136	\$ 9,234	\$ 9,407	0.72 %
Total Shares - Hong Kong						\$ 9,234	\$ 9,407	0.72 %
Equity - United States								
Dealer Tire Holdings, LLC (25)								
Distribution & Logistics	Preferred shares (3)	—	9/13/2021	—	56,271	\$ 55,835	\$ 56,243	4.31 %
Symplr Software Intermediate Holdings, Inc. (26)								
Healthcare Information Technology	Preferred shares (4)(12)	—	11/30/2018	—	7,500	10,329	10,441	
	Preferred shares (3)(12)	—	11/30/2018	—	2,586	3,561	3,600	
						13,890	14,041	1.08 %
ACI Parent Inc. (31)								
Healthcare Services	Preferred shares (3)(12)	—	8/2/2021	—	12,500	12,617	12,614	0.97 %

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Diamond Parent Holdings Corp. (30)								
Diligent Preferred Issuer, Inc.								
Software	Preferred shares (3)(12)	—	4/6/2021	—	10,000	\$ 10,385	\$ 10,379	0.80 %
Project Essential Super Parent, Inc.(29)								
Software	Preferred shares (3)(12)	—	4/20/2021	—	10,000	10,323	10,314	0.79 %
Alert Holding Company, Inc. (17)								
Alert Intermediate Holdings I, Inc.								
Business Services	Preferred shares (3)	—	5/31/2019	—	6,111	7,786	7,878	0.60 %
HB Wealth Management, LLC (32)**								
Financial Services	Preferred shares (11)	—	9/30/2021	—	48,303	4,830	4,830	0.37 %
Appriss Health Holdings, Inc. (18)								
Appriss Health Intermediate Holdings, Inc.								
Business Services	Preferred shares (3)(12)	—	5/6/2021	—	2,333	2,401	2,400	0.18 %
Ancora Acquisition LLC								
Education	Preferred shares (9)(12)	—	8/12/2013	—	372	83	158	0.01 %
Tenawa Resource Holdings LLC (16)								
QID NGL LLC								
Specialty Chemicals & Materials	Preferred shares (6)(12)	—	10/30/2017	—	1,623,385	1,623	—	
	Preferred shares (6)(12)	—	11/24/2020	—	44,668	45	—	
	Ordinary shares (6)(12)	—	5/12/2014	—	5,290,997	5,291	—	
	Ordinary shares (6)(12)	—	7/6/2021	—	20	—	—	
						6,959	—	— %
Education Management Corporation (15)								
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	—	— %
AAC Lender Holdings, LLC (28)								
Education	Ordinary shares (3)(12)	—	3/16/2021	—	758	—	—	— %
Total Shares - United States						\$ 125,578	\$ 118,857	9.11 %
Total Shares						\$ 134,812	\$ 128,264	9.83 %
Total Funded Investments						\$ 2,261,593	\$ 2,207,530	169.17 %

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Unfunded Debt Investments - Jersey								
Tennessee Bido Limited (35)**								
Business Services	First lien (3)(12)(13) - Undrawn	—	8/6/2021	7/9/2023	£ 16,100	\$ —	\$ (335)	(0.03)%
Total Unfunded Debt Investments - Jersey						\$ —	\$ (335)	(0.03)%
Unfunded Debt Investments - United States								
AAC Lender Holdings, LLC (28)								
American Achievement Corporation (aka AAC Holding Corp.)								
Education	First lien (3)(12)(13) - Undrawn	—	1/25/2021	9/30/2026	\$ 2,652	\$ —	\$ —	—%
AgKnowledge Holdings Company, Inc.								
Business Services	First lien (3)(12)(13) - Undrawn	—	11/30/2018	7/21/2023	526	(3)	—	—%
Recorded Future, Inc.								
Software	First lien (3)(12)(13) - Undrawn	—	8/26/2019	7/3/2025	750	(4)	—	—%
Kele Holdco, Inc.								
Distribution & Logistics	First lien (3)(12)(13) - Undrawn	—	2/20/2020	2/20/2026	832	(4)	—	—%
Community Brands ParentCo, LLC (f.k.a Ministry Brands, LLC)								
Software	First lien (3)(12)(13) - Undrawn	—	12/7/2016	12/2/2022	1,000	(5)	—	—%
Coyote Buyer, LLC								
Specialty Chemicals & Materials	First lien (3)(12)(13) - Undrawn	—	3/13/2020	2/6/2025	1,013	(5)	—	—%
Bullhorn, Inc.								
Software	First lien (3)(12)(13) - Undrawn	—	9/24/2019	9/30/2026	852	(6)	—	—%
Alert Holding Company, Inc. (17)								
Appriss Holdings, Inc.								
Business Services	First lien (3)(13) - Undrawn	—	5/24/2019	5/30/2025	700	(7)	—	—%
Bluefin Holding, LLC								
Software	First lien (3)(12)(13) - Undrawn	—	9/6/2019	9/6/2024	606	(9)	—	—%
Xactly Corporation								
Software	First lien (3)(12)(13) - Undrawn	—	7/31/2017	7/31/2023	992	(10)	—	—%

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Portfolio Company, Location and Industry (1)	Type of Investment	Interest Rate (14)	Acquisition Date	Maturity / Expiration Date	Principal Amount, Par Value or Shares (36)	Cost	Fair Value	Percent of Net Assets
MRI Software LLC								
Software	First lien (2)(12)(13) - Undrawn	—	3/24/2021	3/24/2022	\$ 9,684	\$ —	\$ —	
	First lien (3)(12)(13) - Undrawn	—	1/31/2020	2/10/2022	500	—	—	
	First lien (3)(12)(13) - Undrawn	—	1/31/2020	2/10/2026	2,002	(10)	—	
						(10)	—	— %
Calabrio, Inc.								
Software	First lien (3)(12)(13) - Undrawn	—	4/16/2021	4/16/2027	1,487	(11)	—	— %
Instructure, Inc. **								
Software	First lien (3)(12)(13) - Undrawn	—	3/24/2020	3/24/2026	2,036	(13)	—	— %
Diamond Parent Holdings Corp. (30)								
Diligent Corporation								
Software	First lien (3)(12)(13) - Undrawn	—	3/30/2021	8/4/2025	3,624	(18)	—	— %
Finalsite Holdings, Inc.								
Software	First lien (3)(12)(13) - Undrawn	—	9/25/2018	9/25/2024	2,521	(19)	—	— %
YLG Holdings, Inc.								
Business Services	First lien (3)(12)(13) - Undrawn	—	11/1/2019	10/31/2025	3,968	(20)	—	— %
Apptio, Inc.								
Software	First lien (3)(12)(13) - Undrawn	—	1/10/2019	1/10/2025	1,240	(25)	—	— %
GC Waves Holdings, Inc.**								
Business Services	First lien (2)(12)(13) - Undrawn	—	8/13/2021	8/11/2023	10,643	—	—	
	First lien (3)(12)(13) - Undrawn	—	10/31/2019	10/31/2025	3,950	(30)	—	
						(30)	—	— %
GS Acquisitionco, Inc.								
Software	First lien (3)(12)(13) - Undrawn	—	8/7/2019	5/22/2026	5,917	(36)	—	— %

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Portfolio Company, Location and Industry (1)	Type of Investment	Interest Rate (14)	Acquisition Date	Maturity / Expiration Date	Principal Amount, Par Value or Shares (36)	Cost	Fair Value	Percent of Net Assets
Kaseya Inc.								
Software	First lien (3)(12)(13) - Undrawn	—	5/9/2019	5/2/2025	\$ 2,311	\$ (23)	\$ —	
	First lien (3)(12)(13) - Undrawn	—	9/8/2021	9/8/2023	3,670	(32)	—	
						(55)	—	— %
Appriss Health Holdings, Inc. (18)								
Appriss Health, LLC								
Business Services	First lien (3)(12)(13) - Undrawn	—	5/6/2021	5/6/2027	417	(4)	(2)	(0.00)%
CG Group Holdings, LLC								
Specialty Chemicals & Materials	First lien (3)(12)(13) - Undrawn	—	7/19/2021	7/19/2026	679	(8)	(8)	(0.00)%
Safety Borrower Holdings LLC								
Information Services	First lien (3)(13) - Undrawn	—	9/1/2021	9/1/2027	512	(3)	(3)	
	First lien (3)(13) - Undrawn	—	9/1/2021	9/1/2022	1,279	—	(6)	
						(3)	(9)	(0.00)%
DCA Investment Holding, LLC								
Healthcare Services	First lien (3)(13) - Undrawn	—	3/12/2021	3/10/2023	3,962	—	(15)	(0.00)%
Specialtycare, Inc.								
Healthcare Services	First lien (3)(12)(13) - Undrawn	—	6/18/2021	6/18/2026	559	(8)	(8)	
	First lien (3)(12)(13) - Undrawn	—	6/18/2021	6/18/2023	671	—	(10)	
						(8)	(18)	(0.00)%
IG Investments Holdings, LLC								
Business Services	First lien (3)(13) - Undrawn	—	9/22/2021	9/22/2027	2,298	(23)	(23)	(0.00)%
USRP Holdings, Inc.								
Federal Services	First lien (3)(12)(13) - Undrawn	—	7/22/2021	7/23/2027	893	(9)	(9)	
	First lien (3)(12)(13) - Undrawn	—	7/22/2021	7/23/2023	1,487	—	(15)	
						(9)	(24)	(0.00)%
Sun Acquirer Corp.								
Consumer Services	First lien (3)(13) - Undrawn	—	9/8/2021	9/8/2027	559	(5)	(5)	
	First lien (3)(13) - Undrawn	—	9/8/2021	9/8/2023	2,544	(10)	(22)	
						(15)	(27)	(0.00)%

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Portfolio Company, Location and Industry (1)	Type of Investment	Interest Rate (14)	Acquisition Date	Maturity / Expiration Date	Principal Amount, Par Value or Shares (36)	Cost	Fair Value	Percent of Net Assets
Infogain Corporation								
Software	First lien (3)(12)(13) - Undrawn	—	7/30/2021	7/30/2026	\$ 3,827	\$ (29)	\$ (29)	(0.00)%
Granicus, Inc.								
Software	First lien (3)(12)(13) - Undrawn	—	1/27/2021	1/29/2027	2,414	(18)	(18)	
	First lien (3)(12)(13) - Undrawn	—	4/23/2021	4/21/2023	1,822	—	(18)	
						(18)	(36)	(0.00)%
Wealth Enhancement Group, LLC**								
Business Services	First lien (3)(12)(13) - Undrawn	—	8/13/2021	10/4/2027	276	(1)	(1)	
	First lien (3)(12)(13) - Undrawn	—	8/13/2021	6/3/2022	17,647	—	(44)	
						(1)	(45)	(0.00)%
Trinity Air Consultants Holdings Corporation								
Business Services	First lien (3)(12)(13) - Undrawn	—	6/30/2021	6/29/2027	1,501	(15)	(15)	
	First lien (3)(12)(13) - Undrawn	—	6/30/2021	6/29/2023	5,252	—	(53)	
						(15)	(68)	(0.01)%
Galway Borrower LLC								
Financial Services	First lien (3)(13) - Undrawn	—	9/30/2021	9/30/2027	1,865	(19)	(19)	
	First lien (3)(13) - Undrawn	—	9/30/2021	9/29/2023	5,595	—	(55)	
						(19)	(74)	(0.01)%
ACI Parent Inc. (31)								
ACI Group Holdings, Inc.								
Healthcare Services	First lien (3)(12)(13) - Undrawn	—	8/2/2021	8/2/2027	2,354	(24)	(24)	
	First lien (3)(12)(13) - Undrawn	—	8/2/2021	8/2/2023	8,239	—	(82)	
						(24)	(106)	(0.01)%

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Portfolio Company, Location and Industry (1)	Type of Investment	Interest Rate (14)	Acquisition Date	Maturity / Expiration Date	Principal Amount, Par Value or Shares (36)	Cost	Fair Value	Percent of Net Assets
Associations, Inc.								
Business Services	First lien (3)(12)(13) - Undrawn	—	7/2/2021	7/2/2027	\$ 3,543	\$ (18)	\$ (18)	
	First lien (3)(12)(13) - Undrawn	—	7/2/2021	7/2/2022	3,505	(18)	(18)	
	First lien (3)(12)(13) - Undrawn	—	7/2/2021	1/2/2023	8,590	(43)	(43)	
	First lien (3)(12)(13) - Undrawn	—	7/2/2021	7/2/2023	8,590	(43)	(43)	
						<u>(122)</u>	<u>(122)</u>	(0.01) %
NMC Crimson Holdings, Inc.								
Healthcare Services	First lien (3)(12)(13) - Undrawn	—	3/1/2021	3/1/2023	10,664	—	(128)	(0.01) %
Deca Dental Holdings LLC								
Healthcare Services	First lien (3)(12)(13) - Undrawn	—	8/26/2021	8/26/2027	3,027	(30)	(30)	
	First lien (3)(12)(13) - Undrawn	—	8/26/2021	8/28/2023	13,116	—	(131)	
						<u>(30)</u>	<u>(161)</u>	(0.01) %
Total Unfunded Debt Investments - United States						\$ (618)	\$ (895)	(0.06) %
Total Unfunded Debt Investments						\$ (618)	\$ (1,230)	(0.09) %
Total Non-Controlled/Non-Affiliated Investments						\$ 2,260,975	\$ 2,206,300	169.08 %
Non-Controlled/Affiliated Investments (37)								
Funded Debt Investments - United States								
TVG-Edmentum Holdings, LLC (19)								
Edmentum Ultimate Holdings, LLC								
Education	Subordinated (3)(12)	13.00% (6.50% + 6.50%/PIK)*	12/11/2020	1/26/2027	\$ 15,181	\$ 15,046	\$ 15,267	1.17 %
Sierra Hamilton Holdings Corporation								
Energy	Second lien (3)(12)	15.00% PIK/Q*	9/12/2019	9/12/2023	5	5	—	— %
Permian Holdco 3, Inc.								
Permian Trust								
Energy	First lien (10)(12)	10.00% PIK/Q(33)*	3/30/2021	—	247	—	—	
	First lien (3)(12)	11.00% (L + 10.00% PIK/M)(33)*	7/23/2020	—	3,409	—	—	
						<u>—</u>	<u>—</u>	— %
Total Funded Debt Investments - United States						\$ 15,051	\$ 15,267	1.17 %

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Equity - United States								
TVG-Edmentum Holdings, LLC (19)								
Education	Ordinary shares (3)(12)	—	12/11/2020	—	48,899	\$ 51,757	\$ 92,338	7.07 %
Sierra Hamilton Holdings Corporation								
Energy	Ordinary shares (2)(12)	—	7/31/2017	—	25,000,000	11,501	3,599	
	Ordinary shares (3)(12)	—	7/31/2017	—	2,786,000	1,282	401	
						12,783	4,000	0.31 %
Total Shares - United States						\$ 64,540	\$ 96,338	7.38 %
Total Non-Controlled/Affiliated Investments						\$ 79,591	\$ 111,605	8.55 %
Controlled Investments (38)								
Funded Debt Investments - United States								
New Benevis Topco, LLC (27)								
New Benevis Holdco, Inc.								
Healthcare Services	First lien (2)(12)	10.50% (L + 2.50% + 7.00% PIK/Q)*	10/6/2020	4/7/2025	\$ 32,550	\$ 32,550	\$ 32,550	
	First lien (8)(12)	10.50% (L + 2.50% + 7.00% PIK/Q)*	10/6/2020	4/7/2025	7,986	7,986	7,986	
	First lien (3)(12)	10.50% (L + 2.50% + 7.00% PIK/Q)*	10/6/2020	4/7/2025	3,921	3,921	3,921	
	Subordinated (3)(12)	12.00% PIK/M*	10/6/2020	10/6/2025	16,059	13,640	13,242	
						58,097	57,699	4.42 %
UniTek Global Services, Inc.								
Business Services	First lien (2)(12)	8.50% (L + 5.50% + 2.00% PIK/S)*	6/29/2018	8/20/2024	12,610	12,610	12,285	
	First lien (3)(12)	8.50% (L + 5.50% + 2.00% PIK/S)*	3/16/2020	8/20/2024	9,341	8,548	9,099	
	First lien (2)(12)	8.50% (L + 5.50% + 2.00% PIK/S)*	6/29/2018	8/20/2024	2,522	2,522	2,456	
	First lien (3)(12)	8.50% (L + 5.50% + 2.00% PIK/S)*	6/29/2018	8/20/2024	1,349	1,191	1,314	
	Second lien (3)(12)	15.00% PIK/Q*	12/16/2020	2/20/2025	9,602	9,602	9,602	
						34,473	34,756	2.66 %
NHME Holdings Corp. (23)								
National HME, Inc.								
Healthcare Services	Second lien (3)(12)	12.00% PIK/Q*	11/27/2018	5/27/2024	20,391	18,003	14,783	
	Second lien (3)(12)	12.00% PIK/Q*	11/27/2018	5/27/2024	11,268	10,695	9,860	
						28,698	24,643	1.89 %

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New Permian Holdco, Inc.								
New Permian Holdco, L.L.C.								
Energy	First lien (3)(12)	18.00% PIK/M*	10/30/2020	12/31/2024	\$ 17,422	\$ 17,422	\$ 17,422	
	First lien (3)(12)(13) - Drawn	10.00% (L + 9.00% PIK/M)*	10/30/2020	12/31/2024	5,399	5,399	5,399	
						22,821	22,821	1.75 %
Total Funded Debt Investments - United States						\$ 144,089	\$ 139,919	10.72 %
Equity - Canada								
NM APP Canada Corp.**								
Net Lease	Membership interest (7)(12)	—	9/13/2016	—	—	\$ 7,345	\$ 14,494	1.11 %
Total Shares - Canada						\$ 7,345	\$ 14,494	1.11 %
Equity - United States								
NMFC Senior Loan Program III LLC**								
Investment Fund	Membership interest (3)(12)	—	5/4/2018	—	—	\$ 140,000	\$ 140,000	10.73 %
NMFC Senior Loan Program IV LLC**								
Investment Fund	Membership interest (3)(12)	—	5/5/2021	—	—	112,400	112,400	8.61 %
NM NL Holdings, L.P.**								
Net Lease	Membership interest (7)(12)	—	6/20/2018	—	—	71,781	90,676	6.95 %
New Benevis Topco, LLC (27)								
Healthcare Services	Ordinary shares (2)(12)	—	10/6/2020	—	269,027	27,154	34,028	
	Ordinary shares (8)(12)	—	10/6/2020	—	66,007	6,662	8,349	
	Ordinary shares (3)(12)	—	10/6/2020	—	60,068	6,105	7,598	
						39,921	49,975	3.83 %
NM GLCR LP								
Net Lease	Membership interest (7)(12)	—	2/1/2018	—	—	14,750	46,272	3.54 %
NM CLFX LP								
Net Lease	Membership interest (7)(12)	—	10/6/2017	—	—	12,538	25,352	1.94 %

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

New Mountain Finance Corporation

Consolidated Schedule of Investments (Continued)
September 30, 2021
(in thousands, except shares)
(unaudited)

Portfolio Company, Location and Industry (1)	Type of Investment	Interest Rate (14)	Acquisition Date	Maturity / Expiration Date	Principal Amount, Par Value or Shares (36)	Cost	Fair Value	Percent of Net Assets
UniTek Global Services, Inc.								
Business Services	Preferred shares (3)(12)(22)	—	8/17/2018	—	12,093,031	\$ 12,093	\$ 9,851	
	Preferred shares (3)(12)(22)	—	8/29/2019	—	7,187,456	7,187	6,551	
	Preferred shares (3)(12)(21)(33)	—	6/30/2017	—	19,795,435	19,795	2,647	
	Preferred shares (2)(12)(20)(33)	—	1/13/2015	—	29,326,545	26,946	—	
	Preferred shares (3)(12)(20)(33)	—	1/13/2015	—	8,104,462	7,447	—	
	Ordinary shares (2)(12)	—	1/13/2015	—	2,096,477	1,925	—	
	Ordinary shares (3)(12)	—	1/13/2015	—	1,993,749	532	—	
						75,925	19,049	1.46 %
New Permian Holdco, Inc.								
Energy	Ordinary shares (3)(12)	—	10/30/2020	—	100	11,155	11,000	0.84 %
NM APP US LLC								
Net Lease	Membership interest (7)(12)	—	9/13/2016	—	—	5,080	9,006	0.69 %
NM YI, LLC								
Net Lease	Membership interest (7)(12)	—	9/30/2019	—	—	6,272	8,188	0.63 %
NM DRVT LLC								
Net Lease	Membership interest (7)(12)	—	11/18/2016	—	—	5,152	7,558	0.58 %
NHME Holdings Corp. (23)								
Healthcare Services	Ordinary shares (3)(12)	—	11/27/2018	—	640,000	4,000	4,000	0.31 %
NM JRA LLC								
Net Lease	Membership interest (7)(12)	—	8/12/2016	—	—	2,043	3,899	0.30 %
NM GP Holdco, LLC**								
Net Lease	Membership interest (7)(12)	—	6/20/2018	—	—	803	986	0.08 %
NM KRLN LLC								
Net Lease	Membership interest (7)(12)	—	11/15/2016	—	—	8,962	486	0.04 %
Total Shares - United States						\$ 510,782	\$ 528,847	40.53 %
Total Shares						\$ 518,127	\$ 543,341	41.64 %
Warrants - United States								
UniTek Global Services, Inc.								
Business Services	Warrants (3)(12)	—	12/16/2020	2/20/2025	8,523	\$ —	\$ 9,489	0.72 %
NHME Holdings Corp. (23)								
Healthcare Services	Warrants (3)(12)	—	11/27/2018	—	160,000	1,000	1,000	0.08 %
Total Warrants - United States						\$ 1,000	\$ 10,489	0.80 %
Total Funded Investments						\$ 663,216	\$ 693,749	53.16 %

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

New Mountain Finance Corporation

Consolidated Schedule of Investments (Continued)
September 30, 2021
(in thousands, except shares)
(unaudited)

Portfolio Company, Location and Industry (1)	Type of Investment	Interest Rate (14)	Acquisition Date	Maturity / Expiration Date	Principal Amount, Par Value or Shares (36)	Cost	Fair Value	Percent of Net Assets
Unfunded Debt Investments - United States								
New Permian Holdco, Inc.								
New Permian Holdco, L.L.C.								
Energy	First lien (3)(12)(13) - Undrawn	—	10/30/2020	12/31/2024	\$ 4,977	\$ —	\$ —	— %
Total Unfunded Debt Investments - United States						\$ —	\$ —	— %
Total Controlled Investments						\$ 663,216	\$ 693,749	53.16 %
Total Investments						\$ 3,003,782	\$ 3,011,654	230.79 %

- (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 MUFU 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.
- (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) Investment is held in NMF Permian Holdings, LLC.
- (11) Investment is held in NMF HB, Inc.
- (12) 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.
- (13) 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.
- (14) 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), the Sterling Overnight Interbank Average Rate (Sonia), 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 September 30, 2021.
- (15) 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.
- (16) 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 and class B preferred units in QID NGL LLC, and holds common units and a first lien investment in Tenawa Resource Management LLC, a wholly-owned subsidiary of Tenawa Resource Holdings LLC.
- (17) 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 + 10.5% per annum.
- (18) The Company holds investments in two wholly-owned subsidiaries of Appriss Health Holdings, Inc. The company holds a first lien term loan and a first lien revolver in Appriss Health, LLC, and preferred equity in Appriss Health Intermediate Holdings, Inc. The preferred equity is entitled to receive preferential dividends at a rate of 11.00% per annum.

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

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Consolidated Schedule of Investments (Continued)
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- (19) The Company holds ordinary shares in TVG-Edmentum Holdings, LLC, and subordinated notes in Edmentum Ultimate Holdings, LLC, a wholly-owned subsidiary of TVG-Edmentum Holdings, LLC. The ordinary shares are entitled to receive cumulative preferential dividends at a rate of 12.0% per annum.
- (20) 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.
- (21) 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.
- (22) The Company holds preferred equity in UniTek Global Services, Inc. that is entitled to receive cumulative preferential dividends at a rate of 20.0% per annum payable in additional shares.
- (23) 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.
- (24) 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.
- (25) The Company holds preferred equity in Dealer Tire Holdings, LLC. The preferred equity is entitled to receive cumulative preferential dividends at a rate of 7.00% per annum.
- (26) The Company holds preferred equity in Sympplr Software Intermediate Holdings, Inc. that is entitled to receive cumulative preferential dividends at a rate of L + 10.50% per annum.
- (27) The Company holds ordinary shares in New Benevis Topco, LLC, and holds first lien last out term loans and subordinated notes in New Benevis Holdco Inc., a wholly-owned subsidiary of New Benevis Topco, LLC.
- (28) The Company holds ordinary shares in AAC Lender Holdings, LLC and a first lien term loan, first lien revolver and subordinated notes in American Achievement Corporation, a partially-owned subsidiary of AAC Lender Holdings, LLC.
- (29) The Company holds preferred equity in Project Essential Super Parent, LLC that is entitled to receive cumulative preferential dividends at a rate of L + 9.50% per annum.
- (30) The Company holds investments in two wholly-owned subsidiary of Diamond Parent Holdings Corp. The Company holds three first lien term loans and a first lien revolver in Diligent Corporation and preferred equity in Diligent Preferred Issuer Inc. The preferred equity in Diligent Preferred Issuer Inc. is entitled to receive cumulative preferential dividends at a rate 10.50% per annum.
- (31) The Company holds investments in ACI Parent Inc. and a wholly-owned subsidiary of ACI Parent Inc. The Company holds a first lien term loan, a first lien delayed draw and a first lien revolver in ACI Group Holdings, Inc. and preferred equity in ACI Parent Inc. The preferred equity in ACI Parent Inc. is entitled to receive cumulative preferential dividends at a rate of 11.75% per annum.
- (32) The Company holds preferred equity in HB Wealth Management, LLC that is entitled to receive cumulative preferential dividends at a rate of 4.00% per annum.
- (33) Investment or a portion of the investment is on non-accrual status. See Note 3 Investments, for details.
- (34) 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 September 30, 2021. See Note 2 Summary of Significant Accounting Policies, for details.
- (35) Investment is denominated in foreign currency and is translated into U.S. dollars as of the valuation date. As of September 30, 2021, the par value U.S. dollar equivalent of the first lien term loan and the undrawn first lien term loan is \$17,354 and \$21,693, respectively. See Note 2. Summary of Significant Accounting Policies, for details.
- (36) Par amount is denominated in USD unless otherwise noted, British Pound ("£").
- (37) 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 September 30, 2021 and December 31, 2020 along with transactions during the nine months ended September 30, 2021 in which the issuer was a non-controlled/affiliated investment is as follows:

Portfolio Company	Fair Value at December 31, 2020	Gross Additions (A)	Gross Redemptions (B)	Net Realized Gains (Losses)	Net Change In Unrealized Appreciation (Depreciation)	Fair Value at September 30, 2021	Interest Income	Dividend Income	Other Income
Permian Holdco 1, Inc. / Permian Holdco 2, Inc. / Permian Holdco 3, Inc. / Permian Trust	\$ —	\$ 225	\$ (12,438)	\$ (12,213)	\$ 12,213	\$ —	\$ —	\$ —	\$ —
Sierra Hamilton Holdings Corporation	4,776	11	(828)	2	41	4,000	188	—	24
TVG-Edmentum Holdings, LLC / Edmentum Ultimate Holdings, LLC	98,236	4,365	(27,287)	20,549	32,291	107,605	1,316	4,169	260
Total Non-Controlled/Affiliated Investments	\$ 103,012	\$ 4,601	\$ (40,553)	\$ 8,338	\$ 44,545	\$ 111,605	\$ 1,504	\$ 4,169	\$ 284

- (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)
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(38) 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 September 30, 2021 and December 31, 2020, along with transactions during the nine months ended September 30, 2021 in which the issuer was a controlled investment, is as follows:

Portfolio Company	Fair Value at December 31, 2020	Gross Additions (A)	Gross Redemptions (B)	Net Realized Gains (Losses)	Net Change In Unrealized Appreciation (Depreciation)	Fair Value at September 30, 2021	Interest Income	Dividend Income	Other Income
Edmentum Inc.	\$ —	\$ —	\$ —	\$ 1,557	\$ —	\$ —	\$ —	\$ —	\$ 1,200
National HME, Inc./NHME Holdings Corp.	27,530	3,354	—	—	(1,241)	29,643	3,354	—	375
New Benevis Topco, LLC / New Benevis Holdco, Inc.	98,442	4,013	—	—	5,219	107,674	5,154	—	1,125
New Permian Holdco, Inc. / New Permian Holdco, L.L.C.	29,336	4,485	—	—	—	33,821	2,567	—	502
NM APP CANADA CORP	12,302	—	—	—	2,192	14,494	—	—	706
NM APP US LLC	7,410	—	—	—	1,596	9,006	—	—	413
NM CLFX LP	14,885	—	—	—	10,467	25,352	—	—	1,131
NM DRVT LLC	7,084	—	—	—	474	7,558	—	—	343
NM JRA LLC	3,830	—	—	—	69	3,899	—	—	199
NM GLCR LP	29,130	—	—	—	17,142	46,272	—	—	1,410
NM KRLN LLC	1,501	381	—	—	(1,396)	486	—	—	—
NM NL Holdings, L.P.	67,132	17,334	—	—	6,210	90,676	—	—	5,413
NM GP Holdco, LLC	703	219	—	—	64	986	—	—	52
NM YI LLC	6,852	—	—	—	1,336	8,188	—	—	675
NMFC Senior Loan Program I LLC	23,000	10,000	(33,000)	—	—	—	—	—	741
NMFC Senior Loan Program II LLC	79,400	—	(79,400)	—	—	—	—	—	2,410
NMFC Senior Loan Program III LLC	120,000	20,000	—	—	—	140,000	—	—	12,687
NMFC Senior Loan Program IV LLC	—	112,400	—	—	—	112,400	—	—	5,098
UniTek Global Services, Inc.	72,338	5,135	(2,647)	—	(11,532)	63,294	2,879	—	3,533
Total Controlled Investments	\$ 600,875	\$ 177,321	\$ (115,047)	\$ 1,557	\$ 30,600	\$ 693,749	\$ 13,954	\$ 34,811	\$ 3,759

(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 September 30, 2021, 16.7% 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
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(unaudited)

Investment Type	September 30, 2021 Percent of Total Investments at Fair Value
First lien	48.90 %
Second lien	23.96 %
Subordinated	1.29 %
Equity and other	25.85 %
Total investments	100.00 %

Industry Type	September 30, 2021 Percent of Total Investments at Fair Value
Software	27.61 %
Business Services	21.77 %
Healthcare Services	17.97 %
Investment Funds (includes investments in joint ventures)	8.38 %
Education	7.55 %
Net Lease	6.87 %
Distribution & Logistics	3.93 %
Specialty Chemicals & Materials	1.73 %
Energy	1.26 %
Financial Services	0.96 %
Healthcare Information Technology	0.47 %
Packaging	0.42 %
Federal Services	0.38 %
Business Products	0.36 %
Information Services	0.19 %
Consumer Services	0.15 %
Total investments	100.00 %

Interest Rate Type	September 30, 2021 Percent of Total Investments at Fair Value
Floating rates	90.11 %
Fixed rates	9.89 %
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, 2020

(in thousands, except shares)

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)	8.50% (L + 7.50%/M)	6/1/2018	6/8/2026	\$ 28,612	\$ 28,417	\$ 28,612	
	Second lien (8)	8.50% (L + 7.50%/M)	6/1/2018	6/8/2026	7,500	7,452	7,500	
					<u>36,112</u>	<u>35,869</u>	<u>36,112</u>	<u>2.92 %</u>
Total Funded Debt Investments - Canada								
Funded Debt Investments - United Arab Emirates								
GEMS Menasa (Cayman) Limited**								
Education	First lien (8)	6.00% (L + 5.00%/S)	7/30/2019	7/31/2026	\$ 15,678	\$ 15,614	\$ 15,658	1.27 %
Total Funded Debt Investments - United Arab Emirates								
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	\$ 37,697	\$ 37,853	
	Second lien (8)(10)	8.50% (L + 7.50%/M)	9/25/2017	10/3/2025	6,000	5,975	6,000	
					<u>43,853</u>	<u>43,672</u>	<u>43,853</u>	<u>3.54 %</u>
Aston FinCo S.a.r.l./Aston US Finco, LLC**								
Software	Second lien (8)(10)	8.40% (L + 8.25%/M)	10/8/2019	10/8/2027	34,459	34,213	34,459	2.79 %
Total Funded Debt Investments - United Kingdom								
Funded Debt Investments - United States								
GS Acquisitionco, Inc.								
Software	First lien (2)(10)	6.75% (L + 5.75%/S)	8/7/2019	5/24/2024	\$ 26,639	\$ 26,517	\$ 26,639	
	First lien (2)(10)	6.75% (L + 5.75%/S)	8/7/2019	5/24/2024	25,950	25,818	25,950	
	First lien (5)(10)	6.75% (L + 5.75%/S)	8/7/2019	5/24/2024	22,193	22,091	22,193	
	First lien (2)(10)	6.75% (L + 5.75%/S)	8/7/2019	5/24/2024	12,649	12,578	12,649	
					<u>87,431</u>	<u>87,004</u>	<u>87,431</u>	<u>7.07 %</u>
PhyNet Dermatology LLC								
Healthcare Services	First lien (2)(10)	6.50% (L + 5.50%/M)	9/17/2018	8/16/2024	49,857	49,528	48,844	
	First lien (3)(10)	6.50% (L + 5.50%/M)	9/17/2018	8/16/2024	27,857	27,623	27,291	
					<u>77,714</u>	<u>77,151</u>	<u>76,135</u>	<u>6.15 %</u>
Associations, Inc.								
Business Services	First lien (2)(10)	8.00% (L + 4.00% + 3.00% PIK/Q)*	7/30/2018	7/30/2024	45,932	45,751	45,932	
	First lien (8)(10)	8.00% (L + 4.00% + 3.00% PIK/Q)*	7/30/2018	7/30/2024	5,272	5,252	5,272	
	First lien (2)(10)(11) - Drawn	8.00% (L + 4.00% + 3.00% PIK/Q)*	7/30/2018	7/30/2024	10,419	10,371	10,419	
	First lien (2)(10)(11) - Drawn	7.00% (L + 6.00%/Q)	7/30/2018	7/30/2024	2,033	2,020	2,033	
					<u>63,656</u>	<u>63,394</u>	<u>63,656</u>	<u>5.14 %</u>

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 (12)	Acquisition Date	Maturity/Expiration Date	Principal Amount, Par Value or Shares	Cost	Fair Value	Percent of Net Assets
ConnectWise, LLC								
Software	First lien (2)(10)	6.25% (L + 5.25%Q)	11/26/2019	2/28/2025	\$ 55,054	\$ 54,772	\$ 55,054	
	First lien (3)(10)(11) - Drawn	6.25% (L + 5.25%M)	11/26/2019	2/28/2025	1,062	1,055	1,062	
					<u>56,116</u>	<u>55,827</u>	<u>56,116</u>	4.54 %
iCIMS, Inc.								
Software	First lien (8)(10)	7.50% (L + 6.50%S)	9/12/2018	9/12/2024	41,636	41,340	41,794	
	First lien (8)(10)	7.50% (L + 6.50%S)	6/14/2019	9/12/2024	8,667	8,602	8,700	
	First lien (3)(10)(11) - Drawn	7.50% (L + 6.50%Q)	9/12/2018	9/12/2024	2,915	2,886	2,915	
					<u>53,218</u>	<u>52,828</u>	<u>53,409</u>	4.32 %
CentralSquare Technologies, LLC								
Software	Second lien (3)	7.75% (L + 7.50%Q)	8/15/2018	8/31/2026	47,838	47,361	46,164	
	Second lien (8)	7.75% (L + 7.50%Q)	8/15/2018	8/31/2026	7,500	7,425	7,237	
					<u>55,338</u>	<u>54,786</u>	<u>53,401</u>	4.32 %
DCA Investment Holding, LLC								
Healthcare Services	First lien (8)(10)	6.25% (L + 5.25%Q)	4/16/2019	7/2/2021	20,316	20,243	19,977	
	First lien (2)(10)	6.25% (L + 5.25%Q)	7/2/2015	7/2/2021	16,916	16,900	16,634	
	First lien (8)(10)	6.25% (L + 5.25%Q)	12/20/2017	7/2/2021	8,801	8,782	8,654	
	First lien (2)(10)	6.25% (L + 5.25%Q)	12/20/2017	7/2/2021	4,142	4,135	4,073	
	First lien (3)(10)(11) - Drawn	6.25% (L + 5.25%Q)	7/2/2015	7/2/2021	2,056	2,036	2,022	
					<u>52,231</u>	<u>52,096</u>	<u>51,360</u>	4.15 %
Salient CRGT Inc.								
Federal Services	First lien (2)(10)	7.50% (L + 6.50%S)	1/6/2015	2/28/2022	37,348	37,209	37,348	
	First lien (8)(10)	7.50% (L + 6.50%S)	6/6/2019	2/28/2022	12,762	12,528	12,762	
					<u>50,110</u>	<u>49,737</u>	<u>50,110</u>	4.05 %
Frontline Technologies Group Holdings, LLC								
Software	First lien (4)(10)	6.75% (L + 5.75%Q)	9/18/2017	9/18/2023	21,940	21,856	21,940	
	First lien (2)(10)	6.75% (L + 5.75%Q)	9/18/2017	9/18/2023	18,490	18,447	18,490	
	First lien (2)(10)	6.75% (L + 5.75%Q)	9/18/2017	9/18/2023	7,632	7,594	7,632	
					<u>48,062</u>	<u>47,897</u>	<u>48,062</u>	3.88 %
NM GRC Holdco, LLC								
Business Services	First lien (2)(10)	8.50% (L + 6.00% + 1.50% PIK/Q)*	2/9/2018	2/9/2024	38,368	38,258	36,929	
	First lien (2)(10)	8.50% (L + 6.00% + 1.50% PIK/Q)*	2/9/2018	2/9/2024	10,664	10,631	10,264	
					<u>49,032</u>	<u>48,889</u>	<u>47,193</u>	3.82 %
Brave Parent Holdings, Inc.								
Software	Second lien (5)(10)	7.65% (L + 7.50%M)	4/17/2018	4/17/2026	22,500	22,417	22,500	
	Second lien (2)(10)	7.65% (L + 7.50%M)	4/17/2018	4/17/2026	16,624	16,498	16,624	
	Second lien (8)(10)	7.65% (L + 7.50%M)	4/17/2018	4/17/2026	6,000	5,955	6,000	
					<u>45,124</u>	<u>44,870</u>	<u>45,124</u>	3.65 %

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Integro Parent Inc.								
Business Services	First lien (2)(10)	6.75% (L + 5.75%/M)	10/9/2015	10/31/2022	\$ 34,490	\$ 34,405	\$ 34,490	
	Second lien (8)(10)	10.25% (L + 9.25%/M)	10/9/2015	10/30/2023	10,000	9,955	10,000	
					<u>44,490</u>	<u>44,360</u>	<u>44,490</u>	3.60 %
Quest Software US Holdings Inc.								
Software	Second lien (2)(10)	8.46% (L + 8.25%/Q)	5/17/2018	5/18/2026	43,697	43,367	43,697	3.53 %
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	38,600	38,559	38,600	3.12 %
Trader Interactive, LLC								
Business Services	First lien (2)(10)	7.25% (L + 6.25%/M)	6/15/2017	6/17/2024	31,605	31,482	31,605	
	First lien (8)(10)	7.25% (L + 6.25%/M)	6/15/2017	6/17/2024	4,899	4,880	4,899	
	First lien (3)(10)(11) - Drawn	7.25% (L + 6.25%/M)	6/15/2017	6/15/2023	502	498	502	
					<u>37,006</u>	<u>36,860</u>	<u>37,006</u>	2.99 %
CoolSys, Inc.								
Industrial Services	First lien (5)	7.00% (L + 6.00%/Q)	11/20/2019	11/20/2026	22,275	22,177	22,275	
	First lien (2)	7.00% (L + 6.00%/Q)	11/20/2019	11/20/2026	10,296	10,251	10,296	
	First lien (3)	7.00% (L + 6.00%/Q)	11/20/2019	11/20/2026	4,173	4,153	4,173	
					<u>36,744</u>	<u>36,581</u>	<u>36,744</u>	2.97 %
KAMC Holdings, Inc								
Business Services	Second lien (2)(10)	8.22% (L + 8.00%/Q)	8/14/2019	8/13/2027	18,750	18,627	18,300	
	Second lien (8)(10)	8.22% (L + 8.00%/Q)	8/14/2019	8/13/2027	18,750	18,627	18,300	
					<u>37,500</u>	<u>37,254</u>	<u>36,600</u>	2.96 %
Affinity Dental Management, Inc.								
Healthcare Services	First lien (2)(10)	7.00% (L + 6.00%/Q)	9/15/2017	9/15/2023	26,222	26,182	24,397	
	First lien (4)(10)	7.00% (L + 6.00%/Q)	9/17/2019	9/15/2023	10,592	10,592	9,854	
	First lien (3)(10)(11) - Drawn	7.00% (L + 6.00%/Q)	9/15/2017	3/15/2023	1,738	1,720	1,617	
					<u>38,552</u>	<u>38,494</u>	<u>35,868</u>	2.90 %
GC Waves Holdings, Inc.**								
Business Services	First lien (5)(10)	6.75% (L + 5.75%/Q)	10/31/2019	10/31/2025	22,331	22,191	22,331	
	First lien (2)(10)	6.75% (L + 5.75%/Q)	10/31/2019	10/31/2025	3,645	3,622	3,645	
	First lien (3)(10)	6.75% (L + 5.75%/Q)	10/31/2019	10/31/2025	9,835	9,742	9,835	
					<u>35,811</u>	<u>35,555</u>	<u>35,811</u>	2.89 %
Definitive Healthcare Holdings, LLC								
Healthcare Information Technology	First lien (8)(10)	6.50% (L + 5.50%/Q)	8/7/2019	7/16/2026	33,615	33,477	33,615	
	First lien (3)(10)(11) - Drawn	6.50% (L + 5.50%/Q)	8/7/2019	7/16/2026	1,327	1,321	1,327	
					<u>34,942</u>	<u>34,798</u>	<u>34,942</u>	2.82 %

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TDG Group Holding Company								
Consumer Services	First lien (2)(10)	5.40% (L + 5.25%/M)	5/22/2018	5/31/2024	\$ 24,607	\$ 24,532	\$ 24,607	
	First lien (8)(10)	5.40% (L + 5.25%/M)	5/22/2018	5/31/2024	4,900	4,884	4,900	
	First lien (2)(10)	5.40% (L + 5.25%/M)	5/22/2018	5/31/2024	3,287	3,277	3,287	
	First lien (2)(10)(11) - Drawn	5.40% (L + 5.25%/M)	5/22/2018	5/31/2024	1,891	1,882	1,891	
					<u>34,685</u>	<u>34,575</u>	<u>34,685</u>	2.80 %
Kaseya Inc.								
Software	First lien (8)(10)	8.00% (L + 4.00% + 3.00% PIK/S)*	5/9/2019	5/2/2025	28,225	28,014	28,508	
	First lien (3)(10)	8.00% (L + 4.00% + 3.00% PIK/S)*	5/9/2019	5/2/2025	3,315	3,284	3,348	
	First lien (3)(10)(11) - Drawn	7.50% (L + 6.50%/S)	5/9/2019	5/2/2025	1,133	1,121	1,133	
					<u>32,673</u>	<u>32,419</u>	<u>32,989</u>	2.67 %
Finalsite Holdings, Inc.								
Software	First lien (4)(10)	6.00% (L + 5.00%/Q)	9/28/2018	9/25/2024	21,994	21,883	21,994	
	First lien (2)(10)	6.00% (L + 5.00%/Q)	9/28/2018	9/25/2024	10,863	10,809	10,863	
					<u>32,857</u>	<u>32,692</u>	<u>32,857</u>	2.66 %
Integral Ad Science, Inc.								
Software	First lien (8)(10)	8.25% (L + 6.00% + 1.25% PIK/S)*	7/19/2018	7/19/2024	27,127	26,943	27,127	
	First lien (3)(10)	8.25% (L + 6.00% + 1.25% PIK/S)*	8/27/2019	7/19/2024	3,544	3,517	3,544	
					<u>30,671</u>	<u>30,460</u>	<u>30,671</u>	2.48 %
Ansira Holdings, Inc.								
Business Services	First lien (8)(10)	7.50% (L + 6.50% PIK/S)*	12/19/2016	12/20/2024	29,511	29,451	24,146	
	First lien (3)(10)	7.50% (L + 6.50% PIK/S)*	12/19/2016	12/20/2024	7,452	7,440	6,097	
					<u>36,963</u>	<u>36,891</u>	<u>30,243</u>	2.44 %
MRI Software LLC								
Software	First lien (5)(10)	6.50% (L + 5.50%/Q)	1/31/2020	2/10/2026	22,329	22,232	22,358	
	First lien (3)(10)	6.50% (L + 5.50%/Q)	1/31/2020	2/10/2026	4,654	4,632	4,660	
	First lien (2)(10)	6.50% (L + 5.50%/Q)	1/31/2020	2/10/2026	1,615	1,608	1,617	
					<u>28,598</u>	<u>28,472</u>	<u>28,635</u>	2.31 %
Keystone Acquisition Corp.								
Healthcare Services	First lien (2)	6.25% (L + 5.25%/Q)	5/10/2017	5/1/2024	24,231	24,143	22,899	
	Second lien (2)(10)	10.25% (L + 9.25%/Q)	5/10/2017	5/1/2025	4,500	4,471	4,500	
					<u>28,731</u>	<u>28,614</u>	<u>27,399</u>	2.22 %
Confluent Health, LLC								
Healthcare Services	First lien (2)	5.15% (L + 5.00%/M)	6/21/2019	6/24/2026	27,088	26,976	26,783	2.17 %
HS Purchaser, LLC / Help/Systems Holdings, Inc.								
Software	Second lien (5)	9.00% (L + 8.00%/Q)	11/14/2019	11/19/2027	22,500	22,391	22,275	
	Second lien (2)	9.00% (L + 8.00%/Q)	11/14/2019	11/19/2027	4,208	4,170	4,166	
					<u>26,708</u>	<u>26,561</u>	<u>26,441</u>	2.14 %
Instructure, Inc.								
Software	First lien (8)(10)	8.00% (L + 7.00%/Q)	3/24/2020	3/24/2026	24,090	23,955	23,940	1.93 %
Idera, Inc.								
Software	Second lien (4)(10)	10.00% (L + 9.00%/S)	6/27/2019	6/28/2027	22,500	22,353	22,725	1.84 %

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Astra Acquisition Corp.								
Software	First lien (5)	6.50% (L + 5.50%/M)	2/26/2020	3/1/2027	\$ 22,331	\$ 22,179	\$ 22,555	1.82 %
Syndigo LLC								
Software	Second lien (4)	8.75% (L + 8.00%/S)	12/14/2020	12/15/2028	22,500	22,331	22,331	1.80 %
Convey Health Solutions, Inc.								
Healthcare Services	First lien (4)(10)	6.25% (L + 5.25%/Q)	9/9/2019	9/4/2026	22,219	22,008	22,219	1.80 %
Cardinal Parent, Inc.								
Software	First lien (4)	5.25% (L + 4.50%/S)	10/30/2020	11/12/2027	12,188	12,097	12,066	
	Second lien (4)(10)	8.50% (L + 7.75%/S)	11/12/2020	11/13/2028	9,767	9,670	9,962	
					21,955	21,767	22,028	1.78 %
CRCI Longhorn Holdings, Inc.								
Business Services	Second lien (3)(10)	7.40% (L + 7.25%/M)	8/2/2018	8/10/2026	14,349	14,307	14,349	
	Second lien (8)(10)	7.40% (L + 7.25%/M)	8/2/2018	8/10/2026	7,500	7,478	7,500	
					21,849	21,785	21,849	1.77 %
Avatar Topco, Inc. (23)								
EAB Global, Inc.								
Education	Second lien (3)(10)	8.50% (L + 7.50%/S)	11/17/2017	11/17/2025	13,950	13,805	13,950	
	Second lien (8)(10)	8.50% (L + 7.50%/S)	11/17/2017	11/17/2025	7,500	7,422	7,500	
					21,450	21,227	21,450	1.73 %
MED Parentco, LP								
Healthcare Services	Second lien (8)(10)	8.40% (L + 8.25%/M)	8/2/2019	8/30/2027	20,857	20,718	21,066	1.70 %
YLG Holdings, Inc.								
Business Services	First lien (5)(10)	7.25% (L + 6.25%/S)	11/1/2019	10/31/2025	18,229	18,152	18,271	
	First lien (5)(10)	7.25% (L + 6.25%/S)	11/1/2019	10/31/2025	2,374	2,363	2,379	
					20,603	20,515	20,650	1.67 %
TMK Hawk Parent, Corp.								
Distribution & Logistics	First lien (2)(10)	3.65% (L + 3.50%/M)	6/24/2019	8/28/2024	16,735	14,786	10,468	
	First lien (8)(10)	3.65% (L + 3.50%/M)	10/23/2019	8/28/2024	16,141	13,778	10,096	
					32,876	28,564	20,564	1.66 %
Institutional Shareholder Services, Inc.								
Business Services	Second lien (3)(10)	8.75% (L + 8.50%/Q)	3/5/2019	3/5/2027	20,372	20,117	20,372	1.65 %
Spring Education Group, Inc (fka SSH Group Holdings, Inc.)								
Education	Second lien (2)	8.50% (L + 8.25%/Q)	7/26/2018	7/30/2026	21,959	21,914	20,202	1.63 %
AAC Holding Corp.								
Education	First lien (2)(10)	9.25% (L + 8.25% PIK/M)*	9/30/2015	9/30/2022	26,343	26,284	19,597	1.58 %
DiversiTech Holdings, Inc.								
Distribution & Logistics	Second lien (2)	8.50% (L + 7.50%/Q)	5/18/2017	6/2/2025	12,000	11,923	11,940	
	Second lien (8)	8.50% (L + 7.50%/Q)	5/18/2017	6/2/2025	7,500	7,452	7,463	
					19,500	19,375	19,403	1.57 %
Xactly Corporation								
Software	First lien (4)(10)	8.25% (L + 7.25%/S)	7/31/2017	7/29/2022	19,047	18,970	19,047	1.54 %

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Peraton Holding Corp. (fka MHVC Acquisition Corp.)								
Federal Services	First lien (2)	6.25% (L + 5.25%/Q)	4/25/2017	4/29/2024	\$ 18,575	\$ 18,525	\$ 18,621	1.50 %
Bluefin Holding, LLC								
Software	Second lien (8)(10)	7.90% (L + 7.75%/M)	9/6/2019	9/6/2027	18,000	18,000	18,000	1.46 %
Kele Holdco, Inc.								
Distribution & Logistics	First lien (5)(10)	7.00% (L + 6.00%/M)	2/20/2020	2/20/2026	16,111	16,040	16,292	
	First lien (3)(10)(11) - Drawn	7.00% (L + 6.00%/M)	2/20/2020	2/20/2026	1,619	1,611	1,619	
					<u>17,730</u>	<u>17,651</u>	<u>17,911</u>	1.45 %
Bullhorn, Inc.								
Software	First lien (2)(10)	6.75% (L + 5.75%/Q)	9/24/2019	9/30/2026	17,002	16,896	17,002	
	First lien (3)(10)	6.75% (L + 5.75%/Q)	9/24/2019	9/30/2026	353	350	353	
	First lien (3)(10)	6.75% (L + 5.75%/Q)	9/24/2019	9/30/2026	281	279	281	
					<u>17,636</u>	<u>17,525</u>	<u>17,636</u>	1.43 %
The Kleinfelder Group, Inc.								
Business Services	First lien (4)(10)	6.25% (L + 5.25%/Q)	12/18/2018	11/29/2024	17,150	17,090	17,150	1.39 %
Coyote Buyer, LLC								
Specialty Chemicals & Materials	First lien (5)(10)	7.00% (L + 6.00%/Q)	3/13/2020	2/6/2026	14,079	14,016	14,079	
	First lien (5)(10)	9.00% (L + 8.00%/Q)	10/15/2020	8/6/2026	2,533	2,508	2,558	
					<u>16,612</u>	<u>16,524</u>	<u>16,637</u>	1.35 %
Hill International, Inc.**								
Business Services	First lien (2)(10)	6.75% (L + 5.75%/Q)	6/21/2017	6/21/2023	15,247	15,212	15,247	1.23 %
CFS Management, LLC								
Healthcare Services	First lien (2)(10)	6.50% (L + 5.50%/S)	8/6/2019	7/1/2024	11,615	11,571	11,615	
	First lien (3)(10)	6.50% (L + 5.50%/S)	8/6/2019	7/1/2024	3,459	3,443	3,459	
					<u>15,074</u>	<u>15,014</u>	<u>15,074</u>	1.22 %
Bleriot US Bidco Inc.								
Federal Services	Second lien (2)(10)	8.75% (L + 8.50%/Q)	10/24/2019	10/29/2027	15,000	14,865	15,011	1.21 %
FR Arsenal Holdings II Corp.								
Business Services	First lien (2)(10)	8.50% (L + 7.50%/Q)	9/29/2016	9/8/2022	15,344	15,286	14,932	1.21 %
BackOffice Associates Holdings, LLC								
Business Services	First lien (2)(10)	13.50% (L + 9.50% + 3.00% PIK/Q)*	8/25/2017	8/25/2023	13,218	13,162	13,218	
	First lien (3)(10)(11) - Drawn	13.50% (L + 9.50% + 3.00% PIK/Q)*	8/25/2017	8/25/2023	921	913	921	
					<u>14,139</u>	<u>14,075</u>	<u>14,139</u>	1.14 %
Alegeus Technologies Holding Corp.								
Healthcare Services	First lien (8)(10)	9.25% (L + 8.25%/Q)	9/5/2018	9/5/2024	13,444	13,398	13,444	1.09 %
Transcendia Holdings, Inc.								
Packaging	Second lien (8)(10)	9.00% (L + 8.00%/M)	6/28/2017	5/30/2025	14,500	14,371	13,069	1.06 %
PaySimple, Inc.								
Software	First lien (2)(10)	5.65% (L + 5.50%/M)	8/19/2019	8/23/2025	9,758	9,679	9,758	
	First lien (2)(10)	5.65% (L + 5.50%/M)	8/19/2019	8/23/2025	3,195	3,140	3,195	
					<u>12,953</u>	<u>12,819</u>	<u>12,953</u>	1.05 %
Geo Parent Corporation								
Business Services	First lien (2)(10)	5.40% (L + 5.25%/M)	12/13/2018	12/19/2025	12,934	12,885	12,934	1.04 %

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Ministry Brands, LLC								
Software	First lien (2)(10)	5.00% (L + 4.00%/Q)	12/7/2016	12/2/2022	\$ 2,902	\$ 2,897	\$ 2,888	
	Second lien (8)(10)	10.25% (L + 9.25%/Q)	12/7/2016	6/2/2023	7,840	7,813	7,840	
	Second lien (3)(10)	10.25% (L + 9.25%/Q)	12/7/2016	6/2/2023	2,160	2,153	2,160	
					<u>12,902</u>	<u>12,863</u>	<u>12,888</u>	1.04 %
OEConnection LLC								
Business Services	Second lien (2)(10)	8.40% (L + 8.25%/M)	9/25/2019	9/25/2027	12,044	11,937	12,044	0.97 %
CHA Holdings, Inc.								
Business Services	Second lien (4)(10)	9.75% (L + 8.75%/Q)	4/3/2018	4/10/2026	7,012	6,959	7,012	
	Second lien (3)(10)	9.75% (L + 8.75%/Q)	4/3/2018	4/10/2026	4,452	4,419	4,452	
					<u>11,464</u>	<u>11,378</u>	<u>11,464</u>	0.93 %
Castle Management Borrower LLC								
Business Services	First lien (2)(10)	7.50% (L + 6.50% PIK/Q)*	5/31/2018	2/15/2024	13,993	13,953	11,320	0.92 %
Apptio, Inc.								
Software	First lien (8)(10)	8.25% (L + 7.25%/S)	1/10/2019	1/10/2025	11,203	11,038	11,287	0.91 %
Alert Holding Company, Inc. (15)								
Appriss Holdings, Inc.								
Business Services	First lien (8)(10)	5.50% (L + 5.25%/Q)	5/24/2019	5/29/2026	10,943	10,866	10,947	0.89 %
Vectra Co.								
Business Products	Second lien (8)(10)	7.40% (L + 7.25%/M)	2/23/2018	3/8/2026	10,788	10,759	10,788	0.87 %
Masergy Holdings, Inc.								
Business Services	Second lien (2)(10)	8.50% (L + 7.50%/Q)	12/14/2016	12/16/2024	10,500	10,465	10,500	0.85 %
PPVA Black Elk (Equity) LLC								
Business Services	Subordinated (3)(10)	—	5/3/2013	—	14,500	14,500	10,354	0.84 %
VT Topco, Inc.								
Business Services	Second lien (4)(10)	7.15% (L + 7.00%/M)	8/14/2018	7/31/2026	10,000	9,981	10,000	0.81 %
Quartz Holding Company								
Software	Second lien (3)(10)	8.15% (L + 8.00%/M)	4/2/2019	4/2/2027	10,000	9,832	10,000	0.81 %
Stats Intermediate Holdings, LLC**								
Business Services	First lien (2)	5.47% (L + 5.25%/Q)	5/22/2019	7/10/2026	9,900	9,798	9,875	0.80 %
Affordable Care Holding Corp.								
Healthcare Services	First lien (2)(10)	5.75% (L + 4.75%/Q)	3/18/2019	10/24/2022	9,794	9,690	9,671	0.78 %
AgKnowledge Holdings Company, Inc.								
Business Services	First lien (2)(10)	5.75% (L + 4.75%/S)	11/30/2018	7/21/2023	9,261	9,233	9,261	0.75 %
AG Parent Holdings, LLC								
Healthcare Services	First lien (2)	5.15% (L + 5.00%/M)	7/30/2019	7/31/2026	6,923	6,894	6,853	0.55 %
Recorded Future, Inc.								
Software	First lien (8)(10)	7.25% (L + 6.25%/Q)	8/26/2019	7/3/2025	6,250	6,225	6,275	
	First lien (3)(10)(11) - Drawn	7.25% (L + 6.25%/Q)	8/26/2019	7/3/2025	500	498	500	
					<u>6,750</u>	<u>6,723</u>	<u>6,775</u>	0.55 %

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CP VI Bella Midco, LLC								
Healthcare Services	Second lien (3)	6.90% (L + 6.75%/M)	1/25/2018	12/29/2025	\$ 6,732	\$ 6,709	\$ 6,660	0.54 %
DealerSocket, Inc.								
Software	First lien (2)(10)	5.75% (L + 4.75%/S)	4/16/2018	4/26/2023	6,543	6,518	6,543	0.53 %
DC Investment Intermediate Holdings 2, Inc. (aka Convergent Technologies Holdings, LLC)								
Business Services	Second lien (3)	7.50% (L + 6.75%/M)	1/29/2018	2/2/2026	6,732	6,709	6,530	0.53 %
Restaurant Technologies, Inc.								
Business Services	Second lien (4)	6.65% (L + 6.50%/M)	9/24/2018	10/1/2026	6,722	6,709	6,420	0.52 %
Diligent Corporation								
Software	First lien (3)(10)	7.25% (L + 6.25%/S)	12/19/2018	8/4/2025	5,947	5,912	6,057	0.49 %
Wrike, Inc.								
Software	First lien (8)(10)	7.75% (L + 6.75%/S)	11/20/2020	12/31/2024	4,545	4,514	4,580	0.37 %
ADG, LLC								
Healthcare Services	Second lien (3)(10)	11.00% (L + 10.00% PIK/Q)*	10/3/2016	3/28/2024	5,904	5,864	4,469	0.36 %
Teneo Holdings, LLC								
Business Services	First lien (2)	6.25% (L + 5.25%/M)	7/15/2019	7/11/2025	3,012	2,980	2,994	0.24 %
Sphera Solutions, Inc.								
Software	First lien (2)(10)	8.75% (L + 7.75%/Q)	9/10/2019	6/14/2023	2,464	2,450	2,487	0.20 %
Education Management Corporation (13)								
Education Management II LLC								
Education	First lien (2)	13.00% (L + 7.50%/M)(26)	1/5/2015	7/2/2020	300	292	—	
	First lien (3)	13.00% (L + 7.50%/M)(26)	1/5/2015	7/2/2020	169	165	—	
	First lien (2)	9.75% (L + 6.50%/Q)(26)	1/5/2015	7/2/2020	206	201	—	
	First lien (3)	9.75% (L + 6.50%/Q)(26)	1/5/2015	7/2/2020	116	113	—	
	First lien (2)	11.75% (P + 8.50%/M)(26)	1/5/2015	7/2/2020	140	116	—	
	First lien (3)	11.75% (P + 8.50%/M)(26)	1/5/2015	7/2/2020	79	65	—	
	First lien (2)	11.75% (P + 8.50%/M)(26)	1/5/2015	7/2/2020	4	3	—	
	First lien (3)	11.75% (P + 8.50%/M)(26)	1/5/2015	7/2/2020	2	2	—	
					1,016	957	—	— %
PPVA Fund, L.P.								
Business Services	Collateralized Financing (26)(27)	—	11/7/2014	—	—	—	—	— %
Total Funded Debt Investments - United States					\$ 2,079,719	\$ 2,064,501	\$ 2,029,981	164.11 %
Total Funded Debt Investments					\$ 2,209,821	\$ 2,193,869	\$ 2,160,063	174.63 %
Equity - Hong Kong								
Bach Special Limited (Bach Preference Limited)**								
Education	Preferred shares (3)(10)(22)	—	9/1/2017	—	84,994	\$ 8,420	\$ 8,754	0.71 %
Total Shares - Hong Kong						\$ 8,420	\$ 8,754	0.71 %

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Equity - United States								
Avatar Topco, Inc. (23)								
Education	Preferred shares (3)(10)	—	11/17/2017	—	35,750	\$ 52,192	\$ 53,265	4.31 %
Symplr Software Intermediate Holdings, Inc.(24)								
Healthcare Information Technology	Preferred shares (4)(10)	—	11/30/2018	—	7,500	9,534	9,647	
	Preferred shares (3)(10)	—	11/30/2018	—	2,586	3,287	3,326	
						<u>12,821</u>	<u>12,973</u>	1.05 %
Alert Holding Company, Inc. (15)								
Alert Intermediate Holdings I, Inc.								
Business Services	Preferred shares (3)(10)	—	5/31/2019	—	6,111	7,199	7,290	0.59 %
Tenawa Resource Holdings LLC (14)								
QID NGL LLC								
Specialty Chemicals & Materials	Preferred shares (6)(10)	—	10/30/2017	—	1,623,385	1,623	1,988	
	Preferred shares (6)(10)	—	11/24/2020	—	44,668	45	45	
	Ordinary shares (6)(10)	—	5/12/2014	—	5,290,997	5,291	4,381	
						<u>6,959</u>	<u>6,414</u>	0.52 %
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	—	
						<u>469</u>	<u>—</u>	— %
Total Shares - United States						\$ 79,723	\$ 80,100	6.48 %
Total Shares						\$ 88,143	\$ 88,854	7.19 %
Warrants - United States								
ASP LCG Holdings, Inc.								
Education	Warrants (3)(10)	—	5/5/2014	5/5/2026	622	\$ 37	\$ 714	0.06 %
Total Warrants - United States						\$ 37	\$ 714	0.06 %
Total Funded Investments						\$ 2,282,049	\$ 2,249,631	181.88 %
Unfunded Debt Investments - United States								
Recorded Future, Inc.								
Software	First lien (3)(10)(11) - Undrawn	—	8/26/2019	1/3/2021	\$ 500	\$ (3)	\$ 2	
	First lien (3)(10)(11) - Undrawn	—	8/26/2019	7/3/2025	250	(1)	—	
					<u>750</u>	<u>(4)</u>	<u>2</u>	— %

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MRI Software LLC								
Software	First lien (3)(10)(11) - Undrawn	—	1/31/2020	2/10/2022	\$ 821	\$ —	\$ 1	
	First lien (3)(10)(11) - Undrawn	—	1/31/2020	2/10/2026	2,002	(10)	—	
					<u>2,823</u>	<u>(10)</u>	<u>1</u>	— %
CoolSys, Inc.								
Industrial Services	First lien (3)(11) - Undrawn	—	11/20/2019	11/19/2021	1,400	—	—	— %
Kele Holdco, Inc.								
Distribution & Logistics Associations, Inc.	First lien (3)(10)(11) - Undrawn	—	2/20/2020	2/20/2026	180	(1)	—	— %
AgKnowledge Holdings Company, Inc.								
Business Services	First lien (2)(10)(11) - Undrawn	—	7/30/2018	7/30/2021	152	(1)	—	— %
DealerSocket, Inc.								
Business Services	First lien (3)(10)(11) - Undrawn	—	11/30/2018	7/21/2023	526	(3)	—	— %
Coyote Buyer, LLC								
Software	First lien (3)(10)(11) - Undrawn	—	4/16/2018	4/26/2023	560	(4)	—	— %
Trader Interactive, LLC								
Specialty Chemicals & Materials	First lien (3)(10)(11) - Undrawn	—	3/13/2020	2/6/2025	1,013	(5)	—	— %
Definitive Healthcare Holdings, LLC								
Business Services	First lien (3)(10)(11) - Undrawn	—	6/15/2017	6/15/2023	1,171	(9)	—	— %
Alert Holding Company, Inc. (15)								
Healthcare Information Technology	First lien (3)(10)(11) - Undrawn	—	8/7/2019	7/16/2024	1,848	(9)	—	
	First lien (3)(10)(11) - Undrawn	—	8/7/2019	7/16/2021	6,061	—	—	
					<u>7,909</u>	<u>(9)</u>	<u>—</u>	— %
Appriss Holdings, Inc.								
Business Services	First lien (3)(10)(11) - Undrawn	—	5/24/2019	5/30/2025	930	(9)	—	— %
Xactly Corporation								
Software	First lien (3)(10)(11) - Undrawn	—	7/31/2017	7/29/2022	992	(10)	—	— %
Kaseya Inc.								
Software	First lien (3)(10)(11) - Undrawn	—	5/9/2019	5/2/2025	1,179	(12)	—	— %

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Bullhorn, Inc.								
Software	First lien (3)(10)(11) - Undrawn	—	9/24/2019	10/1/2021	\$ 781	\$ (6)	\$ —	
	First lien (3)(10)(11) - Undrawn	—	9/24/2019	9/30/2026	852	(6)	—	
					<u>1,633</u>	<u>(12)</u>	<u>—</u>	—%
Wrike, Inc.								
Software	First lien (3)(10)(11) - Undrawn	—	12/31/2018	12/31/2024	1,388	(13)	—	—%
TDG Group Holding Company								
Consumer Services	First lien (2)(10)(11) - Undrawn	—	5/22/2018	5/31/2024	3,152	(16)	—	—%
Integral Ad Science, Inc.								
Software	First lien (3)(10)(11) - Undrawn	—	7/19/2018	7/19/2023	1,807	(18)	—	—%
Finalsite Holdings, Inc.								
Software	First lien (3)(10)(11) - Undrawn	—	9/25/2018	9/25/2024	2,521	(19)	—	—%
YLG Holdings, Inc.								
Business Services	First lien (3)(10)(11) - Undrawn	—	11/1/2019	10/31/2025	3,968	(20)	—	—%
ConnectWise, LLC								
Software	First lien (3)(10)(11) - Undrawn	—	11/26/2019	2/28/2025	3,186	(20)	—	—%
Bluefin Holding, LLC								
Software	First lien (3)(10)(11) - Undrawn	—	9/6/2019	9/6/2024	1,515	(23)	—	—%
GC Waves Holdings, Inc.**								
Business Services	First lien (3)(10)(11) - Undrawn	—	10/31/2019	10/31/2025	3,951	(30)	—	—%
Integro Parent Inc.								
Business Services	First lien (3)(10)(11) - Undrawn	—	6/8/2018	4/30/2022	6,743	(34)	—	—%
GS Acquisitionco, Inc.								
Software	First lien (3)(10)(11) - Undrawn	—	8/7/2019	5/24/2024	5,485	(34)	—	—%
Apptio, Inc.								
Software	First lien (3)(10)(11) - Undrawn	—	1/10/2019	1/10/2025	2,066	(41)	—	—%
Salient CRGT Inc.								
Federal Services	First lien (3)(10)(11) - Undrawn	—	6/26/2018	11/29/2021	6,125	(490)	—	—%
DCA Investment Holding, LLC								
Healthcare Services	First lien (3)(10)(11) - Undrawn	—	7/2/2015	7/2/2021	44	—	(1)	(0.00)%

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Ministry Brands, LLC								
Software	First lien (3)(10)(11) - Undrawn	—	12/7/2016	12/2/2022	\$ 1,000	\$ (5)	\$ (5)	(0.00)%
Instructure, Inc.								
Software	First lien (3)(10)(11) - Undrawn	—	3/24/2020	3/24/2026	2,036	(13)	(13)	(0.00)%
Total Unfunded Debt Investments - United States					\$ 66,205	\$ (865)	\$ (16)	(0.00)%
Total Unfunded Debt Investments					\$ 66,205	\$ (865)	\$ (16)	(0.00)%
Total Non-Controlled/Non-Affiliated Investments						\$ 2,281,184	\$ 2,249,615	181.88%
Non-Controlled/Affiliated Investments(28)								
Funded Debt Investments - United States								
TVG-Edmentum Holdings, LLC (16)								
Edmentum Ultimate Holdings, LLC								
Education	Subordinated (3)(10)	11.00% (L + 10.00%/M)	12/11/2020	12/11/2026	\$ 15,000	\$ 14,851	\$ 14,850	1.20%
Sierra Hamilton Holdings Corporation								
Energy	Second lien (3)(10)	15.00%/Q	9/12/2019	9/12/2023	835	821	751	0.06%
Permian Holdco 1, Inc.								
Permian Holdco 2, Inc.								
Permian Holdco 3, Inc.								
Energy	First lien (3)(10)	11.00% (L + 10.00% PIK/M)(26)*	7/23/2020	2/15/2021	2,562	—	—	
	Subordinated (3)(10)	18.00% PIK/Q (26)*	12/26/2018	6/30/2022	2,417	2,417	—	
	Subordinated (3)(10)	14.00% PIK/Q (26)*	10/31/2016	10/15/2021	1,708	1,708	—	
	Subordinated (3)(10)	14.00% PIK/Q (26)*	10/31/2016	10/15/2021	1,025	1,025	—	
Total Funded Debt Investments - United States					\$ 7,712	\$ 5,150	\$ —	—%
Equity - United States					\$ 23,547	\$ 20,822	\$ 15,601	1.26%
TVG-Edmentum Holdings, LLC (16)								
Education	Preferred shares (3)(10)	—	12/11/2020	—	37,793	\$ 38,002	\$ 42,276	
	Ordinary shares (3)(10)	—	12/11/2020	—	36,750	36,872	41,110	
					74,874	83,386	6.74%	
Sierra Hamilton Holdings Corporation								
Energy	Ordinary shares (2)(10)	—	7/31/2017	—	25,000,000	11,501	3,622	
	Ordinary shares (3)(10)	—	7/31/2017	—	2,786,000	1,282	403	
					12,783	4,025	0.33%	

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Permian Holdco 1, Inc.									
Energy	Preferred shares (3)(10)(17)(26)	—	10/31/2016	—	1,366,452	\$ 5,714	\$ —		
	Ordinary shares (3)(10)	—	10/31/2016	—	1,366,452	1,350	—		
						7,064	—	— %	
Total Shares - United States						\$ 94,721	\$ 87,411	7.07 %	
Total Non-Controlled/Affiliated Investments						\$ 115,543	\$ 103,012	8.33 %	
Controlled Investments(29)									
Funded Debt Investments - United States									
New Benevis Topco, LLC (25)									
New Benevis Holdco, Inc.									
Healthcare Services	First lien (2)(10)	10.50% (L + 2.50% + 7.00% PIK/Q)*	10/6/2020	4/7/2025	\$ 30,882	\$ 30,882	\$ 30,882		
	First lien (8)(10)	10.50% (L + 2.50% + 7.00% PIK/Q)*	10/6/2020	4/7/2025	7,577	7,577	7,577		
	First lien (3)(10)	10.50% (L + 2.50% + 7.00% PIK/Q)*	10/6/2020	4/7/2025	3,720	3,720	3,720		
	Subordinated (3)(10)	12.00% PIK/M*	10/6/2020	10/6/2025	14,669	11,906	11,735		
						56,848	54,085	53,914	4.37 %
UniTek Global Services, Inc.									
Business Services	First lien (2)(10)	8.50% (L + 5.50% + 2.00% PIK/S)*	6/29/2018	8/20/2024	12,512	12,512	11,969		
	First lien (3)(10)	8.50% (L + 5.50% + 2.00% PIK/S)*	3/16/2020	8/20/2024	9,274	8,315	8,872		
	First lien (2)(10)	8.50% (L + 5.50% + 2.00% PIK/S)*	6/29/2018	8/20/2024	2,502	2,502	2,394		
	First lien (3)(10)	8.50% (L + 5.50% + 2.00% PIK/S)*	6/29/2018	8/20/2024	1,334	1,143	1,276		
	Second lien (3)(10)	15.00% PIK/Q*	12/16/2020	2/20/2025	11,045	11,045	11,045		
						36,667	35,517	35,556	2.87 %
NHME Holdings Corp. (21)									
National HME, Inc.									
Healthcare Services	Second lien (3)(10)	12.00% PIK/Q*	11/27/2018	5/27/2024	18,643	15,745	13,516		
	Second lien (3)(10)	12.00% PIK/Q*	11/27/2018	5/27/2024	10,302	9,599	9,014		
						28,945	25,344	22,530	1.82 %
New Permian Holdco, Inc.									
New Permian Holdco, L.L.C.									
Energy	First lien (3)(10)	18.00% PIK/M*	10/30/2020	12/31/2024	15,236	15,236	15,236		
	First lien (3)(10)(11) - Drawn	10.00% (L + 9.00% PIK/M)*	10/30/2020	12/31/2024	3,100	3,100	3,100		
						18,336	18,336	18,336	1.48 %
Total Funded Debt Investments - United States						\$ 140,796	\$ 133,282	\$ 130,336	10.54 %

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Equity - Canada								
NM APP Canada Corp.**								
Net Lease	Membership interest (7)(10)	—	9/13/2016	—	—	\$ 7,345	\$ 12,302	0.99 %
Total Shares - Canada						\$ 7,345	\$ 12,302	0.99 %
Equity - United States								
NMFC Senior Loan Program III LLC**								
Investment Fund	Membership interest (3)(10)	—	5/4/2018	—	—	\$ 120,000	\$ 120,000	9.70 %
NMFC Senior Loan Program II LLC**								
Investment Fund	Membership interest (3)(10)	—	5/3/2016	—	—	79,400	79,400	6.42 %
NM NL Holdings, L.P.**								
Net Lease	Membership interest (7)(10)	—	6/20/2018	—	—	54,447	67,132	5.43 %
New Benevis Topco, LLC (25)								
Healthcare Services	Ordinary shares (2)(10)	—	10/6/2020	—	269,027	27,154	30,319	
	Ordinary shares (8)(10)	—	10/6/2020	—	66,007	6,662	7,439	
	Ordinary shares (3)(10)	—	10/6/2020	—	60,068	6,105	6,770	
						<u>39,921</u>	<u>44,528</u>	3.60 %
NM GLCR LP								
Net Lease	Membership interest (7)(10)	—	2/1/2018	—	—	14,750	29,130	2.36 %
NMFC Senior Loan Program I LLC**								
Investment Fund	Membership interest (3)(10)	—	6/13/2014	—	—	23,000	23,000	1.86 %
UniTek Global Services, Inc.								
Business Services	Preferred shares (3)(10)(20)	—	8/17/2018	—	10,446,415	10,446	7,794	
	Preferred shares (3)(10)(20)	—	8/29/2019	—	6,208,794	6,209	5,466	
	Preferred shares (3)(10)(19)(26)	—	6/30/2017	—	18,887,620	18,888	7,634	
	Preferred shares (2)(10)(18)(26)	—	1/13/2015	—	29,326,545	26,946	—	
	Preferred shares (3)(10)(18)(26)	—	1/13/2015	—	8,104,462	7,447	—	
	Ordinary shares (2)(10)	—	1/13/2015	—	2,096,477	1,925	—	
	Ordinary shares (3)(10)	—	1/13/2015	—	1,993,749	532	—	
						<u>72,393</u>	<u>20,894</u>	1.69 %
NM CLFX LP								
Net Lease	Membership interest (7)(10)	—	10/6/2017	—	—	12,538	14,885	1.20 %
New Permian Holdco, Inc.								
Energy	Ordinary shares (3)(10)	—	10/30/2020	—	—	11,155	11,000	0.89 %
NM APP US LLC								
Net Lease	Membership interest (7)(10)	—	9/13/2016	—	—	5,080	7,410	0.60 %
NM DRVT LLC								
Net Lease	Membership interest (7)(10)	—	11/18/2016	—	—	5,152	7,084	0.57 %

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NM YI, LLC								
Net Lease	Membership interest (7)(10)	—	9/30/2019	—	—	\$ 6,272	\$ 6,852	0.55 %
NHME Holdings Corp. (21)								
Healthcare Services	Ordinary shares (3)(10)	—	11/27/2018	—	640,000	4,000	4,000	0.32 %
NM JRA LLC								
Net Lease	Membership interest (7)(10)	—	8/12/2016	—	—	2,043	3,830	0.31 %
NM KRLN LLC								
Net Lease	Membership interest (7)(10)	—	11/15/2016	—	—	8,581	1,501	0.12 %
NM GP Holdco, LLC**								
Net Lease	Membership interest (7)(10)	—	6/20/2018	—	—	583	703	0.06 %
Total Shares - United States						\$ 459,315	\$ 441,349	35.68 %
Total Shares						\$ 466,660	\$ 453,651	36.67 %
Warrants - United States								
UniTek Global Services, Inc.								
Business Services	Warrants(3)(10)	—	12/16/2020	2/20/2025	10,976	—	15,888	1.29 %
NHME Holdings Corp. (21)								
Healthcare Services	Warrants (3)(10)	—	11/27/2018	—	160,000	1,000	1,000	0.08 %
Total Warrants - United States						\$ 1,000	\$ 16,888	1.37 %
Total Funded Investments						\$ 600,942	\$ 600,875	48.58 %
Unfunded Debt Investments - United States								
New Permian Holdco, Inc.								
New Permian Holdco, L.L.C.								
Energy	First lien (3)(10)(11) - Undrawn	—	10/30/2020	12/31/2024	\$ 6,921	—	—	— %
Total Unfunded Debt Investments - United States					\$ 6,921	\$ —	\$ —	— %
Total Controlled Investments						\$ 600,942	\$ 600,875	48.58 %
Total Investments						\$ 2,997,669	\$ 2,953,502	238.79 %

- (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.
- (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.

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

New Mountain Finance Corporation
Consolidated Schedule of Investments (Continued)
December 31, 2020
(in thousands, except shares)

- (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 *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 December 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 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.
- (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 and class B 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.
- (16) The Company holds ordinary shares and preferred shares in TVG-Edmentum Holdings, LLC, and subordinated notes in Edmentum Ultimate Holdings, LLC, a wholly-owned subsidiary of TVG-Edmentum Holdings, LLC. The preferred shares are entitled to receive cumulative preferential dividends at a rate of 10.0% per annum. The ordinary shares are entitled to receive cumulative preferential dividends at a rate of 12.0% per annum.
- (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 receive 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 Sympplr Software Intermediate Holdings, Inc. that is entitled to receive cumulative preferential dividends at a rate of L + 10.50% per annum.
- (25) The Company holds ordinary shares in New Benevis Topco, LLC, and holds first lien last out term loans and subordinated notes in New Benevis Holdco Inc., a wholly-owned subsidiary of New Benevis Topco, LLC.
- (26) Investment or a portion of the investment is on non-accrual status. See Note *Investments*, for details.
- (27) 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, 2020. See Note *Summary of Significant Accounting Policies*, for details.

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

New Mountain Finance Corporation
Consolidated Schedule of Investments (Continued)
December 31, 2020
(in thousands, except shares)

(28) 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, 2020 and December 31, 2019 along with transactions during the year ended December 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 December 31, 2020	Interest Income	Dividend Income	Other Income
NMFC Senior Loan Program I LLC (C)	\$ 23,000	\$ —	\$ (23,000)	\$ —	\$ —	\$ —	\$ —	\$ 2,611	\$ 898
Permian Holdco 1, Inc. / Permian Holdco 2, Inc. / Permian Holdco 3, Inc.	40,621	(99)	(33,321)	(3,510)	(7,201)	—	532	(3,418)	178
Sierra Hamilton Holdings Corporation	9,906	178	(766)	13	(4,542)	4,776	329	—	35
TVG-Edmentum Holdings, LLC/Edmentum Ultimate Holdings, LLC	—	89,726	—	—	8,510	98,236	98	333	171
Total Non-Controlled/Affiliated Investments	\$ 73,527	\$ 89,805	\$ (57,087)	\$ (3,497)	\$ (3,233)	\$ 103,012	\$ 959	\$ (474)	\$ 1,282

(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.

(C) Portfolio company moved into the controlled category.

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

New Mountain Finance Corporation
Consolidated Schedule of Investments (Continued)
December 31, 2020
(in thousands, except shares)

(29) 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, 2020 and December 31, 2019 along with transactions during the year ended December 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 December 31, 2020	Interest Income	Dividend Income	Other Income
Edmentum Ultimate Holdings, LLC/Edmentum Inc.	\$ 79,112	\$ 23,592	\$ (83,556)	\$ 13,924	\$ (19,148)	\$ —	\$ 7,522	\$ —	\$ 4,555
National HME, Inc./NHME Holdings Corp.	24,979	4,011	—	—	(1,460)	27,530	4,011	—	1,000
New Benevis Topco, LLC / New Benevis Holdco, Inc.	—	94,007	—	—	4,435	98,442	1,559	—	803
New LT Smile Holdings, LLC / Benevis Holdings Corp (C)	—	69,886	(91,831)	(9,739)	21,945	—	1,434	—	415
New Permian Holdco, Inc. / New Permian Holdco, L.L.C.	—	29,491	—	—	(155)	29,336	513	—	7
NM APP CANADA CORP	10,774	—	—	—	1,528	12,302	—	—	973
NM APP US LLC	6,834	—	—	—	576	7,410	—	—	636
NM CLEFX LP	12,723	—	—	—	2,162	14,885	—	—	1,579
NM DRVT LLC	6,016	—	—	—	1,068	7,084	—	—	479
NM JRA LLC	3,700	—	—	—	130	3,830	—	—	272
NM GLCR LP	23,800	—	—	—	5,330	29,130	—	—	1,854
NM KRLN LLC	2,379	1,071	—	—	(1,949)	1,501	—	—	—
NM NL Holdings, L.P.	48,308	10,376	—	—	8,448	67,132	—	—	5,103
NM GP Holdco, LLC	487	131	—	—	85	703	—	—	53
NM YI LLC	6,339	—	—	—	513	6,852	—	—	684
NMFC Senior Loan Program I LLC (D)	—	23,000	—	—	—	23,000	—	—	142
NMFC Senior Loan Program II LLC	79,400	—	—	—	—	79,400	—	—	8,708
NMFC Senior Loan Program III LLC	100,000	20,000	—	—	—	120,000	—	—	11,864
UniTek Global Services, Inc.	68,101	29,744	(233)	3	(25,274)	72,338	1,792	—	7,297
Total Controlled Investments	\$ 472,952	\$ 305,309	\$ (175,620)	\$ 4,188	\$ (1,766)	\$ 600,875	\$ 16,831	\$ 39,644	\$ 7,339

- (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.
- (C) Portfolio company moved into the controlled category from the non-controlled/non-affiliated investment category.
- (D) Portfolio company moved into the controlled category from the non-controlled/affiliated investment 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, 2020, 16.2% of the Company's total investments were non-qualifying assets.

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

New Mountain Finance Corporation
Consolidated Schedule of Investments (Continued)
December 31, 2020
(in thousands, except shares)

Investment Type	December 31, 2020	
	Percent of Total	
	Investments at Fair Value	
First lien	53.37	%
Second lien	23.46	%
Subordinated	1.25	%
Equity and other	21.92	%
Total investments	100.00	%

Industry Type	December 31, 2020	
	Percent of Total	
	Investments at Fair Value	
Software	27.60	%
Business Services	21.11	%
Healthcare Services	16.22	%
Education	8.06	%
Investment Funds (includes investments in joint ventures)	7.53	%
Net Lease	5.11	%
Federal Services	2.84	%
Consumer Services	2.66	%
Specialty Chemicals & Materials	2.09	%
Distribution & Logistics	1.96	%
Healthcare Information Technology	1.62	%
Industrial Services	1.24	%
Energy	1.15	%
Packaging	0.44	%
Business Products	0.37	%
Total investments	100.00	%

Interest Rate Type	December 31, 2020	
	Percent of Total	
	Investments at Fair Value	
Floating rates	93.75	%
Fixed rates	6.25	%
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**

September 30, 2021
(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 September 30, 2021, 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 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, credit and net lease investment strategies. 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") and New Mountain Finance DB, L.L.C. ("NMFDB"), whose assets are used to 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"), NMF YP Holdings Inc. ("NMF YP"), NMF Permian Holdings LLC ("NMF Permian"), NMF HB, Inc. ("NMF HB") and NMF TRM, LLC ("NMF TRM"), 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 U.S. federal income tax purposes and may incur U.S. federal 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 September 30, 2021, the Company's top five industry concentrations were software, business services, healthcare services, investment funds (which includes the Company's investments in its joint ventures) and education.

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 U.S. ("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, NMF YP, NMF Permian, NMF HB and NMF TRM and its majority-owned consolidated subsidiary: NMNLC. For majority-owned consolidated subsidiaries, the third-party equity interest is referred to as non-controlling interest. The net income attributable to non-controlling interests for such subsidiaries is presented as "Net increase (decrease) in net assets resulting from operations related to non-controlling interest" in the Company's Consolidated Statements of Operations. The portion of shareholders' equity that is attributable to non-controlling interests for such subsidiaries is presented as "Non-controlling interest", a component of total equity, on the Company's Consolidated Statements of Assets and Liabilities.

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, 2021.

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; and
 - 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

NMNLN was formed to acquire commercial real estate properties that are subject to "triple net" leases. NMNLN's investments are disclosed on the Company's Consolidated Schedule of Investments as of September 30, 2021.

On March 30, 2020, an affiliate of the Investment Adviser purchased directly from NMNLN 105,030 shares of NMNLN's common stock at a price of \$107.73 per share, which represented the net asset value per share of NMNLN at the date of purchase, for an aggregate purchase price of approximately \$11,315. Immediately thereafter, NMNLN 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 NMNLN to NMFC on March 31, 2020.

Below is certain summarized property information for NMNLC as of September 30, 2021:

Portfolio Company	Tenant	Lease Expiration Date	Location	Total Square Feet	Fair Value as of September 30, 2021
NM NL Holdings LP / NM GP Holdco LLC	Various	Various	Various	Various	\$ 91,662
NM GLCR LP	Arctic Glacier U.S.A.	2/28/2038	CA	214	46,272
NM CLFX LP	Victor Equipment Company	8/31/2033	TX	423	25,352
NM APP Canada, Corp.	A.P. Plasman, Inc.	9/30/2031	Canada	436	14,494
NM APP US LLC	Plasman Corp, LLC / A-Brite LP	9/30/2033	AL / OH	261	9,006
NM YI, LLC	Young Innovations, Inc.	10/31/2039	IL / MO	212	8,188
NM DRVT LLC	FMH Conveyors, LLC	10/31/2031	AR	195	7,558
NM JRA LLC	J.R. Automation Technologies, LLC	1/31/2031	MI	88	3,899
NM KRLN LLC	None	N/A	MD	95	486
					<u>\$ 206,917</u>

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 September 30, 2021 and December 31, 2020, 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 September 30, 2021 and December 31, 2020.

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 and nine months ended September 30, 2021, the Company recognized PIK and non-cash interest from investments of \$5,699 and \$17,067, respectively, and PIK and non-cash dividends from investments of \$3,705 and \$14,738, respectively. For the three and nine months ended September 30, 2020, the Company recognized PIK and non-cash interest from investments of \$5,008 and \$11,726, respectively, and PIK and non-cash dividends from investments of \$3,850 and \$9,196, 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 U.S. federal income 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 U.S. 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 U.S. federal 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 U.S. federal income tax purposes.

For the three and nine months ended September 30, 2021, the Company recognized a total income tax benefit (provision) of approximately \$9 and \$(129), respectively, for the Company's consolidated subsidiaries. For the three and nine months ended September 30, 2021, the Company recorded current income tax (benefit) expense of approximately \$(8) and \$15, respectively, and deferred income tax benefit (provision) of approximately \$1 and \$(114), respectively. For the three and nine months ended September 30, 2020, the Company recognized a total income tax benefit of approximately \$134 and \$662,

respectively, for the Company's consolidated subsidiaries. For the three and nine months ended September 30, 2020, the Company recorded current income tax expense of approximately \$123 and \$116, respectively, and deferred income tax benefit of approximately \$257 and \$778, respectively.

As of September 30, 2021 and December 31, 2020, the Company had \$(13) and \$101, respectively, of deferred tax (liabilities) assets 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, 2020. The 2018 through 2020 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*, for details) 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 NASDAQ Global Select Market (the "NASDAQ") on the distribution payment date. Market price per share on that date will be the closing price for such shares on the NASDAQ 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 (the "Repurchase Program"). 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, 2020, 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, 2021 or until \$50,000 of its outstanding shares of common stock have been repurchased. During the three and nine months ended September 30, 2021 and September 30, 2020, 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 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 September 30, 2021, the Company’s investments consisted of the following:

Investment Cost and Fair Value by Type

	Cost	Fair Value
First lien	\$ 1,510,503	\$ 1,472,741
Second lien	731,614	721,618
Subordinated	43,186	38,863
Equity and other	718,479	778,432
Total investments	<u>\$ 3,003,782</u>	<u>\$ 3,011,654</u>

Investment Cost and Fair Value by Industry

	Cost	Fair Value
Software	\$ 831,130	\$ 831,921
Business Services	718,919	655,945
Healthcare Services	535,176	541,244
Investment Funds (includes investments in joint ventures)	252,400	252,400
Education	199,138	227,339
Net Lease	134,726	206,917
Distribution & Logistics	121,252	118,275
Specialty Chemicals & Materials	74,880	52,063
Energy	46,764	37,821
Financial Services	28,907	28,852
Healthcare Information Technology	13,890	14,041
Packaging	14,389	12,634
Federal Services	11,333	11,316
Business Products	10,762	10,788
Information Services	5,725	5,719
Consumer Services	4,391	4,379
Total investments	<u>\$ 3,003,782</u>	<u>\$ 3,011,654</u>

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

Investment Cost and Fair Value by Type

	Cost	Fair Value
First lien	\$ 1,601,438	\$ 1,576,217
Second lien	699,263	692,828
Subordinated	46,407	36,939
Equity and other	650,561	647,518
Total investments	<u>\$ 2,997,669</u>	<u>\$ 2,953,502</u>

Investment Cost and Fair Value by Industry

	Cost	Fair Value
Software	\$ 810,907	\$ 815,109
Business Services	673,680	623,609
Healthcare Services	483,845	479,084
Education	236,922	238,034
Investment Funds (includes investments in joint ventures)	222,400	222,400
Net Lease	116,791	150,829
Federal Services	82,637	83,742
Consumer Services	78,231	78,538
Specialty Chemicals & Materials	62,037	61,651
Distribution & Logistics	65,589	57,878
Healthcare Information Technology	47,610	47,915
Industrial Services	36,581	36,744
Energy	55,309	34,112
Packaging	14,371	13,069
Business Products	10,759	10,788
Total investments	<u>\$ 2,997,669</u>	<u>\$ 2,953,502</u>

As of September 30, 2021, the Company's aggregate principal amount of its first lien term loans and subordinated position in American Achievement Corporation ("AAC") was \$28,870 and \$5,230, respectively, of which \$12,464 and \$5,230, respectively, were placed on non-accrual status during the quarter. As of September 30, 2021, the Company's positions in AAC on non-accrual status had an aggregate cost basis of \$12,443, an aggregate fair value of \$7,257 and total unearned interest income of \$319 and \$319 for the three and nine months then ended, respectively.

During the third quarter of 2021, the Company placed its second lien position in Sierra Hamilton Holdings Corporation ("Sierra") on non-accrual status. As of September 30, 2021, the Company's second lien position in Sierra had an aggregate cost basis of \$0, an aggregate fair value of \$0, and total unearned interest income of \$0 and \$0 for the three and nine months then ended, respectively.

As of September 30, 2021, the Company's aggregate principal amount of its first lien positions in Tenawa Resource Management LLC ("Tenawa") was \$42,900, of which \$17,160 was placed on non-accrual status during the quarter. As of September 30, 2021, the Company's first lien positions in Tenawa on non-accrual status had an aggregate cost basis of \$17,146, an aggregate fair value of \$10,771 and total unearned interest income of \$445 and \$445 for the three and nine months then ended, respectively.

During the first quarter of 2020, the Company placed its junior preferred shares in UniTek Global Services, Inc. ("UniTek") on non-accrual status. As of September 30, 2021, the Company's junior preferred shares in UniTek had an aggregate cost basis of \$34,393, an aggregate fair value of \$0 and total unearned dividend income of \$1,492 and \$4,330 for the three and nine months then ended, respectively. During the third quarter of 2021, the Company placed an aggregate principal amount of \$19,795 of its investment in the senior preferred shares of UniTek on non-accrual status. As of September 30, 2021, the Company's senior preferred shares in UniTek had an aggregate cost basis of \$19,795, an aggregate fair value of

approximately \$2,647 and total unearned dividend income of approximately \$988 and \$1,924 for the three and nine months then ended, respectively.

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 September 30, 2021, the Company's investment in EDMC, which was placed on non-accrual status, represented an aggregate cost basis of \$957, an aggregate fair value of \$0 and total unearned interest income of \$4 and \$13 for the three and nine months then ended, respectively.

As of September 30, 2021, the Company had unfunded commitments on revolving credit facilities and bridge facilities of \$68,680 and \$0, respectively. As of September 30, 2021, the Company had unfunded commitments in the form of delayed draws or other future funding commitments of \$139,153. The unfunded commitments on revolving credit facilities and delayed draws are disclosed on the Company's Consolidated Schedule of Investments as of September 30, 2021.

As of December 31, 2020, the Company had unfunded commitments on revolving credit facilities and bridge facilities of \$63,411 and \$0, respectively. As of December 31, 2020, the Company had unfunded commitments in the form of delayed draws or other future funding commitments of \$9,715. The unfunded commitments on revolving credit facilities and delayed draws are disclosed on the Company's Consolidated Schedule of Investments as of December 31, 2020.

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. During the year ended December 31, 2018, the Company received a \$1,500 payment from its insurance carrier in respect to the settlement. As of September 30, 2021 and December 31, 2020, 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 was structured as a private investment fund and was a portfolio company held by the Company. SLP I operated under a limited liability company agreement (the "SLP I Agreement") and invested in senior secured loans issued by companies within the Company's core industry verticals. These investments were typically broadly syndicated first lien loans.

Effective May 5, 2021, the Company and SkyKnight Income III, LLC ("SkyKnight Income III") entered into a Contribution Agreement in which 100% of both of their membership interests in SLP I were transferred and contributed to NMFC Senior Loan Program IV LLC ("SLP IV"), a Delaware limited liability company, structured as a private joint venture investment fund between the Company and SkyKnight Income Alpha, LLC ("SkyKnight Alpha"). On May 5, 2021, SLP I entered into Amendment 1 to the First Amended and Restated Limited Liability Company Agreement (the "Amended Restated SLP I Agreement"), which admitted SLP IV as the sole member of SLP I. As of May 5, 2021, SLP I is a wholly-owned subsidiary of SLP IV.

As of May 4, 2021, SLP I had total investments with an aggregate fair value of approximately \$119,642, debt outstanding of \$79,467 and capital that had been called and funded of \$43,000. As of December 31, 2020, SLP I had total investments with an aggregate fair value of approximately \$124,659, debt outstanding of \$188,867 and capital that had been

called and funded of \$43,000. The Company's investment in SLP I is disclosed on the Company's Consolidated Schedule of Investments as of December 31, 2020.

Below is a summary of SLP I's portfolio, along with a listing of the individual investments in SLP I's portfolio as of December 31, 2020. As of May 5, 2021 all investments in the SLP I portfolio are included in the consolidated portfolio of SLP IV.

	December 31, 2020	
First lien investments (1)	\$	127,660
Weighted average interest rate on first lien investments (2)		4.85 %
Number of portfolio companies in SLP I		34
Largest portfolio company investment (1)	\$	7,797
Total of five largest portfolio company investments (1)	\$	34,918

(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 I's portfolio as of December 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	3.98% (L + 3.75%)	2/27/2025	\$ 3,678	\$ 3,701	\$ 3,649
Advisor Group Holdings, Inc.	Consumer Services	5.15% (L + 5.00%)	7/31/2026	6,866	6,809	6,836
Affordable Care Holding Corp.	Healthcare Services	5.75% (L + 4.75%)	10/24/2022	6,614	6,578	6,531
ASG Technologies Group, Inc.	Software	4.50% (L + 3.50%)	7/31/2024	653	651	636
BarBri, Inc.	Education	5.00% (L + 4.00%)	12/1/2023	5,980	5,964	5,980
Bearcat Buyer, Inc.	Healthcare Services	5.25% (L + 4.25%)	7/9/2026	131	130	131
Bearcat Buyer, Inc.	Healthcare Services	5.25% (L + 4.25%)	7/9/2026	631	628	631
Bracket Intermediate Holding Corp.	Healthcare Services	4.48% (L + 4.25%)	9/5/2025	4,520	4,504	4,474
Certara Holdco, Inc.	Healthcare Information Technology	3.75% (L + 3.50%)	8/15/2024	5,138	5,134	5,145
CHA Holdings, Inc.	Business Services	5.50% (L + 4.50%)	4/10/2025	452	452	423
Cvent, Inc.	Software	3.90% (L + 3.75%)	11/29/2024	6,745	6,732	6,479
Dealer Tire, LLC	Distribution & Logistics	4.40% (L + 4.25%)	12/12/2025	3,433	3,426	3,419
Drilling Info Holdings, Inc.	Business Services	4.40% (L + 4.25%)	7/30/2025	6,103	6,084	5,925
Emerald 2 Limited	Business Services	3.50% (L + 3.25%)	7/10/2026	449	448	445
eResearchTechnology, Inc.	Healthcare Services	5.50% (L + 4.50%)	2/4/2027	1,345	1,333	1,336
Fastlane Parent Company, Inc.	Distribution & Logistics	4.65% (L + 4.50%)	2/4/2026	1,363	1,342	1,355
Greenway Health, LLC	Software	4.75% (L + 3.75%)	2/16/2024	6,693	6,677	6,141
Hearland Dental, LLC	Healthcare Services	3.65% (L + 3.50%)	4/30/2025	3,609	3,597	3,524
HS Purchaser, LLC / Help/Systems Holdings, Inc.	Software	5.75% (L + 4.75%)	11/19/2026	138	137	138
LSCS Holdings, Inc.	Healthcare Services	4.51% (L + 4.25%)	3/17/2025	1,372	1,367	1,344
LSCS Holdings, Inc.	Healthcare Services	4.51% (L + 4.25%)	3/17/2025	5,314	5,297	5,208
Market Track, LLC	Business Services	5.25% (L + 4.25%)	6/5/2024	781	783	767
Medical Solutions Holdings, Inc.	Healthcare Services	5.50% (L + 4.50%)	6/14/2024	2,249	2,245	2,237
Ministry Brands, LLC	Software	5.00% (L + 4.00%)	12/2/2022	4,876	4,868	4,852
National Intergovernmental Purchasing Alliance Company	Business Services	4.00% (L + 3.75%)	5/23/2025	1,352	1,354	1,346
Pelican Products, Inc.	Business Products	4.50% (L + 3.50%)	5/1/2025	2,254	2,250	2,217
Premise Health Holding Corp.	Healthcare Services	3.75% (L + 3.50%)	7/10/2025	628	626	614
Project Accelerate Parent, LLC	Business Services	5.25% (L + 4.25%)	1/2/2025	4,175	4,159	3,799
PSC Industrial Holdings Corp.	Industrial Services	4.75% (L + 3.75%)	10/11/2024	3,906	3,883	3,799
Salient CRGT Inc.	Federal Services	7.50% (L + 6.50%)	2/28/2022	6,731	6,713	6,731
Sierra Enterprises, LLC	Food & Beverage	5.00% (L + 4.00%)	11/11/2024	4,260	4,243	4,192
Wirepath LLC	Distribution & Logistics	4.25% (L + 4.00%)	8/5/2024	6,779	6,779	6,542
WP CityMD Bidco LLC	Healthcare Services	5.50% (L + 4.50%)	8/13/2026	6,148	6,096	6,162
Wrench Group LLC	Consumer Services	4.25% (L + 4.00%)	4/30/2026	2,739	2,716	2,712
YI, LLC	Healthcare Services	5.00% (L + 4.00%)	11/7/2024	7,797	7,792	7,174
Zelis Cost Management Buyer, Inc.	Healthcare Information Technology	4.90% (L + 4.75%)	9/30/2026	1,758	1,743	1,765
Total Funded Investments				\$ 127,660	\$ 127,241	\$ 124,659

- (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, 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 I.

Below is certain summarized financial information for SLP I as of May 4, 2021 and December 31, 2020 and for the period from January 1, 2021 through May 4, 2021 and the three and nine months ended September 30, 2020:

Selected Balance Sheet Information:	May 4, 2021		December 31, 2020	
Investments at fair value (cost of \$120,921 and \$127,241, respectively)	\$	119,642	\$	124,659
Receivable from in-kind distributions		—		100,404
Receivable from unsettled securities sold		—		1,662
Cash and other assets		2,279		6,461
Total assets	\$	121,921	\$	233,186
Credit facility	\$	79,467	\$	188,867
Deferred financing costs		—		(296)
Distribution payable		310		2,538
Other liabilities		388		1,364
Total liabilities		80,165		192,473
Members' capital	\$	41,756	\$	40,713
Total liabilities and members' capital	\$	121,921	\$	233,186

Selected Statement of Operations Information:	Three Months Ended		Nine Months Ended		
	September 30, 2020		May 4, 2021(1)		September 30, 2020
Interest income	\$	4,164	\$	2,555	\$ 13,673
Other income		—		13	52
Total investment income		4,164		2,568	13,725
Interest and other financing expenses		1,220		852	4,531
Other expenses		357		591	1,143
Total expenses		1,577		1,443	5,674
Less: expenses waived and reimbursed		(32)		—	(137)
Net expenses		1,545		1,443	5,537
Net investment income		2,619		1,125	8,188
Net realized gains (losses) on investments		4		1	(293)
Net change in unrealized appreciation (depreciation) of investments		8,534		1,302	(7,710)
Net increase in members' capital	\$	11,157	\$	2,428	\$ 185

(1) Reflects the results of operations for the period from January 1, 2021 through May 4, 2021.

Pursuant to the First Amended and Restated Limited Liability Company Agreement effective December 11, 2020 (the "Restated SLP I Agreement"), the Company was no longer entitled to, and SLP I no longer paid management fees for investment management services provided to SLP I. For the period from January 1, 2021 through May 4, 2021, the Company did not earn management fees related to SLP I. For the three and nine months ended September 30, 2020, the Company earned approximately \$254 and \$781, respectively, in management fees related to SLP I, which is included in other income. As of September 30, 2021 and December 31, 2020, approximately \$0 and \$117, respectively, of management fees related to SLP I was included in receivable from affiliates. For the period from January 1, 2021 through May 4, 2021, the Company earned approximately \$741, respectively, of dividend income related to SLP I, which is included in dividend income. For the three and nine months ended September 30, 2020, the Company earned approximately \$687 and \$2,096, respectively, of dividend income related to SLP I, which is included in dividend income. As of September 30, 2021 and December 31, 2020, approximately \$0 and \$657, 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 was structured as a private joint venture investment fund between the Company and SkyKnight Income, LLC ("SkyKnight") and operated under a limited liability company agreement (the "SLP II Agreement"). The purpose of the joint venture was to invest primarily in senior secured loans issued by portfolio companies within the Company's core industry verticals. These investments were typically broadly syndicated first lien loans. All investment decisions had to be unanimously approved by the board of managers of SLP II, which had equal representation from the Company and SkyKnight.

Effective May 5, 2021, the Company and SkyKnight entered into a Contribution Agreement in which 100% of both of their membership interests in SLP II were transferred and contributed to SLP IV. Effective May 5, 2021, SLP II entered into Amendment 1 to the Limited Liability Company Agreement (the "Amended SLP II Agreement"), which admitted SLP IV as the sole member of SLP II. As of May 5, 2021, SLP II is a wholly-owned subsidiary of SLP IV.

As of May 4, 2021 and December 31, 2020, SLP II had total investments with an aggregate fair value of approximately \$250,290 and \$271,149, respectively, and debt outstanding under its credit facility of \$158,470 and \$183,970, respectively. As of May 4, 2021 and December 31, 2020, none of SLP II's investments were on non-accrual.

Below is a summary of SLP II's portfolio, along with a listing of the individual investments in SLP II's portfolio as of December 31, 2020. As of May 5, 2021, all investments in the SLP II portfolio are included in the consolidated portfolio of SLP IV.

	December 31, 2020	
First lien investments (1)	\$	279,678
Weighted average interest rate on first lien investments (2)		5.07 %
Number of portfolio companies in SLP II		32
Largest portfolio company investment (1)	\$	16,481
Total of five largest portfolio company investments (1)	\$	75,522

(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 of December 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	3.98% (L + 3.75%)	2/27/2025	\$ 4,613	\$ 4,598	\$ 4,577
ADG, LLC	Healthcare Services	6.25 % (L + 4.75% + 0.50% PIK)	9/28/2023	16,481	16,410	15,612
Advisor Group Holdings, Inc.	Consumer Services	5.15% (L + 5.00%)	7/31/2026	4,950	4,909	4,928
Bearcat Buyer, Inc.	Healthcare Services	5.25% (L + 4.25%)	7/9/2026	283	282	283
Bearcat Buyer, Inc.	Healthcare Services	5.25% (L + 4.25%)	7/9/2026	1,365	1,359	1,365
Blieriot US Bidco Inc.	Federal Services	5.00% (L + 4.75%)	10/31/2026	1,341	1,329	1,341
Blieriot US Bidco Inc.	Federal Services	5.00% (L + 4.75%)	10/30/2026	8,584	8,509	8,584
Brave Parent Holdings, Inc.	Software	4.15% (L + 4.00%)	4/18/2025	3,652	3,643	3,630
CentralSquare Technologies, LLC	Software	4.00% (L + 3.75%)	8/29/2025	14,700	14,674	13,745
CHA Holdings, Inc.	Business Services	5.50% (L + 4.50%)	4/10/2025	2,026	2,019	1,895
CHA Holdings, Inc.	Business Services	5.50% (L + 4.50%)	4/10/2025	10,588	10,556	9,900
Dealer Tire, LLC	Distribution & Logistics	4.40% (L + 4.25%)	12/12/2025	7,425	7,409	7,394
Drilling Info Holdings, Inc.	Business Services	4.40% (L + 4.25%)	7/30/2025	14,608	14,563	14,182
Edgewood Partners Holdings LLC (EPIC)	Business Services	5.25% (L + 4.25%)	9/6/2024	7,356	7,304	7,301
eResearchTechnology, Inc.	Healthcare Services	5.50% (L + 4.50%)	2/4/2027	3,129	3,101	3,106
Fastlane Parent Company, Inc.	Distribution & Logistics	4.65% (L + 4.50%)	2/4/2026	3,439	3,386	3,419
Greenway Health, LLC	Software	4.75% (L + 3.75%)	2/16/2024	14,475	14,439	13,281
HS Purchaser, LLC / Help/Systems Holdings, Inc.	Software	5.75% (L + 4.75%)	11/19/2026	4,411	4,373	4,411
Institutional Shareholder Services Inc.	Business Services	4.75% (L + 4.50%)	3/5/2026	13,755	13,648	13,600
Keystone Acquisition Corp.	Healthcare Services	6.25% (L + 5.25%)	5/1/2024	5,225	5,196	4,937
LSCS Holdings, Inc.	Healthcare Services	4.51% (L + 4.25%)	3/17/2025	1,865	1,863	1,828
LSCS Holdings, Inc.	Healthcare Services	4.51% (L + 4.25%)	3/17/2025	7,225	7,219	7,080
Market Track, LLC	Business Services	5.25% (L + 4.25%)	6/5/2024	11,580	11,549	11,376
Medical Solutions Holdings, Inc.	Healthcare Services	5.50% (L + 4.50%)	6/14/2024	2,767	2,760	2,753
Ministry Brands, LLC	Software	5.00% (L + 4.00%)	12/2/2022	2,073	2,069	2,063
Ministry Brands, LLC	Software	5.00% (L + 4.00%)	12/2/2022	871	869	867
Ministry Brands, LLC	Software	5.00% (L + 4.00%)	12/2/2022	12,034	12,011	11,975
Peraton Corp. (fka MHVC Acquisition Corp.)	Federal Services	6.25% (L + 5.25%)	4/29/2024	10,133	10,105	10,158
Premise Health Holding Corp.	Healthcare Services	3.75% (L + 3.50%)	7/10/2025	1,358	1,354	1,328
Project Accelerate Parent, LLC	Business Services	5.25% (L + 4.25%)	1/2/2025	12,418	12,379	11,300
PSC Industrial Holdings Corp.	Industrial Services	4.75% (L + 3.75%)	10/11/2024	3,028	3,011	2,945
Quest Software US Holdings Inc.	Software	4.46% (L + 4.25%)	5/16/2025	14,700	14,650	14,480
Salient CRGT Inc.	Federal Services	7.50% (L + 6.50%)	2/28/2022	12,478	12,445	12,478
Wirepath LLC	Distribution & Logistics	4.25% (L + 4.00%)	8/5/2024	14,663	14,663	14,149
WP CityMD Bidco LLC	Healthcare Services	5.50% (L + 4.50%)	8/13/2026	5,418	5,372	5,431
Wrench Group LLC	Consumer Services	4.25% (L + 4.00%)	4/30/2026	5,924	5,875	5,865
YI, LLC	Healthcare Services	5.00% (L + 4.00%)	11/7/2024	14,649	14,641	13,477
Zelis Cost Management Buyer, Inc.	Healthcare Information Technology	4.90% (L + 4.75%)	9/30/2026	4,088	4,053	4,105
Total Funded Investments				\$ 279,678	\$ 278,595	\$ 271,149

- (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, 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 II.

Below is certain summarized financial information for SLP II as of May 4, 2021 and December 31, 2020 and for the period from January 1, 2021 through May 4, 2021 and the three and nine months ended September 30, 2020:

Selected Balance Sheet Information:	May 4, 2021		December 31, 2020	
Investments at fair value (cost of \$254,139 and \$278,595, respectively)	\$	250,290	\$	271,149
Cash and other assets		5,691		8,759
Total assets	\$	255,981	\$	279,908
Credit facility	\$	158,470	\$	183,970
Deferred financing costs		—		(534)
Distribution payable		535		2,500
Other liabilities		460		1,058
Total liabilities		159,465		186,994
Members' capital	\$	96,516	\$	92,914
Total liabilities and members' capital	\$	255,981	\$	279,908

Selected Statement of Operations Information:	Three Months Ended		Nine Months Ended	
	September 30, 2020	May 4, 2021(1)	September 30, 2020	
Interest income	\$ 4,174	\$ 4,744	\$ 14,153	
Other income	—	—	70	
Total investment income	4,174	4,744	14,223	
Interest and other financing expenses	1,190	1,560	4,696	
Other expenses	98	148	360	
Total expenses	1,288	1,708	5,056	
Net investment income	2,886	3,036	9,167	
Net realized gains (losses) on investments	3	3	(803)	
Net change in unrealized appreciation (depreciation) of investments	6,988	3,597	(6,061)	
Net increase in members' capital	\$ 9,877	\$ 6,636	\$ 2,303	

(1) Reflects the results of operations for the period from January 1, 2021 through May 4, 2021.

For the period from January 1, 2021 through May 4, 2021, the Company earned approximately \$2,410 of dividend income related to SLP II, which is included in dividend income. For the three and nine months ended September 30, 2020, the Company earned approximately \$2,025 and \$6,723, respectively, of dividend income related to SLP II, which is included in dividend income. As of September 30, 2021 and December 31, 2020, approximately \$0 and \$1,985, respectively, of dividend income related to SLP II was included in interest and dividend receivable.

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 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 September 30, 2021, the Company and SkyKnight II have committed and contributed \$140,000 and \$35,000, 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 September 30, 2021 and December 31, 2020.

On May 2, 2018, SLP III entered into its revolving credit facility with Citibank, N.A., which matures on January 8, 2026. Effective July 8, 2021, the reinvestment period was extended to July 8, 2024. As of the most recent amendment on July 8, 2021, during the reinvestment period the credit facility bears interest at a rate of LIBOR plus 1.60% and after the reinvestment period it will bear interest at a rate of LIBOR plus 1.90%. Prior to July 8, 2021, the credit facility bore interest at a rate of LIBOR plus 1.70%. Effective November 23, 2020, SLP III's revolving credit facility has a maximum borrowing capacity of \$525,000. As of September 30, 2021 and December 31, 2020, SLP III had total investments with an aggregate fair value of approximately \$683,289 and \$609,961, respectively, and debt outstanding under its credit facility of \$505,600 and \$424,200, respectively. As of September 30, 2021 and December 31, 2020, none of SLP III's investments were on non-accrual. Additionally, as of September 30, 2021 and December 31, 2020, SLP III had unfunded commitments in the form of delayed draws of \$10,586 and \$7,838, 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 September 30, 2021 and December 31, 2020:

	September 30, 2021		December 31, 2020	
First lien investments (1)	\$	696,434	\$	626,985
Weighted average interest rate on first lien investments (2)		4.51 %		4.72 %
Number of portfolio companies in SLP III		79		69
Largest portfolio company investment (1)	\$	23,548	\$	23,735
Total of five largest portfolio company investments (1)	\$	96,749	\$	99,159

(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 of September 30, 2021:

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						
ADMI Corp. (aka Aspen Dental)	Healthcare Services	4.00% (L + 3.50%)	12/23/2027	\$ 2,432	\$ 2,419	\$ 2,430
Advisor Group Holdings, Inc.	Consumer Services	4.58% (L + 4.50%)	7/31/2026	9,825	9,789	9,852
AG Parent Holdings, LLC	Healthcare Services	5.08% (L + 5.00%)	7/31/2026	12,281	12,236	12,266
Artera Services, LLC	Distribution & Logistics	4.50% (L + 3.50%)	3/6/2025	6,925	6,875	6,905
Aston FinCo S.a.r.l. / Aston US Finco, LLC	Software	4.33% (L + 4.25%)	10/9/2026	5,910	5,866	5,900
Astra Acquisition Corp.	Software	5.50% (L + 4.75%)	3/1/2027	16,408	16,338	16,408
BCPE Empire Holdings, Inc.	Distribution & Logistics	4.08% (L + 4.00%)	6/11/2026	4,313	4,283	4,289
Bearcat Buyer, Inc.	Healthcare Services	5.25% (L + 4.25%)	7/9/2026	19,504	19,434	19,504
Bearcat Buyer, Inc.	Healthcare Services	5.25% (L + 4.25%)	7/9/2026	4,044	4,027	4,044
Bella Holding Company, LLC	Healthcare Services	4.50% (L + 3.75%)	5/10/2028	4,039	4,001	4,041
Bleriot US Bidco Inc.	Federal Services	4.13% (L + 4.00%)	10/30/2026	2,935	2,913	2,941
Bluefin Holding, LLC	Software	4.33% (L + 4.25%)	9/4/2026	9,825	9,716	9,825
Bracket Intermediate Holding Corp.	Healthcare Services	4.39% (L + 4.25%)	9/5/2025	14,550	14,506	14,544
Brave Parent Holdings, Inc.	Software	4.08% (L + 4.00%)	4/18/2025	11,130	11,108	11,143
Cano Health, LLC	Healthcare Services	5.25% (L + 4.50%)	11/23/2027	6,965	6,926	6,980
Cardinal Parent, Inc.	Software	5.25% (L + 4.50%)	11/12/2027	7,002	6,907	6,994
CentralSquare Technologies, LLC	Software	3.88% (L + 3.75%)	8/29/2025	14,587	14,566	13,575
CHA Holdings, Inc.	Business Services	5.50% (L + 4.50%)	4/10/2025	969	969	968
CommerceHub, Inc.	Software	4.75% (L + 4.00%)	12/29/2027	5,790	5,763	5,808
Community Brands ParentCo, LLC (f.k.a Ministry Brands, LLC)	Software	5.00% (L + 4.00%)	12/2/2022	2,994	2,972	2,993
Community Brands ParentCo, LLC (f.k.a Ministry Brands, LLC)	Software	5.00% (L + 4.00%)	12/2/2022	4,467	4,461	4,467
Community Brands ParentCo, LLC (f.k.a Ministry Brands, LLC)	Software	5.00% (L + 4.00%)	12/2/2022	864	863	864
Confluent Health, LLC	Healthcare Services	5.08% (L + 5.00%)	6/24/2026	4,364	4,323	4,375
Cornerstone OnDemand, Inc.	Software	4.25% (L + 3.75%)	10/16/2028	4,546	4,523	4,545
Covenant Surgical Partners, Inc.	Healthcare Services	4.09% (L + 4.00%)	7/1/2026	9,802	9,732	9,667
Covenant Surgical Partners, Inc.	Healthcare Services	4.08% (L + 4.00%)	7/1/2026	2,000	1,980	1,973
CRCL Longhorn Holdings, Inc.	Business Services	3.59% (L + 3.50%)	8/8/2025	14,550	14,507	14,407
Dealer Tire, LLC	Distribution & Logistics	4.33% (L + 4.25%)	12/12/2025	9,825	9,807	9,853
DG Investment Intermediate Holdings 2, Inc.	Business Services	4.50% (L + 3.75%)	3/31/2028	6,186	6,157	6,213
DG Investment Intermediate Holdings 2, Inc.	Business Services	4.50% (L + 3.75%)	3/31/2028	1,196	1,196	1,201
Dispatch Acquisition Holdings, LLC	Industrial Services	5.00% (L + 4.25%)	3/27/2028	4,169	4,129	4,169
Drilling Info Holdings, Inc.	Business Services	4.33% (L + 4.25%)	7/30/2025	18,434	18,379	18,296
EAB Global, Inc.	Education	4.00% (L + 3.50%)	8/16/2028	4,250	4,229	4,238
eResearchTechnology, Inc.	Healthcare Services	5.50% (L + 4.50%)	2/4/2027	7,364	7,333	7,410
EyeCare Partners, LLC	Healthcare Services	3.88% (L + 3.75%)	2/18/2027	14,797	14,782	14,736
Foundational Education Group, Inc.	Education	4.75% (L + 4.25%)	8/31/2028	9,500	9,405	9,453
Frontline Technologies Intermediate Holdings, LLC	Software	6.75% (L + 5.75%)	9/18/2023	6,466	6,465	6,465
Frontline Technologies Intermediate Holdings, LLC	Software	6.75% (L + 5.75%)	9/18/2023	2,018	2,018	2,018
Greenway Health, LLC	Healthcare I.T.	4.75% (L + 3.75%)	2/16/2024	14,407	14,412	13,871
Heartland Dental, LLC	Healthcare Services	3.58% (L + 3.50%)	4/30/2025	18,398	18,346	18,273
Help/Systems Holdings, Inc.	Software	4.75% (L + 4.00%)	11/19/2026	18,301	18,151	18,374
Higginbotham Insurance Agency, Inc.	Financial Services	6.25% (L + 5.50%)	11/25/2026	7,151	7,104	7,223
Higginbotham Insurance Agency, Inc.	Financial Services	6.25% (L + 5.50%)	11/25/2026	1,646	1,622	1,663
HighTower Holding, LLC	Business Services	4.75% (L + 4.00%)	4/21/2028	3,862	3,825	3,870
Idera, Inc.	Software	4.50% (L + 3.75%)	3/2/2028	16,004	15,990	16,020
Kestra Advisor Services Holdings A, Inc.	Business Services	4.34% (L + 4.25%)	6/3/2026	12,089	12,027	12,081
LI Group Holdings, Inc.	Software	4.50% (L + 3.75%)	3/11/2028	4,632	4,621	4,658
LSCS Holdings, Inc.	Healthcare Services	4.42% (L + 4.25%)	3/17/2025	2,607	2,595	2,581
LSCS Holdings, Inc.	Healthcare Services	4.42% (L + 4.25%)	3/17/2025	673	670	666
Mamba Purchaser, Inc.	Healthcare Services	4.25% (L + 3.75%)	10/16/2028	5,773	5,744	5,782
Maravai Intermediate Holdings, LLC	Specialty Chemicals & Materials	4.75% (L + 3.75%)	10/19/2027	2,948	2,921	2,960

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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)
Maverick Bidco Inc.	Software	4.50% (L + 3.75%)	5/18/2028	\$ 4,000	\$ 3,981	\$ 4,005
Mavis Tire Express Services Topco Corp.	Retail	4.75% (L + 4.00%)	5/4/2028	4,227	4,207	4,242
MED ParentCo, LP	Healthcare Services	4.33% (L + 4.25%)	8/31/2026	12,751	12,661	12,745
National Intergovernmental Purchasing Alliance Company	Business Services	3.63% (L + 3.50%)	5/23/2025	8,540	8,537	8,490
Navex Topco, Inc.	Software	3.34% (L + 3.25%)	9/5/2025	18,068	17,959	17,955
Netsmart, Inc.	Healthcare I.T.	4.75% (L + 4.00%)	10/1/2027	3,990	3,990	4,005
Newport Group Holdings II, Inc.	Business Services	3.63% (L + 3.50%)	9/12/2025	4,850	4,835	4,840
Outcomes Group Holdings, Inc.	Healthcare Services	3.38% (L + 3.25%)	10/24/2025	3,374	3,369	3,317
Pelican Products, Inc.	Business Products	4.50% (L + 3.50%)	5/1/2025	4,838	4,831	4,831
Peraton Corp.	Federal Services	4.50% (L + 3.75%)	2/1/2028	7,462	7,427	7,478
PetVet Care Centers, LLC (fka Pearl Intermediate Parent LLC)	Consumer Services	4.25% (L + 3.50%)	2/14/2025	4,483	4,483	4,494
Planview Parent, Inc.	Software	4.75% (L + 4.00%)	12/17/2027	7,939	7,867	7,973
Premise Health Holding Corp.	Healthcare Services	3.63% (L + 3.50%)	7/10/2025	7,502	7,480	7,469
Project Accelerate Parent, LLC	Business Services	5.25% (L + 4.25%)	1/2/2025	7,429	7,407	7,299
Project Ruby Ultimate Parent Corp.	Healthcare I.T.	4.00% (L + 3.25%)	3/10/2028	11,444	11,388	11,436
Quest Software US Holdings Inc.	Software	4.38% (L + 4.25%)	5/16/2025	14,587	14,546	14,590
RealPage, Inc.	Business Services	3.75% (L + 3.25%)	4/24/2028	14,000	13,967	13,970
RLG Holdings, LLC	Packaging	5.00% (L + 4.25%)	7/7/2028	4,711	4,688	4,725
RLG Holdings, LLC	Packaging	5.00% (L + 4.25%)	7/7/2028	396	395	398
Sierra Enterprises, LLC	Food & Beverage	5.00% (L + 4.00%)	11/11/2024	2,412	2,411	2,406
Sovos Brands Intermediate, Inc.	Food & Beverage	4.50% (L + 3.75%)	6/8/2028	10,204	10,179	10,230
Spring Education Group, Inc. (fka SSH Group Holdings, Inc.)	Education	4.38% (L + 4.25%)	7/30/2025	12,089	12,071	11,783
Storable, Inc.	Software	3.75% (L + 3.25%)	4/17/2028	3,862	3,853	3,856
Symplr Software, Inc.	Healthcare I.T.	5.25% (L + 4.50%)	12/22/2027	15,920	15,784	15,994
Syndigo LLC	Software	5.25% (L + 4.50%)	12/15/2027	14,925	14,823	15,018
Therapy Brands Holdings LLC	Healthcare I.T.	4.75% (L + 4.00%)	5/18/2028	3,408	3,392	3,408
Thermostat Purchaser III, Inc.	Business Services	5.25% (L + 4.50%)	8/31/2028	5,673	5,645	5,659
TIBCO Software Inc.	Software	3.84% (L + 3.75%)	6/30/2026	7,596	7,581	7,579
Trader Interactive, LLC (fka Dominion Web Solutions LLC)	Business Services	4.50% (L + 4.00%)	7/28/2028	4,910	4,885	4,916
Unified Women's Healthcare, LP	Healthcare Services	5.00% (L + 4.25%)	12/20/2027	9,975	9,905	10,002
Waystar Technologies, Inc.	Healthcare Services	4.08% (L + 4.00%)	10/22/2026	4,076	4,068	4,084
Wirepath LLC	Distribution & Logistics	4.08% (L + 4.00%)	8/5/2024	16,995	16,995	16,963
WP CityMD Bidco LLC	Healthcare Services	4.50% (L + 3.75%)	8/13/2026	16,575	16,452	16,647
Valcour Packaging, LLC	Packaging	4.25% (L + 3.75%)	10/4/2028	2,872	2,857	2,875
VetCor Professional Practices LLC	Consumer Services	4.40% (L + 4.25%)	7/2/2025	809	793	802
VT Topco, Inc.	Business Services	3.33% (L + 3.25%)	8/1/2025	2,773	2,773	2,750
VT Topco, Inc.	Business Services	4.50% (L + 3.75%)	8/1/2025	851	847	851
YL, LLC	Healthcare Services	5.00% (L + 4.00%)	11/7/2024	9,615	9,611	9,471
Total Funded Investments				\$ 685,848	\$ 682,874	\$ 683,338
Unfunded Investments - First lien						
DG Investment Intermediate Holdings 2, Inc.	Business Services	—	3/31/2023	99	—	—
Higginbotham Insurance Agency, Inc.	Financial Services	—	11/25/2022	373	(3)	4
HighTower Holding, LLC	Business Services	—	4/21/2022	976	—	2
RLG Holdings, LLC	Packaging	—	4/21/2022	736	(4)	2
Therapy Brands Holdings LLC	Healthcare I.T.	—	5/18/2023	735	—	—
Thermostat Purchaser III, Inc.	Business Services	—	5/18/2023	1,327	—	(3)
VetCor Professional Practices LLC	Consumer Services	—	5/20/2023	6,191	(62)	(54)
VT Topco, Inc.	Business Services	—	5/20/2023	149	—	—
Total Unfunded Investments				\$ 10,586	\$ (69)	\$ (49)
Total Investments				\$ 696,434	\$ 682,805	\$ 683,289

- (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 September 30, 2021.
- (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.

The following table is a listing of the individual investments in SLP III's portfolio as of December 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	3.98% (L + 3.75%)	2/27/2025	\$ 868	\$ 868	\$ 861
Advisor Group Holdings, Inc.	Consumer Services	5.15% (L + 5.00%)	7/31/2026	4,950	4,909	4,928
Affordable Care Holding Corp.	Healthcare Services	5.75% (L + 4.75%)	10/24/2022	5,901	5,850	5,827
AG Parent Holdings, LLC	Healthcare Services	5.15% (L + 5.00%)	7/31/2026	12,375	12,323	12,251
Ascensus Specialties LLC	Specialty Chemicals & Materials	4.90% (L + 4.75%)	9/24/2026	9,900	9,858	9,931
Aston FinCo S.a.r.l. / Aston US Finco, LLC	Software	4.40% (L + 4.25%)	10/9/2026	5,955	5,904	5,900
Astra Acquisition Corp.	Software	6.50% (L + 5.50%)	3/1/2027	11,490	11,412	11,605
BCPE Empire Holdings, Inc.	Distribution & Logistics	4.15% (L + 4.00%)	6/11/2026	10,869	10,780	10,801
Bearcat Buyer, Inc.	Healthcare Services	5.25% (L + 4.25%)	7/9/2026	19,654	19,573	19,654
Bearcat Buyer, Inc.	Healthcare Services	5.25% (L + 4.25%)	7/9/2026	4,081	4,062	4,081
Bleriot US Bidco Inc.	Federal Services	5.00% (L + 4.75%)	10/31/2026	4,292	4,254	4,292
Bleriot US Bidco Inc.	Federal Services	5.00% (L + 4.75%)	10/31/2026	671	665	671
Bluefin Holding, LLC	Software	4.15% (L + 4.00%)	9/4/2026	9,900	9,775	9,900
Bracket Intermediate Holding Corp.	Healthcare Services	4.48% (L + 4.25%)	9/5/2025	14,663	14,610	14,516
Brave Parent Holdings, Inc.	Software	4.15% (L + 4.00%)	4/18/2025	11,217	11,190	11,147
Cano Health, LLC	Healthcare Services	5.50% (L + 4.75%)	11/23/2027	6,308	6,244	6,244
Cardinal Parent, Inc.	Software	5.25% (L + 4.50%)	11/12/2027	7,038	6,932	6,967
CentralSquare Technologies, LLC	Software	4.00% (L + 3.75%)	8/29/2025	14,700	14,674	13,745
Certara Holdco, Inc.	Healthcare I.T.	3.75% (L + 3.50%)	8/15/2024	1,246	1,248	1,247
CHA Holdings, Inc.	Business Services	5.50% (L + 4.50%)	4/10/2025	977	977	914
CommerceHub, Inc.	Software	4.75% (L + 4.00%)	12/29/2027	5,833	5,804	5,833
Confluent Health, LLC	Healthcare Services	5.15% (L + 5.00%)	6/24/2026	4,398	4,354	4,348
Covenant Surgical Partners, Inc.	Healthcare Services	4.15% (L + 4.00%)	7/1/2026	9,876	9,795	9,678
CRCI Longhorn Holdings, Inc.	Business Services	3.65% (L + 3.50%)	8/8/2025	14,663	14,611	14,498
Dealer Tire, LLC	Distribution & Logistics	4.40% (L + 4.25%)	12/12/2025	9,900	9,879	9,859
Dentalcorp Health Services ULC (fka Dentalcorp Perfect Smile ULC)	Healthcare Services	4.75% (L + 3.75%)	6/6/2025	14,636	14,611	14,421
Drilling Info Holdings, Inc.	Business Services	4.40% (L + 4.25%)	7/30/2025	18,576	18,511	18,035
Edgewood Partners Holdings LLC	Business Services	5.25% (L + 4.25%)	9/6/2024	7,356	7,304	7,301
eResearchTechnology, Inc.	Healthcare Services	5.50% (L + 4.50%)	2/4/2027	3,911	3,876	3,883
EyeCare Partners, LLC	Healthcare Services	3.90% (L + 3.75%)	2/18/2027	12,071	12,057	11,796
EyeCare Partners, LLC	Healthcare Services	3.90% (L + 3.75%)	2/18/2027	2,838	2,834	2,773
Fastlane Parent Company, Inc.	Distribution & Logistics	4.65% (L + 4.50%)	2/4/2026	3,439	3,386	3,419
Frontline Technologies Intermediate Holdings, LLC	Software	6.75% (L + 5.75%)	9/18/2023	6,513	6,513	6,513
Greenway Health, LLC	Software	4.75% (L + 3.75%)	2/16/2024	14,520	14,527	13,322
Heartland Dental, LLC	Healthcare Services	3.65% (L + 3.50%)	4/30/2025	18,540	18,478	18,104
HS Purchaser, LLC / Help/Systems Holdings, Inc.	Software	5.75% (L + 4.75%)	11/19/2026	18,440	18,270	18,440
Higginbotham Insurance Agency, Inc.	Financial Services	6.50% (L + 5.75%)	11/25/2026	7,187	7,134	7,331
Idera, Inc.	Software	5.00% (L + 4.00%)	6/28/2024	9,435	9,406	9,435
Institutional Shareholder Services Inc.	Business Services	4.75% (L + 4.50%)	3/5/2026	983	975	971
Kestra Advisor Services Holdings A, Inc.	Business Services	4.40% (L + 4.25%)	6/3/2026	9,381	9,318	9,241
LSCS Holdings, Inc.	Healthcare Services	4.51% (L + 4.25%)	3/17/2025	2,627	2,612	2,575
LSCS Holdings, Inc.	Healthcare Services	4.51% (L + 4.25%)	3/17/2025	678	674	665
Maravai Intermediate Holdings, LLC	Specialty Chemicals & Materials	5.25% (L + 4.25%)	10/19/2027	4,125	4,085	4,148
Market Track, LLC	Business Services	5.25% (L + 4.25%)	6/5/2024	4,729	4,725	4,645
Mavis Tire Express Services Corp.	Retail	5.00% (L + 4.00%)	3/20/2025	4,828	4,733	4,846
MED ParentCo, LP	Healthcare Services	4.40% (L + 4.25%)	8/31/2026	10,272	10,191	10,148
MED ParentCo, LP	Healthcare Services	4.40% (L + 4.25%)	8/31/2026	2,576	2,554	2,545
Ministry Brands, LLC	Software	5.00% (L + 4.00%)	12/2/2022	4,502	4,492	4,480
Ministry Brands, LLC	Software	5.00% (L + 4.00%)	12/2/2022	871	869	867
National Intergovernmental Purchasing Alliance Company	Business Services	4.00% (L + 3.75%)	5/23/2025	8,701	8,698	8,658
National Mentor Holdings, Inc. (aka Civitas Solutions, Inc.)	Healthcare Services	4.43% (L + 4.25%)	3/9/2026	8,887	8,887	8,897

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Portfolio Company and Type of Investment	Industry	Interest Rate (1)	Maturity Date	Principal Amount or Par		Fair Value (2)
				Value	Cost	
National Mentor Holdings, Inc. (aka Civitas Solutions, Inc.)	Healthcare Services	4.51% (L + 4.25%)	3/9/2026	\$ 398	\$ 398	\$ 398
Navex Topco, Inc.	Software	3.40% (L + 3.25%)	9/5/2025	18,208	18,079	17,929
Navicare, Inc.	Healthcare Services	4.75% (L + 4.00%)	10/22/2026	4,107	4,097	4,110
Newport Group Holdings II, Inc.	Business Services	3.75% (L + 3.50%)	9/12/2025	4,888	4,870	4,851
Orion Advisor Solutions, Inc.	Business Services	5.00% (L + 4.00%)	9/24/2027	5,237	5,186	5,260
Outcomes Group Holdings, Inc.	Healthcare Services	3.50% (L + 3.25%)	10/24/2025	3,400	3,394	3,349
Pelican Products, Inc.	Business Products	4.50% (L + 3.50%)	5/1/2025	4,875	4,867	4,796
Peraton Corp. (fka MHVC Acquisition Corp.)	Federal Services	6.25% (L + 5.25%)	4/29/2024	15,272	15,225	15,310
Planview Parent, Inc.	Software	4.75% (L + 4.00%)	12/17/2027	6,484	6,419	6,496
Premise Health Holding Corp.	Healthcare Services	3.75% (L + 3.50%)	7/10/2025	13,583	13,538	13,279
Project Accelerate Parent, LLC	Business Services	5.25% (L + 4.25%)	1/2/2025	9,822	9,786	9,939
Project Boost Purchaser, LLC	Business Services	5.00% (L + 4.25%)	6/1/2026	1,995	1,975	2,002
Quest Software US Holdings Inc.	Software	4.46% (L + 4.25%)	5/16/2025	14,700	14,650	14,480
Ryan Specialty Group, LLC	Business Services	4.00% (L + 3.25%)	9/1/2027	3,491	3,441	3,491
Sierra Enterprises, LLC	Food & Beverage	5.00% (L + 4.00%)	11/1/2024	2,431	2,429	2,393
Sovos Brands Intermediate, Inc.	Food & Beverage	4.96% (L + 4.75%)	11/20/2025	3,591	3,582	3,609
Spring Education Group, Inc. (fka SSH Group Holdings, Inc.)	Education	4.50% (L + 4.25%)	7/30/2025	12,183	12,161	11,665
Symplr Software, Inc.(fka Caliper Software, Inc.)	Healthcare I.T.	5.25% (L + 4.50%)	12/22/2027	10,000	9,850	9,913
Syndigo LLC	Software	5.25% (L + 4.50%)	12/15/2027	15,000	14,888	14,888
TIBCO Software Inc.	Software	3.90% (L + 3.75%)	6/30/2026	7,654	7,637	7,572
Unified Women's Healthcare, LP	Healthcare Services	5.00% (L + 4.25%)	12/20/2027	10,000	9,923	9,975
Wirepath LLC	Distribution & Logistics	4.25% (L + 4.00%)	8/5/2024	17,127	17,127	16,527
WP CityMD Bidco LLC	Healthcare Services	5.50% (L + 4.50%)	8/13/2026	19,868	19,701	19,914
VT Topco, Inc.	Business Services	3.65% (L + 3.50%)	8/1/2025	2,795	2,795	2,763
YI, LLC	Healthcare Services	5.00% (L + 4.00%)	11/7/2024	9,691	9,685	8,915
Total Funded Investments				\$ 619,147	\$ 615,974	\$ 609,981
Unfunded Investments - First lien						
Cano Health, LLC	Healthcare Services	—	11/23/2021	\$ 2,300	\$ (23)	\$ (23)
Covenant Surgical Partners, Inc.	Healthcare Services	—	7/1/2021	2,000	(20)	(40)
Higginbotham Insurance Agency, Inc.	Financial Services	—	11/25/2022	2,023	(15)	40
Planview Parent, Inc.	Software	—	3/31/2021	1,515	—	3
Total Unfunded Investments				\$ 7,838	\$ (58)	\$ (20)
Total Investments				\$ 626,985	\$ 615,916	\$ 609,961

- (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, 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.

Below is certain summarized financial information for SLP III as of September 30, 2021 and December 31, 2020 and for the three and nine months ended September 30, 2021 and September 30, 2020:

Selected Balance Sheet Information:	September 30, 2021		December 31, 2020	
Investments at fair value (cost of \$682,805 and \$615,916)	\$	683,289	\$	609,961
Cash and other assets		25,024		10,176
Receivable from unsettled securities sold		738		—
Total assets	\$	709,051	\$	620,137
Credit facility	\$	505,600	\$	424,200
Deferred financing costs		(3,555)		(2,471)
Payable for unsettled securities purchased		23,642		47,192
Distribution payable		4,594		3,800
Other liabilities		2,561		2,501
Total liabilities		532,842		475,222
Members' capital	\$	176,209	\$	144,915
Total liabilities and members' capital	\$	709,051	\$	620,137

Selected Statement of Operations Information:	Three Months Ended				Nine Months Ended			
	September 30, 2021		September 30, 2020		September 30, 2021		September 30, 2020	
Interest income	\$	8,080	\$	6,500	\$	23,278	\$	20,836
Other income		172		75		487		320
Total investment income		8,252		6,575		23,765		21,156
Interest and other financing expenses		2,679		2,516		7,954		9,593
Other expenses		207		250		585		571
Total expenses		2,886		2,766		8,539		10,164
Net investment income		5,366		3,809		15,226		10,992
Net realized (losses) gains on investments		(83)		(82)		488		(78)
Net change in unrealized appreciation (depreciation) of investments		887		14,775		6,439		(10,379)
Net increase in members' capital	\$	6,170	\$	18,502	\$	22,153	\$	535

For the three and nine months ended September 30, 2021, the Company earned approximately \$3,675 and \$12,687 respectively, of dividend income related to SLP III, which is included in dividend income. For the three and nine months ended September 30, 2020, the Company earned approximately \$3,200 and \$8,824, respectively, of dividend income related to SLP III, which is included in dividend income. As of September 30, 2021 and December 31, 2020, approximately \$3,675 and \$3,040, 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.

NMFC Senior Loan Program IV LLC

SLP IV was formed as a Delaware limited liability company on April 6, 2021, and commenced operations on May 5, 2021. SLP IV is structured as a private joint venture investment fund between the Company and SkyKnight Alpha and operates under the First Amended and Restated Limited Liability Company Agreement of NMFC Senior Loan Program IV LLC (the "SLP IV Agreement"). Upon the effectiveness of the SLP IV Agreement dated May 5, 2021, the members contributed their respective membership interests in SLP I and SLP II to SLP IV.

Immediately following the contribution of their membership interests, SLP I and SLP II became wholly-owned subsidiaries of SLP IV. 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 IV, which has equal representation from the Company and SkyKnight Alpha. SLP IV has a five year investment period and will continue in existence until May 5, 2026. The investment period may be extended for up to one year pursuant to certain terms of the SLP IV Agreement.

SLP IV is capitalized with equity contributions which were transferred and contributed from its members. As of September 30, 2021, the Company and SkyKnight Alpha have transferred and contributed \$112,400 and \$30,600, respectively, of their membership interests in SLP I and SLP II to SLP IV. The Company's investment in SLP IV is disclosed on the Company's Consolidated Schedule of Investments as of September 30, 2021.

On May 5, 2021, SLP IV entered into a \$370,000 revolving credit facility with Wells Fargo Bank, National Association which matures on May 5, 2026 and bears interest at a rate of LIBOR plus 1.60% per annum. As of September 30, 2021, SLP IV had total investments with an aggregate fair value of approximately \$483,160 and debt outstanding under its credit facility of \$345,637. As of September 30, 2021, none of SLP IV's investments were on non-accrual. Additionally, as of September 30, 2021, SLP IV had unfunded commitments in the form of delayed draws of \$13,487.

Below is a summary of SLP IV's consolidated portfolio, along with a listing of the individual investments in SLP IV's consolidated portfolio as of September 30, 2021:

	September 30, 2021	
First lien investments (1)	\$	499,274
Weighted average interest rate on first lien investments (2)		4.62 %
Number of portfolio companies in SLP IV		63
Largest portfolio company investment (1)	\$	22,273
Total of five largest portfolio company investments (1)	\$	104,805

(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 IV's consolidated portfolio as of September 30, 2021:

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						
ADG, LLC	Healthcare Services	6.25% (L + 4.75% + 0.50% PIK)	9/28/2023	\$ 16,543	\$ 16,491	\$ 16,543
ADMI Corp. (aka Aspen Dental)	Healthcare Services	4.00% (L + 3.50%)	12/23/2027	1,875	1,866	1,875
Advisor Group Holdings, Inc.	Consumer Services	4.58% (L + 4.50%)	7/31/2026	11,727	11,641	11,759
Artera Services, LLC	Distribution & Logistics	4.50% (L + 3.50%)	3/6/2025	5,342	5,304	5,326
Bayou Intermediate II, LLC	Healthcare Products	5.25% (L + 4.50%)	8/2/2028	8,693	8,651	8,726
Bearcat Buyer, Inc.	Healthcare Services	5.25% (L + 4.25%)	7/9/2026	1,981	1,974	1,981
Bearcat Buyer, Inc.	Healthcare Services	5.25% (L + 4.25%)	7/9/2026	411	409	411
Bella Holding Company, LLC	Healthcare Services	4.50% (L + 3.75%)	5/10/2028	3,000	2,989	3,001
Bleriot US Bidco Inc.	Federal Services	4.13% (L + 4.00%)	10/30/2026	7,871	7,849	7,886
Bracket Intermediate Holding Corp.	Healthcare Services	4.39% (L + 4.25%)	9/5/2025	4,485	4,471	4,483
Brave Parent Holdings, Inc.	Software	4.08% (L + 4.00%)	4/18/2025	3,624	3,617	3,628
Cano Health, LLC	Healthcare Services	5.25% (L + 4.50%)	11/23/2027	5,752	5,745	5,764
CentralSquare Technologies, LLC	Software	3.88% (L + 3.75%)	8/29/2025	14,587	14,566	13,575
Certara Holdco, Inc.	Healthcare Information Technology	3.58% (L + 3.50%)	8/15/2026	3,950	3,940	3,945
CHA Holdings, Inc.	Business Services	5.50% (L + 4.50%)	4/10/2025	10,947	10,921	10,933
CHA Holdings, Inc.	Business Services	5.50% (L + 4.50%)	4/10/2025	2,009	2,003	2,007
Cornerstone OnDemand, Inc.	Software	4.25% (L + 3.75%)	9/21/2028	3,247	3,231	3,246
Cvent, Inc.	Software	3.83% (L + 3.75%)	11/29/2024	6,693	6,683	6,675
Dealer Tire, LLC	Distribution & Logistics	4.33% (L + 4.25%)	12/12/2025	10,776	10,756	10,806
Drilling Info Holdings, Inc.	Business Services	4.33% (L + 4.25%)	7/30/2025	20,553	20,499	20,399
EAB Global, Inc.	Education	4.00% (L + 3.50%)	8/16/2028	10,000	9,951	9,972
Emerald 2 Limited	Business Services	3.33% (L + 3.25%)	7/10/2026	445	444	441
eResearchTechnology, Inc.	Healthcare Services	5.50% (L + 4.50%)	2/4/2027	4,441	4,405	4,468
Foundational Education Group, Inc.	Education	4.75% (L + 4.25%)	8/31/2028	6,500	6,436	6,468
Greenway Health, LLC	Healthcare Information Technology	4.75% (L + 3.75%)	2/16/2024	21,003	20,963	20,222
Heartland Dental, LLC	Healthcare Services	3.58% (L + 3.50%)	4/30/2025	3,582	3,572	3,557
Heartland Dental, LLC	Healthcare Services	4.08% (L + 4.00%)	4/30/2025	6,284	6,255	6,277
Help/Systems Holdings, Inc.	Software	4.75% (L + 4.00%)	11/19/2026	9,934	9,900	9,974
Hunter Holdco 3 Limited	Healthcare Services	4.75% (L + 4.25%)	8/19/2028	6,250	6,188	6,285
Idera, Inc.	Software	4.50% (L + 3.75%)	3/2/2028	9,342	9,266	9,351
Keystone Acquisition Corp.	Healthcare Services	6.25% (L + 5.25%)	5/1/2024	5,184	5,162	5,090
LSCS Holdings, Inc.	Healthcare Services	4.42% (L + 4.25%)	3/17/2025	3,212	3,207	3,180
LSCS Holdings, Inc.	Healthcare Services	4.42% (L + 4.25%)	3/17/2025	12,444	12,424	12,320
Mamba Purchaser, Inc.	Healthcare Services	4.25% (L + 3.75%)	10/16/2028	4,124	4,103	4,130
Mandolin Technology Intermediate Holdings, Inc.	Software	4.25% (L + 3.75%)	7/31/2028	10,000	9,951	9,975
Maverick Bidco Inc.	Software	4.50% (L + 3.75%)	5/18/2028	8,000	7,962	8,009
Mavis Tire Express Services Topco Corp.	Retail	4.75% (L + 4.00%)	5/4/2028	8,453	8,412	8,483
MediaOcean, LLC	Software	4.08% (L + 4.00%)	8/18/2025	3,625	3,616	3,628
Medical Solutions Holdings, Inc.	Healthcare Services	5.50% (L + 4.50%)	6/14/2024	4,978	4,969	4,988
Mercury Borrower, Inc.	Business Services	4.00% (L + 3.50%)	8/2/2028	6,250	6,219	6,245
Ministry Brands, LLC	Software	5.00% (L + 4.00%)	12/2/2022	16,778	16,758	16,778
Ministry Brands, LLC	Software	5.00% (L + 4.00%)	12/2/2022	2,057	2,055	2,057
Ministry Brands, LLC	Software	5.00% (L + 4.00%)	12/2/2022	864	863	864
National Intergovernmental Purchasing Alliance Company	Business Services	3.63% (L + 3.50%)	5/23/2025	1,327	1,329	1,320
Netsmart, Inc.	Healthcare Information Technology	4.75% (L + 4.00%)	10/1/2027	6,982	6,982	7,009
Pelican Products, Inc.	Business Products	4.50% (L + 3.50%)	5/1/2025	2,237	2,233	2,234
Premise Health Holding Corp.	Healthcare Services	3.63% (L + 3.50%)	7/10/2025	1,971	1,966	1,963
Project Accelerate Parent, LLC	Business Services	5.25% (L + 4.25%)	1/2/2025	12,549	12,517	12,329
Project Boost Purchaser, LLC	Business Services	4.00% (L + 3.50%)	5/30/2026	2,494	2,488	2,494
Quest Software US Holdings Inc.	Software	4.38% (L + 4.25%)	5/16/2025	14,587	14,546	14,590

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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)
RealPage, Inc.	Business Services	3.75% (L + 3.25%)	4/24/2028	\$	5,000	\$ 4,982	\$ 4,989
RLG Holdings, LLC	Packaging	5.00% (L + 4.25%)	7/7/2028		3,634	3,616	3,645
RLG Holdings, LLC	Packaging	5.00% (L + 4.25%)	7/7/2028		396	395	399
Sierra Enterprises, LLC	Food & Beverage	5.00% (L + 4.00%)	11/11/2024		4,227	4,213	4,216
Sovos Brands Intermediate, Inc.	Food & Beverage	4.50% (L + 3.75%)	6/8/2028		8,971	8,949	8,993
Storable, Inc.	Software	3.75% (L + 3.25%)	4/17/2028		4,000	3,976	3,994
Syndigo LLC	Software	5.25% (L + 4.50%)	12/15/2027		7,859	7,853	7,908
Therapy Brands Holdings LLC	Healthcare Information Technology	4.75% (L + 4.00%)	5/18/2028		4,621	4,599	4,621
Thermostat Purchaser III, Inc.	Business Services	5.25% (L + 4.50%)	8/31/2028		4,052	4,032	4,042
TIBCO Software Inc.	Software	3.84% (L + 3.75%)	6/30/2026		2,985	2,967	2,978
Trader Interactive, LLC (fka Dominion Web Solutions LLC)	Business Services	4.50% (L + 4.00%)	7/28/2028		5,303	5,276	5,309
Unified Women's Healthcare, LP	Healthcare Services	5.00% (L + 4.25%)	12/20/2027		7,419	7,383	7,439
USIC Holdings, Inc.	Consumer Services	4.25% (L + 3.50%)	5/12/2028		3,849	3,834	3,850
Valcour Packaging, LLC	Packaging	4.25% (L + 3.75%)	10/4/2028		2,051	2,041	2,054
VetCor Professional Practices LLC	Consumer Services	4.40% (L + 4.25%)	7/2/2025		1,156	1,132	1,145
VT Topco, Inc.	Business Services	4.50% (L + 3.75%)	8/1/2025		8,511	8,470	8,509
Wirepath LLC	Distribution & Logistics	4.08% (L + 4.00%)	8/5/2024		21,277	21,277	21,238
WP CityMD Bidco LLC	Healthcare Services	4.50% (L + 3.75%)	8/13/2026		9,649	9,580	9,691
Wrench Group LLC	Consumer Services	4.13% (L + 4.00%)	4/30/2026		8,591	8,530	8,608
YL, LLC	Healthcare Services	5.00% (L + 4.00%)	11/7/2024		22,273	22,261	21,939
Total Funded Investments				\$	485,787	\$ 484,114	\$ 483,237
Unfunded Investments - First lien							
RLG Holdings, LLC	Packaging	—	7/7/2028	\$	736	\$ (4)	\$ 2
Therapy Brands Holdings LLC	Healthcare Information Technology	—	5/18/2023		1,470	—	—
Thermostat Purchaser III, Inc.	Business Services	—	8/31/2023		948	—	(2)
VetCor Professional Practices LLC	Consumer Services	—	7/2/2025		8,844	(88)	(77)
VT Topco, Inc.	Business Services	—	8/4/2023		1,489	—	—
Total Unfunded Investments				\$	13,487	\$ (92)	\$ (77)
Total Investments				\$	499,274	\$ 484,022	\$ 483,160

- (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 September 30, 2021.
- (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 IV.

Below is certain summarized consolidated financial information for SLP IV as of September 30, 2021 and for the three and nine months ended September 30, 2021:

Selected Consolidated Balance Sheet Information:	September 30, 2021	
Investments at fair value (cost of \$484,022)	\$	483,160
Receivable from unsettled securities sold		1,247
Cash and other assets		18,405
Total assets	\$	502,812
Credit facility	\$	345,637
Deferred financing costs		(2,760)
Payable for unsettled securities purchased		12,313
Distribution payable		3,396
Other liabilities		1,840
Total liabilities		360,426
Members' capital	\$	142,386
Total liabilities and members' capital	\$	502,812

Selected Consolidated Statement of Operations Information:	Three Months Ended		Nine Months Ended	
	September 30, 2021		September 30, 2021(1)	
Interest income	\$	5,806	\$	9,034
Other income		143		157
Total investment income		5,949		9,191
Interest and other financing expenses		1,649		2,523
Other expenses		206		475
Total expenses		1,855		2,998
Net investment income		4,094		6,193
Net realized (losses) gains on investments		(85)		139
Net change in unrealized appreciation of investments		2,214		4,265
Net increase in members' capital	\$	6,223	\$	10,597

(1) Reflects the results of operations for the period from May 5, 2021 through September 30, 2021.

For the three months ended September 30, 2021 and the period from May 5, 2021 through September 30, 2021, the Company earned approximately \$2,670 and \$5,098, respectively, of dividend income related to SLP IV, which is included in dividend income. As of September 30, 2021, approximately \$2,670 of dividend income related to SLP IV was included in interest and dividend receivable.

The Company has determined that SLP IV 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 IV.

Unconsolidated Significant Subsidiaries

In accordance with Regulation S-X Rule 10-01(b)(1), the Company evaluates its unconsolidated controlled portfolio companies to determine if any are as "significant subsidiaries." This determination is made based upon an analysis performed under Rules 3-09 and 4-08(g) of Regulation S-X, pursuant to which the Company must determine if any of its portfolio companies are considered a "significant subsidiary" as defined by Rule 1-02(w) of Regulation S-X under this rule. As of September 30, 2021, the Company did not have any portfolio companies that were deemed to be a "significant subsidiary."

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 operating results and portfolio companies may be negatively impacted by the COVID-19 pandemic. While several countries, as well as certain states, counties and cities in the United States, have relaxed initial public health restrictions with the view to partially or fully reopening their economies, many cities have since experienced a surge in the reported number of cases, hospitalizations and deaths related to the COVID-19 pandemic. These surges have led to the re-introduction of such restrictions and business shutdowns in certain states in the United States and globally and could continue to lead to the re-introduction of such restrictions elsewhere. Health advisors warn that recurring COVID-19 outbreaks will continue if reopening is pursued too soon or in the wrong manner, which may lead to the re-introduction or continuation of certain public health restrictions (such as instituting quarantines, prohibitions on travel and the closure of offices, businesses, schools, retail stores and other public venues). Additionally, travelers from the United States are restricted from visiting many countries including countries in Europe, Asia, Africa and South America. These continued travel restrictions may prolong the global economic downturn. In addition, although the Federal Food and Drug Administration authorized vaccines beginning in December 2020 and a significant portion of the U.S. population have been vaccinated, and it remains unclear how quickly the vaccines will continue to be distributed nationwide and globally, or when "herd immunity" will be achieved and the restrictions that were imposed to slow the spread of the virus will be lifted entirely. Any delay in distributing the vaccines could lead people to continue to self-isolate and not participate in the economy at pre-pandemic levels for a prolonged period of time. Even after the COVID-19 pandemic subsides, the U.S. economy and most other major global economies may continue to experience a recession, and we anticipate our business and operations could be materially adversely affected by a prolonged recession in the United States and other major markets.

This outbreak is having, and any future outbreaks could have, an adverse impact on the markets and the economy in general, which could have a material adverse impact on, among other things, the ability of lenders to originate loans, the volume and type of loans originated, and the volume and type of amendments and waivers granted to borrowers and remedial actions taken in the event of a borrower default, each of which could negatively impact the amount and quality of loans available for investment by the Company and returns to the Company, among other things. As of the date of this quarterly report on Form 10-Q, it is impossible to determine the scope of this outbreak, or any future outbreaks, how long any such outbreak, market disruption or uncertainties may last, the effect any governmental actions will have or the full potential impact on the Company and our portfolio companies. 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.

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 September 30, 2021:

	Total	Level I	Level II	Level III
First lien	\$ 1,472,741	\$ —	\$ 91,865	\$ 1,380,876
Second lien	721,618	—	304,481	417,137
Subordinated	38,863	—	—	38,863
Equity and other	778,432	—	—	778,432
Total investments	<u>\$ 3,011,654</u>	<u>\$ —</u>	<u>\$ 396,346</u>	<u>\$ 2,615,308</u>

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

	Total	Level I	Level II	Level III
First lien	\$ 1,576,217	\$ —	\$ 92,850	\$ 1,483,367
Second lien	692,828	—	122,795	570,033
Subordinated	36,939	—	—	36,939
Equity and other	647,518	—	—	647,518
Total investments	<u>\$ 2,953,502</u>	<u>\$ —</u>	<u>\$ 215,645</u>	<u>\$ 2,737,857</u>

The following table summarizes the changes in fair value of Level III portfolio investments for the three months ended September 30, 2021, 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 September 30, 2021:

	Total	First Lien	Second Lien	Subordinated	Equity and other
Fair Value, June 30, 2021	\$ 2,582,889	\$ 1,443,896	\$ 312,771	\$ 37,982	\$ 788,240
Total gains or losses included in earnings:					
Net realized gains on investments	22,904	629	—	—	22,275
Net change in unrealized (depreciation) appreciation	(26,009)	(10,360)	(2,774)	222	(13,097)
Purchases, including capitalized PIK and revolver fundings	481,619	287,564	106,480	659	86,916
Proceeds from sales and paydowns of investments	(431,533)	(304,180)	(21,451)	—	(105,902)
Transfers into Level III(1)	43,027	—	43,027	—	—
Transfers out of Level III(1)	(57,589)	(36,673)	(20,916)	—	—
Fair Value, September 30, 2021	<u>\$ 2,615,308</u>	<u>\$ 1,380,876</u>	<u>\$ 417,137</u>	<u>\$ 38,863</u>	<u>\$ 778,432</u>
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:	\$ 8,381	\$ (9,395)	\$ (2,774)	\$ 222	\$ 20,328

- (1) As of September 30, 2021, 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 the three months ended September 30, 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 September 30, 2020:

	Total	First Lien	Second Lien	Subordinated	Equity and other
Fair Value, June 30, 2020	\$ 2,702,692	\$ 1,533,018	\$ 665,894	\$ 41,362	\$ 462,418
Total gains or losses included in earnings:					
Net realized gains on investments	233	220	13	—	—
Net change in unrealized appreciation	64,266	27,610	10,852	1,368	24,436
Purchases, including capitalized PIK and revolver fundings	56,439	39,901	1,471	806	14,261
Proceeds from sales and paydowns of investments	(43,020)	(31,505)	(11,515)	—	—
Transfers into Level III(1)	6,871	6,871	—	—	—
Transfers out of Level III(1)	(152,258)	(81,078)	(71,180)	—	—
Fair Value, September 30, 2020	<u>\$ 2,635,223</u>	<u>\$ 1,495,037</u>	<u>\$ 595,535</u>	<u>\$ 43,536</u>	<u>\$ 501,115</u>
Unrealized appreciation for the period relating to those Level III assets that were still held by the Company at the end of the period:	\$ 64,284	\$ 27,628	\$ 10,852	\$ 1,368	\$ 24,436

- (1) As of September 30, 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 the nine months ended September 30, 2021, 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 September 30, 2021:

	Total	First Lien	Second Lien	Subordinated	Equity and other
Fair Value, December 31, 2020	\$ 2,737,857	\$ 1,483,367	\$ 570,033	\$ 36,939	\$ 647,518
Total gains or losses included in earnings:					
Net realized gains (losses) on investments	10,912	848	2	(5,150)	15,212
Net change in unrealized appreciation (depreciation)	56,689	(9,663)	(2,145)	5,502	62,995
Purchases, including capitalized PIK and revolver fundings	767,313	477,631	129,501	1,572	158,609
Proceeds from sales and paydowns of investments	(737,067)	(535,475)	(95,690)	—	(105,902)
Transfers out of Level III(1)	(220,396)	(35,832)	(184,564)	—	—
Fair Value, September 30, 2021	<u>\$ 2,615,308</u>	<u>\$ 1,380,876</u>	<u>\$ 417,137</u>	<u>\$ 38,863</u>	<u>\$ 778,432</u>
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:	\$ 50,567	\$ (9,393)	\$ (2,347)	\$ 352	\$ 61,955

(1) As of September 30, 2021, portfolio investments were transferred 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 the nine months ended September 30, 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 September 30, 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	(2,745)	(2,841)	13	—	83
Net change in unrealized depreciation	(64,446)	(27,160)	(784)	(2,983)	(33,519)
Purchases, including capitalized PIK and revolver fundings	316,464	263,378	20,943	615	31,528
Proceeds from sales and paydowns of investments	(369,887)	(318,280)	(51,607)	—	—
Transfers into Level III(1)	306,981	92,872	214,109	—	—
Transfers out of Level III(1)	(57,885)	(51,355)	(6,530)	—	—
Fair Value, September 30, 2020	<u>\$ 2,635,223</u>	<u>\$ 1,495,037</u>	<u>\$ 595,535</u>	<u>\$ 43,536</u>	<u>\$ 501,115</u>
Unrealized depreciation for the period relating to those Level III assets that were still held by the Company at the end of the period:	\$ (64,723)	\$ (27,061)	\$ (1,160)	\$ (2,983)	\$ (33,519)

(1) As of September 30, 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.

Except as noted in the tables above, there were no other transfers in or out of Level I, II, or III during the three and nine months ended September 30, 2021 and September 30, 2020. 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 or revenue) 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 or revenue multiples to the portfolio company's latest twelve month ("LTM") EBITDA or revenue or projected EBITDA or revenue to calculate the enterprise value of the portfolio company. Significant increases or decreases in the EBITDA or revenue multiples 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 September 30, 2021 and December 31, 2020, the Company used the relevant EBITDA or revenue 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 September 30, 2021 and December 31, 2020, 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 of September 30, 2021 were as follows:

Type	Fair Value as of September 30, 2021	Approach	Unobservable Input	Range		Weighted Average
				Low	High	
First lien	\$ 1,285,658	Market & income approach	EBITDA multiple	5.0x	27.5x	14.0x
			Revenue multiple	4.0x	19.5x	6.5x
			Discount rate	4.6 %	18.6 %	7.5 %
			Broker quote	N/A	N/A	N/A
Second lien	338,410	Market & income approach	EBITDA multiple	7.5x	65.3x	18.8x
			Discount rate	6.5 %	27.3 %	10.3 %
			Broker quote	N/A	N/A	N/A
			Other	N/A(1)	N/A	N/A
Subordinated	38,863	Market & income approach	EBITDA multiple	8.0x	18.0x	11.8x
			Discount rate	10.9 %	28.7 %	18.0 %
			Broker quote	N/A	N/A	N/A
			Other	N/A(1)	N/A	N/A
Equity and other	709,323	Market & income approach	EBITDA multiple	5.0x	26.5x	13.2x
			Revenue multiple	5.0x	19.5x	16.5x
			Discount rate	4.2 %	32.7 %	10.6 %
			Other	N/A(1)	N/A	N/A
	\$ 2,615,308					

- (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 of December 31, 2020 were as follows:

Type	Fair Value as of December 31, 2020	Approach	Unobservable Input	Range		Weighted Average
				Low	High	
First lien	\$ 1,401,169	Market & income approach	EBITDA multiple	5.0x	35.0x	14.5x
			Revenue multiple	4.0x	11.0x	6.2x
			Discount rate	4.4 %	18.6 %	7.6 %
	82,198	Market quote	Broker quote	N/A	N/A	N/A
Second lien	474,956	Market & income approach	EBITDA multiple	6.5x	32.0x	14.9x
			Discount rate	6.9 %	22.6 %	9.5 %
			Broker quote	N/A	N/A	N/A
	52,374	Market quote	Broker quote	N/A	N/A	N/A
	42,703	Other	N/A(1)	N/A	N/A	N/A
Subordinated	36,939	Market & income approach	EBITDA multiple	8.0x	13.5x	10.0x
			Discount rate	11.7 %	13.6 %	12.5 %
			Broker quote	N/A	N/A	N/A
Equity and other	647,360	Market & income approach(2)	EBITDA multiple	5.0x	19.5x	11.9x
			Discount rate	5.8 %	40.9 %	11.6 %
			Other	N/A(1)	N/A	N/A
	158	Other	N/A(1)	N/A	N/A	N/A
	<u>\$ 2,737,857</u>					

- (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.
- (2) Since December 31, 2019, there were changes in valuation techniques within Level III that did not have a material impact on the valuation of these investments. Certain investments that were previously valued using Black Scholes analysis are now valued based on Market & income approach as these methods are better indicators of the fair value measurement.

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 are representative of market. The carrying values of the Holdings Credit Facility, NMFC Credit Facility and DB Credit Facility approximate fair value as of September 30, 2021, as the facilities are continually monitored and examined by both the borrower and the lender and are considered Level III. See Note 7. *Borrowings*, for details. The carrying value of the SBA-guaranteed debentures, the 2017A Unsecured Notes, the 2018A Unsecured Notes, the 2018B Unsecured Notes, the 2019A Unsecured Notes and the 2021A Unsecured Notes approximate fair value as of September 30, 2021 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 Convertible Notes as of September 30, 2021 was \$212,610 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 September 30, 2021 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 pandemic), 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 17, 2021 at a virtual meeting. Our board of directors held such meeting by virtual means in reliance on relief provided by the U.S. Securities and Exchange Commission (the "SEC") in response to the COVID-19 pandemic. 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 amended and restated on October 25, 2017. See Note 7. *Borrowings* for details. 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 continued 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. Effective as of and for the quarter ended March 31, 2021 through the quarter ending December 31, 2022, the Investment Adviser has entered into a fee waiver agreement (the "Fee Waiver Agreement") pursuant to which the Investment Adviser will waive base management fees in order to reach a target base management fee of 1.25% on gross assets (the "Reduced Base Management Fee") as opposed to the Company's current base management fee of 1.75% on gross assets less the borrowings under the SLF Credit Facility and less cash and cash equivalents (the "Base Management Fee"). If, for any quarterly period during the term of the fee waiver agreement, the Reduced Base Management Fee would be greater than the Base Management Fee calculated under the terms of the Investment Management Agreement, the Investment Adviser shall only be entitled to the lesser of those two amounts. The Investment Adviser cannot recoup management fees that the Investment Adviser has previously waived. For the three and nine months ended September 30, 2021, management fees waived were approximately \$3,752 and \$11,193, respectively. For the three and nine months ended September 30, 2020, management fees waived were approximately \$2,841 and \$9,567, 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 September 30, 2021), 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.

For the three and nine months ended September 30, 2021, no incentive fees were waived. For the three and nine months ended September 30, 2020, incentive fees waived were \$500 and \$500, respectively. The Investment Adviser cannot recoup incentive fees that the Investment Adviser has previously waived.

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 the three and nine months ended September 30, 2021 and September 30, 2020:

	Three Months Ended		Nine Months Ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
Management fee	\$ 13,740	\$ 12,877	\$ 40,885	\$ 39,869
Less: management fee waiver	(3,752)	(2,841)	(11,193)	(9,567)
Total management fee	9,988	10,036	29,692	30,302
Incentive fee, excluding accrued capital gains incentive fees	\$ 7,661	\$ 7,135	\$ 22,207	\$ 21,857
Less: incentive fee waiver	—	(500)	—	(500)
Total incentive fee	7,661	6,635	22,207	21,357
Accrued capital gains incentive fees(1)	\$ —	\$ —	\$ —	\$ —

- (1) As of September 30, 2021 and September 30, 2020, 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 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 and nine months ended September 30, 2021, approximately \$616 and

\$2,037, respectively, of indirect administrative expenses were included in administrative expenses of which \$0 and \$0, respectively, were waived by the Administrator. For the three and nine months ended September 30, 2020, approximately \$613 and \$2,005, respectively, of indirect administrative expenses were included in administrative expenses of which \$589 and \$924, respectively, were waived by the Administrator. As of September 30, 2021 and December 31, 2020, approximately \$678 and \$738, respectively, of indirect administrative expenses were included in payable to affiliates. For the three and nine months ended September 30, 2021, the reimbursement to the Administrator represented approximately 0.02% and 0.06%, respectively, of the Company's gross assets. For the three and nine months ended September 30, 2020, the reimbursement to the Administrator represented approximately 0.00% and 0.04%, 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 Fee Waiver Agreement with the Investment Adviser, pursuant to which the Investment Adviser agreed to voluntarily reduce the base management fees payable to the Investment Adviser by the Company under the Investment Management Agreement beginning with the quarter ended March 31, 2021 through the quarter ending December 31, 2022. See Note 5. *Agreements*, for details.

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. 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. Refer to Note 7. *Borrowings* for discussion of the Unsecured Management Company Revolver (defined below).

Note 7. Borrowings

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, 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 Convertible Notes and the Unsecured Notes 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 September 30, 2021, the Company's asset coverage ratio was 184.0%.

Holdings Credit Facility—On October 24, 2017, the Company entered into the Third 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 April 20, 2021, the maturity date of the Holdings Credit Facility is April 20, 2026, 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 September 30, 2021, the maximum amount of revolving borrowings available under the Holdings Credit Facility is \$730,000. Under the Holdings Credit Facility, NMF Holdings is permitted to borrow up to 25.0%, 45.0%, 67.5% 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, amending 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.

As of the most recent amendment on April 20, 2021, the Holdings Credit Facility bears interest at a rate of LIBOR plus 1.60% per annum for Broadly Syndicated Loans (as defined in the Fifth Amendment Loan and Security Agreement) and LIBOR plus 2.10% per annum for all other investments. From September 30, 2020 to April 19, 2021 the Holdings Credit Facility bore interest at a rate of LIBOR plus 2.00% per annum for Broadly Syndicated Loans (as defined in the Fourth Amendment Loan and Security Agreement) and LIBOR plus 2.50% per annum for all other investments. Prior to September 30, 2020, the Holdings Credit Facility bore interest at a rate of LIBOR plus 1.75% per annum for Broadly Syndicated Loans (as defined in the Second Amendment to 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 Third Amended and Restated 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 and nine months ended September 30, 2021 and September 30, 2020:

	Three Months Ended		Nine Months Ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
Interest expense	\$ 2,446	\$ 2,704	\$ 7,606	\$ 11,333
Non-usage fee	\$ 311	\$ 395	\$ 1,004	\$ 937
Amortization of financing costs	\$ 806	\$ 334	\$ 2,046	\$ 992
Weighted average interest rate	2.0 %	2.2 %	2.2 %	2.7 %
Effective interest rate	2.9 %	2.8 %	3.0 %	3.2 %
Average debt outstanding	\$ 483,131	\$ 488,815	\$ 467,570	\$ 551,059

As of September 30, 2021 and December 31, 2020, the outstanding balance on the Holdings Credit Facility was \$493,263 and \$450,163, respectively, and NMF Holdings was in compliance with the applicable covenants in the Holdings Credit Facility on such dates.

NMFC Credit Facility—The Amended and Restated Senior Secured Revolving Credit Agreement, (as amended from time to time, and together with the related guarantee and security agreement, the "RCA"), dated June 4, 2021, 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 (the "NMFC Credit Facility"), 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. As of the most recent amendment on June 4, 2021, the maturity date of the NMFC Credit Facility is June 4, 2026.

As of September 30, 2021, 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 RCA. All fees associated with the origination and amending 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.

As of the most recent amendment on June 4, 2021, the NMFC Credit Facility generally bears interest at a rate of LIBOR plus 2.10% per annum or the prime rate plus 1.10% per annum, and charges a commitment fee, based on the unused facility amount multiplied by 0.375% per annum (as defined in the RCA). Prior to June 4, 2021, the NMFC Credit Facility bore interest at a rate of LIBOR plus 2.50% per annum or the prime rate plus 1.50% per annum, and charged a commitment fee, based on the unused facility amount multiplied by 0.375% per annum (as defined in the RCA).

The following table summarizes the interest expense, non-usage fees and amortization of financing costs incurred on the NMFC Credit Facility for the three and nine months ended September 30, 2021 and September 30, 2020:

	Three Months Ended		Nine Months Ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
Interest expense	\$ 655	\$ 899	\$ 2,262	\$ 3,960
Non-usage fee	\$ 69	\$ 55	\$ 188	\$ 96
Amortization of financing costs	\$ 61	\$ 35	\$ 137	\$ 103
Weighted average interest rate	2.2 %	2.7 %	2.5 %	3.4 %
Effective interest rate	2.7 %	3.0 %	2.8 %	3.6 %
Average debt outstanding	\$ 117,146	\$ 131,804	\$ 122,537	\$ 154,974

As of September 30, 2021 and December 31, 2020, the outstanding balance on the NMFC Credit Facility was \$149,977 and \$165,500, 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, dated March 30, 2020, by and between the Company, as the Borrower, and NMF Investments III, L.L.C., as Lender, an affiliate of the Investment Adviser (the "Unsecured Management Company Revolver"), 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). 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. As of September 30, 2021, the maximum amount of revolving borrowings available under the Unsecured Management Company Revolver was \$50,000 and no borrowings were outstanding. For the three and nine months ended September 30, 2021, amortization of financing costs were \$2 and \$8, respectively. For the three and nine months ended September 30, 2020, amortization of financing costs were \$2 and \$5, respectively.

DB Credit Facility—The Loan Financing and Servicing Agreement (the "LFSA") 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 (the "DB Credit Facility"), is structured as a secured revolving credit facility and the maturity date is March 25, 2026.

As of September 30, 2021, 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 LFSA. 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 and amending 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 March 25, 2021, the Applicable Margin was equal to 2.60% during the Revolving Period and then increases by 0.20% during an Event of Default. Effective March 25, 2021, the Applicable Margin is equal to 2.35% 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 LFSA) 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 and nine months ended September 30, 2021 and September 30, 2020:

	Three Months Ended		Nine Months Ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
Interest expense(1)	\$ 1,384	\$ 1,722	\$ 4,517	\$ 6,659
Non-usage fee(1)	\$ 105	\$ 80	\$ 269	\$ 177
Amortization of financing costs	\$ 272	\$ 161	\$ 708	\$ 480
Weighted average interest rate	2.8 %	3.2 %	2.9 %	3.8 %
Effective interest rate	3.5 %	3.6 %	3.5 %	4.2 %
Average debt outstanding	\$ 198,938	\$ 216,761	\$ 209,417	\$ 233,401

(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 September 30, 2021 and December 31, 2020, the outstanding balance on the DB Credit Facility was \$167,800 and \$244,000, respectively, and NMFDB was in compliance with the applicable covenants in the DB Credit Facility on such dates.

NMNL Credit Facilities—The Revolving Credit Agreement (together with the related guarantee and security agreement, the "NMNL Credit Facility"), dated September 21, 2018, by and between NMNL, as the Borrower, and KeyBank National Association, as the Administrative Agent and Lender (the "NMNL Revolving Credit Agreement"), was structured as a senior secured revolving credit facility and matured on September 23, 2020. The NMNL Credit Facility was

guaranteed by the Company and proceeds from the NMNLC Credit Facility were able to be used for funding of additional acquisition properties.

The NMNLC Credit Facility bore interest at a rate of LIBOR plus 2.50% per annum or the prime rate plus 1.50% per annum, and charged a commitment fee, based on the unused facility amount multiplied by 0.15% per annum (as defined in the NMNLC Revolving Credit Agreement). For the three and nine months ended September 30, 2020, interest expense, non-usage fees and amortization of financing costs were \$0 and \$0, \$10 and \$33, and \$0 and \$11, respectively.

The Credit Agreement (together with the related guarantee and security agreement, the "NMNLC CA"), dated February 26, 2021, by and between NMNLC, as the Borrower, and City National Bank, as the Lender (the "NMNLC Credit Facility II"), is structured as a senior secured revolving credit facility and matures on February 25, 2022. The NMNLC Credit Facility II is guaranteed by the Company and proceeds from the NMNLC Credit Facility II are able to be used for funding of additional acquisition properties. As of September 30, 2021, the maximum amount of revolving borrowings available under the NMNLC Credit Facility II is \$10,000.

The NMNLC Credit Facility II bears interest at a rate of LIBOR plus 2.75% per annum, and charges a commitment fee, based on the unused facility amount multiplied by 0.05% per annum (as defined in the NMNLC CA). For the three and nine months ended September 30, 2021, interest expense, non-usage fees and amortization of financing costs were \$27 and \$27, \$1 and \$3, and \$24 and \$55, respectively. As of September 30, 2021, the outstanding balance on the NMNLC Credit Facility II was \$5,845 and NMNLC was in compliance with the applicable covenants in the NMNLC Credit Facility II on such date.

Convertible Notes—On August 20, 2018, the Company closed a registered public offering of \$100,000 aggregate principal amount of unsecured 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, the Company issued an additional \$15,000 aggregate principal amount of the Convertible Notes pursuant to the exercise of an over-allotment option by the underwriter of the Convertible Notes. On June 7, 2019, the Company closed a registered public offering of an additional \$86,250 aggregate principal amount of the Convertible Notes. These additional 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 Convertible Notes that the Company issued in August 2018.

The 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 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 Convertible Notes prior to May 15, 2023. On or after May 15, 2023, the Company may redeem the 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 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 Convertible Notes. Holders of Convertible Notes may, at their option, convert their 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 Convertible Notes. In addition, if certain corporate events occur, holders of the Convertible Notes may require the Company to repurchase for cash all or part of their Convertible Notes at a repurchase price equal to 100.0% of the principal amount of the 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 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 Convertible Notes as of September 30, 2021:

	Convertible Notes
Initial conversion premium	10.0 %
Initial conversion rate(1)	65.8762
Initial conversion price	\$ 15.18
Conversion premium at September 30, 2021	10.0 %
Conversion rate at September 30, 2021(1)(2)	65.8762
Conversion price at September 30, 2021(2)(3)	\$ 15.18
Last conversion price calculation date	August 20, 2021

- (1) Conversion rates denominated in shares of common stock per \$1 principal amount of the 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 September 30, 2021 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 Convertible Notes is not required to be separately accounted for as a derivative under GAAP.

The 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 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 and nine months ended September 30, 2021 and September 30, 2020:

	Three Months Ended		Nine Months Ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
Interest expense	\$ 2,893	\$ 2,893	\$ 8,679	\$ 8,679
Amortization of financing costs	\$ 100	\$ 100	\$ 296	\$ 297
Amortization of premium	\$ (26)	\$ (26)	\$ (77)	\$ (77)
Weighted average interest rate	5.8 %	5.8 %	5.8 %	5.8 %
Effective interest rate	5.9 %	5.9 %	5.9 %	5.9 %
Average debt outstanding	\$ 201,250	\$ 201,250	\$ 201,250	\$ 201,250

As of September 30, 2021 and December 31, 2020, 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 (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 February 16, 2021, the Company repaid all \$90,000 in aggregate principal amount of the issued and outstanding 2016 Unsecured Notes. 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. On January 29, 2021, the Company issued \$200,000 in aggregate principal amount of five year unsecured notes that mature on January 29, 2026 (the "2021A Unsecured Notes") pursuant to the NPA and a fifth supplement to the NPA. The NPA provides for future issuances of unsecured notes in separate series or tranches.

The 2016 Unsecured Notes bore 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, which commenced on October 15, 2019. The 2021A Unsecured Notes bear interest at an annual rate of 3.875%, payable semi-annually in arrears on January 29 and July 29 of each year, which commenced on July 29, 2021. 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, 2019A Unsecured Notes and the 2021A 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 over-allotment option by the underwriters of the 5.75% Unsecured Notes.

On March 8, 2021, the Company redeemed \$51,750 in aggregate principal amount of the 5.75% Unsecured Notes at a redemption price of 100% plus accrued and unpaid interest.

The 5.75% Unsecured Notes bore 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 were listed on the New York Stock Exchange and traded under the trading symbol "NMFV" until September 13, 2020. On September 14, 2020, the 5.75% Unsecured Notes began trading on the NASDAQ under the ticker symbol "NMFCL", until redeemed on March 8, 2021.

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 the three and nine months ended September 30, 2021 and September 30, 2020:

	Three Months Ended		Nine Months Ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
Interest expense	\$ 5,958	\$ 5,960	\$ 18,443	\$ 17,879
Amortization of financing costs	\$ 204	\$ 320	\$ 1,661	\$ 955
Weighted average interest rate	4.7 %	5.3 %	4.7 %	5.3 %
Effective interest rate	4.8 %	5.5 %	5.2 %	5.5 %
Average debt outstanding	\$ 511,500	\$ 453,250	\$ 518,333	\$ 453,250

As of September 30, 2021 and December 31, 2020, the outstanding balance on the Unsecured Notes was \$511,500 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 September 30, 2021 and December 31, 2020, 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 September 30, 2021 and December 31, 2020, SBIC II had regulatory capital of \$75,000 and \$75,000, respectively, and \$150,000 and \$150,000, 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 September 30, 2021:

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	41,000	2.078 %	0.222 %
March 25, 2020	March 1, 2030	24,000	2.078 %	0.275 %
September 23, 2020	September 1, 2030	51,000	1.034 %	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.

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 the three and nine months ended September 30, 2021 and September 30, 2020:

	Three Months Ended		Nine Months Ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
Interest expense	\$ 2,042	\$ 2,080	\$ 6,061	\$ 5,963
Amortization of financing costs	\$ 253	\$ 253	\$ 750	\$ 706
Weighted average interest rate	2.7 %	2.8 %	2.7 %	2.8 %
Effective interest rate	3.0 %	3.1 %	3.0 %	3.2 %
Average debt outstanding	\$ 300,000	\$ 300,000	\$ 300,000	\$ 281,102

The SBIC program is designed to stimulate the flow of private investor capital into eligible small businesses, as defined by the SBA. Under SBA regulations, SBICs are subject to regulatory requirements, including making investments in SBA-eligible small businesses, investing at least 25.0% of its investment capital in eligible smaller enterprises (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 September 30, 2021 and December 31, 2020, 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 its 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" (as defined in the 1940 Act) 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 September 30, 2021, the Company had unfunded commitments on revolving credit facilities of \$68,680, no outstanding bridge financing commitments and other future funding commitments of \$139,153. As of December 31, 2020, the Company had unfunded commitments on revolving credit facilities of \$63,411, no outstanding bridge financing commitments and other future funding commitments of \$9,715. The unfunded commitments on revolving credit facilities and delayed draws are disclosed on the Company's Consolidated Schedules of Investments.

The Company also had revolving borrowings available under the Holdings Credit Facility, the DB Credit Facility, the NMFC Credit Facility, the Unsecured Management Company Revolver and the NMNLC Credit Facility II as of September 30, 2021 and revolver borrowings available under the Holdings Credit Facility, the DB Credit Facility, the NMFC Credit Facility and the Unsecured Management Company Revolver as of December 31, 2020. See Note 7. *Borrowings*, for details.

The Company may from time to time enter into financing commitment letters. As of September 30, 2021 and December 31, 2020, the Company had commitment letters to purchase investments in the aggregate par amount of \$116,802 and \$44,918, respectively, which could require funding in the future.

COVID-19 Developments

On March 11, 2020 the World Health Organization declared COVID-19 a global pandemic and recommended containment and mitigation measures worldwide. The net asset value of the Company experienced a significant reduction from the period of March 31, 2020 through December 31, 2020 as compared to its net asset value as of December 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. As of September 30, 2021, the net asset value of the Company has experienced a recovery from that of March 31, 2020.

The Company has been closely monitoring, and will continue to monitor, the impact of the COVID-19 pandemic and its impact on all aspects of the Company's business, including how it will impact the Company's portfolio companies, employees, due diligence and underwriting processes, and financial markets. Further, the operational and financial performance of the portfolio companies in which the Company makes investments may be significantly impacted by COVID-19, which may in turn impact the valuation of the Company's investments. The Company believes that its portfolio companies have taken, and continue to take, immediate actions to effectively and efficiently respond to the challenges posed by COVID-19 and related orders imposed by state and local governments, including developing liquidity plans supported by internal cash reserves, and shareholder support. The COVID-19 pandemic and preventative measures taken to contain or mitigate its spread have caused, and are continuing to cause, business shutdowns and cancellations of events and travel. In addition, while consumer demand for

goods and services has begun to rebound, we continue to see reductions in business activity and financial transactions, supply chain interruptions and overall economic and financial market instability both in the United States and globally. Such effects will likely continue for the duration of the pandemic, which is uncertain, and for some period thereafter.

The extent of the impact of the COVID-19 pandemic on the financial performance of our current and future investments will depend on future developments, including the duration and spread of the outbreak, how quickly vaccines will continue to be distributed nationwide and globally, whether a "herd immunity" will be achieved, whether the restrictions that were imposed to slow the spread of the virus will be lifted entirely and the impact of the COVID-19 pandemic 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 continued effects of the COVID-19 pandemic, the Company may experience a material adverse impact on 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 and nine months ended September 30, 2021:

	Common Stock		Paid in Capital in Excess of Par	Accumulated Undistributed (Overdistributed) Earnings			Total Net Assets of NMFC	Non-Controlling Interest in NMNLC	Total Net Assets
	Shares	Par Amount		Accumulated Net Investment Income	Accumulated Net Realized (Losses) Gains	Net Unrealized Appreciation (Depreciation)			
Net assets at December 31, 2020	96,827,342	\$ 968	\$ 1,269,671	\$ 105,981	\$ (88,250)	\$ (66,495)	\$ 1,221,875	\$ 15,014	\$ 1,236,889
Distributions declared	—	—	—	(29,048)	—	—	(29,048)	(301)	(29,349)
Contributions related to non-controlling interest in NMNLC	—	—	—	—	—	—	—	3,403	3,403
Net increase (decrease) in net assets resulting from operations	—	—	—	28,668	(10,496)	33,318	51,490	365	51,855
Net assets at March 31, 2021	96,827,342	\$ 968	\$ 1,269,671	\$ 105,601	\$ (98,746)	\$ (33,177)	\$ 1,244,317	\$ 18,481	\$ 1,262,798
Issuances of common stock	79,646	1	1,048	—	—	—	1,049	—	1,049
Distributions declared	—	—	—	(29,048)	—	—	(29,048)	(330)	(29,378)
Distributions related to non-controlling interest in NMNLC	—	—	—	—	—	—	—	(2,561)	(2,561)
Net increase in net assets resulting from operations	—	—	—	28,845	180	46,787	75,812	3,366	79,178
Net assets at June 30, 2021	96,906,988	\$ 969	\$ 1,270,719	\$ 105,398	\$ (98,566)	\$ 13,610	\$ 1,292,130	\$ 18,956	\$ 1,311,086
Distributions declared	—	—	—	(29,072)	—	—	(29,072)	(278)	(29,350)
Contributions related to non-controlling interest in NMNLC	—	—	—	—	—	—	—	317	317
Net increase (decrease) in net assets resulting from operations	—	—	—	30,338	23,008	(31,499)	21,847	1,058	22,905
Net assets at September 30, 2021	96,906,988	\$ 969	\$ 1,270,719	\$ 106,664	\$ (75,558)	\$ (17,889)	\$ 1,284,905	\$ 20,053	\$ 1,304,958

The table below illustrates the effect of certain transactions on the net asset accounts of the Company during the three and nine months ended September 30, 2020:

	Common Stock		Paid in Capital in Excess of Par	Accumulated Overdistributed Earnings			Total Net Assets of NMFC	Non-Controlling Interest in NMNLC	Total Net Assets
	Shares	Par Amount		Accumulated Net Investment Income	Accumulated Net Realized (Losses) Gains	Net Unrealized Appreciation (Depreciation)			
	Net assets at December 31, 2019	96,827,342		\$ 968	\$ 1,287,853	\$ 91,333			
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
Distributions declared	—	—	—	(29,048)	—	—	(29,048)	(258)	(29,306)
Net increase (decrease) in net assets resulting from operations	—	—	—	27,327	(3,756)	52,910	76,481	251	76,732
Net assets at June 30, 2020	96,827,342	\$ 968	\$ 1,287,853	\$ 87,996	\$ (89,090)	\$ (162,104)	\$ 1,125,623	\$ 11,243	\$ 1,136,866
Distributions declared	—	—	—	(29,049)	—	—	(29,049)	(245)	(29,294)
Net increase in net assets resulting from operations	—	—	—	28,779	47	59,364	88,190	1,398	89,588
Net assets at September 30, 2020	96,827,342	\$ 968	\$ 1,287,853	\$ 87,726	\$ (89,043)	\$ (102,740)	\$ 1,184,764	\$ 12,396	\$ 1,197,160

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 and nine months ended September 30, 2021 and September 30, 2020:

	Three Months Ended		Nine Months Ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
Earnings (loss) per share—basic				
Numerator for basic earnings (loss) per share:	\$ 21,847	\$ 88,190	\$ 149,149	\$ (7,686)
Denominator for basic weighted average share:	96,906,988	96,827,342	96,854,474	96,827,342
Basic earnings (loss) per share:	\$ 0.23	\$ 0.91	\$ 1.54	\$ (0.08)
Earnings (loss) per share—diluted(1)				
Numerator for increase (decrease) in net assets per share	\$ 21,847	\$ 88,190	\$ 149,149	\$ (7,686)
Adjustment for interest on Convertible Notes and incentive fees, net	2,314	2,314	6,943	6,943
Numerator for diluted earnings (loss) per share:	\$ 24,161	\$ 90,504	\$ 156,092	\$ (743)
Denominator for basic weighted average share	96,906,988	96,827,342	96,854,474	96,827,342
Adjustment for dilutive effect of Convertible Notes	13,257,585	13,257,585	13,257,585	13,257,585
Denominator for diluted weighted average share	110,164,573	110,084,927	110,112,059	110,084,927
Diluted earnings (loss) per share:	\$ 0.22	\$ 0.82	\$ 1.42	\$ (0.08)

- (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 nine months ended September 30, 2020, there was anti-dilution. For the three and nine months ended September 30, 2021 and the three months ended September 30, 2020, there was no anti-dilution.

Note 12. Financial Highlights

The following information sets forth the Company's financial highlights for the nine months ended September 30, 2021 and September 30, 2020:

	Nine Months Ended	
	September 30, 2021	September 30, 2020
Per share data(1):		
Net asset value, January 1, 2021 and January 1, 2020, respectively	\$ 12.62	\$ 13.26
Net investment income	0.91	0.90
Net realized and unrealized gains (losses)	0.63	(0.98)
Total net increase (decrease)	1.54	(0.08)
Distributions declared to stockholders from net investment income	(0.90)	(0.94)
Net asset value, September 30, 2021 and September 30, 2020, respectively	\$ 13.26	\$ 12.24
Per share market value, September 30, 2021 and September 30, 2020, respectively	\$ 13.31	\$ 9.56
Total return based on market value(2)	25.41 %	(22.30)%
Total return based on net asset value(3)	12.42 %	(0.06)%
Shares outstanding at end of period	96,906,988	96,827,342
Average weighted shares outstanding for the period	96,854,474	96,827,342
Average net assets for the period	\$ 1,253,263	\$ 1,162,509
Ratio to average net assets:		
Net investment income	9.48 %	10.10 %
Total expenses, before waivers/reimbursements	13.35 %	14.78 %
Total expenses, net of waivers/reimbursements	12.15 %	13.52 %
Average debt outstanding—Unsecured Notes	\$ 518,333	\$ 453,250
Average debt outstanding—Holdings Credit Facility	467,570	551,059
Average debt outstanding—SBA-guaranteed debentures	300,000	281,102
Average debt outstanding—DB Credit Facility	209,417	233,401
Average debt outstanding—Convertible Notes	201,250	201,250
Average debt outstanding—NMFC Credit Facility	122,537	154,974
Average debt outstanding—NMNLC Credit Facility II(4)	1,533	—
Asset coverage ratio(5)	183.99 %	178.65 %
Portfolio turnover	25.47 %	9.12 %

- (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) 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. Total return does not reflect sales load.
- (3) 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. Total return does not reflect sales load.
- (4) For the nine months ended September 30, 2021, average debt outstanding represents the period from February 26, 2021 (commencement of the NMNLC Credit Facility II) to September 30, 2021.
- (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 Financial Accounting Standards Board (the "FASB") issued ASU 2020-04, Reference Rate Reform. The amendments in ASU 2020-04 provide optional expedients and exceptions for applying GAAP to contracts, hedging relationships, and other transactions affected by reference rate reform if certain criteria are met. The 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 September 30, 2021.

In August 2020, the FASB issued ASU 2020-06, Accounting for Convertible Instruments and Contracts in an Entity's Own Equity, which simplifies the accounting for convertible instruments by removing the separation models for (1) convertible debt with a cash conversion feature and (2) convertible instruments with a beneficial conversion feature. As a result, after adoption, a convertible debt instrument will be accounted for as a single liability measured at its amortized cost. Additionally, ASU 2020-06 requires the application of the if-converted method to calculate the impact of convertible instruments on diluted earnings per share. ASU 2020-06 is effective for fiscal years beginning after December 15, 2021, with early adoption permitted for fiscal years beginning after December 15, 2020, and can be adopted on either a fully retrospective or modified retrospective basis. The Company is in the process of evaluating the impact that this guidance will have on its consolidated financial statements.

Rule 2a-5 under the 1940 Act was recently adopted by the SEC and establishes requirements for determining fair value in good faith for purposes of the 1940 Act. The Company is evaluating the impact of adopting Rule 2a-5 on the consolidated financial statements and intends to comply with the new rule's requirements on or before the compliance date in September 2022.

Note 14. Subsequent Events

On October 27, 2021, the Company's board of directors declared a fourth quarter 2021 distribution of \$0.30 per share payable on December 30, 2021 to holders of record as of December 16, 2021.

On November 1, 2021, the Company entered into Amendment No. 1 to the Investment Management Agreement, pursuant to which the Base Management Fee will be reduced from 1.75% of the Company's gross assets to 1.4% of the Company's gross assets.

On November 2, 2021, the Investment Adviser extended the term of the Fee Waiver Agreement to be effective through the quarter ended December 31, 2023, rather than the quarter ended December 31, 2022. Under the Fee Waiver Agreement, the Investment Adviser will continue to waive base management fees in order to reach a target base management fee of 1.25% on gross assets.



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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 September 30, 2021, and the related consolidated statements of operations and changes in net assets for the three-month and nine-month periods ended September 30, 2021 and 2020, the consolidated statement of cash flows for the nine-month periods ended September 30, 2021 and 2020, 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, 2020, 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 24, 2021, 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, 2020, 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

November 3, 2021

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 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 the 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, 2020 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, 2020 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 ("U.S.") 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 September 30, 2021, 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, credit and net lease 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") and New Mountain Finance DB, L.L.C. ("NMFDB"), whose assets are used to 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"), NMF YP Holdings Inc. ("NMF YP"), NMF Permian Holdings LLC ("NMF Permian"), NMF HB, Inc. ("NMF HB") and NMF TRM, LLC ("NMF TRM"), 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 September 30, 2021, our top five industry concentrations were software, business services, healthcare services, investment funds (which includes our investments in its joint ventures) and education.

As of September 30, 2021, our net asset value was approximately \$1,284.9 million and our portfolio had a fair value of approximately \$3,011.7 million in 106 portfolio companies, with a weighted average yield to maturity at cost for income producing investments ("YTM at Cost") of approximately 8.8% and a weighted average yield to maturity at cost for all investments ("YTM at Cost for Investments") of approximately 7.9%. 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 October 27, 2021, our board of directors declared a fourth quarter 2021 distribution of \$0.30 per share payable on December 30, 2021 to holders of record as of December 16, 2021.

On November 1, 2021, we entered into Amendment No. 1 to the Investment Management Agreement (defined below), pursuant to which the Base Management Fee (defined below) will be reduced from 1.75% of our gross assets to 1.4% of our gross assets.

On November 2, 2021, the Investment Adviser extended the term of the Fee Waiver Agreement (defined below) to be effective through the quarter ended December 31, 2023, rather than the quarter ended December 31, 2022. Under the Fee Waiver Agreement, the Investment Adviser will continue to waive base management fees in order to reach a target base management fee of 1.25% on gross assets.

COVID-19 Developments

Our operating results and portfolio companies may be negatively impacted by the COVID-19 pandemic. While several countries, as well as certain states, counties and cities in the United States, have relaxed initial public health restrictions with the view to partially or fully reopening their economies, many cities have since experienced a surge in the reported number of cases, hospitalizations and deaths related to the COVID-19 pandemic. These surges have led to the re-introduction of such restrictions and business shutdowns in certain states in the United States and globally and could continue to lead to the re-introduction of such restrictions elsewhere. Health advisors warn that recurring COVID-19 outbreaks will continue if reopening is pursued too soon or in the wrong manner, which may lead to the re-introduction or continuation of certain public health restrictions (such as instituting quarantines, prohibitions on travel and the closure of offices, businesses, schools, retail stores and other public venues). Additionally, travelers from the United States are restricted from visiting many countries including countries in Europe, Asia, Africa and South America. These continued travel restrictions may prolong the global economic downturn. In addition, while consumer demand for goods and services has begun to rebound, we continue to see reductions in business activity and financial transactions, supply chain interruptions and overall economic and financial market instability both in the United States and globally. Such effects will likely continue for the duration of the pandemic, which is uncertain, and for some period thereafter.

Although the Federal Food and Drug Administration authorized vaccines beginning in December 2020 and a significant portion of the U.S. population have been vaccinated, and it remains unclear how quickly the vaccines will continue to be distributed nationwide and globally, or when “herd immunity” will be achieved and the restrictions that were imposed to slow the spread of the virus will be lifted entirely. Any delay in distributing the vaccines could lead people to continue to self-isolate and not participate in the economy at pre-pandemic levels for a prolonged period of time. Even after the COVID-19 pandemic subsides, the U.S. economy and most other major global economies may continue to experience a recession, and we anticipate our business and operations could be materially adversely affected by a prolonged recession in the United States and other major markets.

This outbreak is having, and any future outbreaks could have, an adverse impact on the markets and the economy in general, which could have a material adverse impact on, among other things, the ability of lenders to originate loans, the volume and type of loans originated, and the volume and type of amendments and waivers granted to borrowers and remedial actions taken in the event of a borrower default, each of which could negatively impact the amount and quality of loans available for investment by us and returns to us, among other things. As of the date of this quarterly report on Form 10-Q, it is impossible to determine the scope of this outbreak, or any future outbreaks, how long any such outbreak, market disruption or uncertainties may last, the effect any governmental actions will have or the full potential impact on us and our portfolio companies. 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.

An increase in unrealized depreciation of our investment portfolio due to decreases in fair value of investments attributable to the COVID-19 pandemic had resulted in a significant reduction in our net asset value from the period of March 31, 2020 through December 31, 2020 as compared to our net asset value as of December 31, 2019. As of the three and nine months ended September 30, 2021, our net asset value has experienced a recovery from that of the three and nine months ended September 30, 2020. As of September 30, 2021, we were 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 September 30, 2021. For additional discussion on the impact of COVID-19 on our portfolio companies, see “Monitoring of Portfolio Investments”.

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, NMF YP, NMF Permian, NMF HB and NMF TRM 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 September 30, 2021:

(in thousands)	Total	Level I	Level II	Level III
First lien	\$ 1,472,741	\$ —	\$ 91,865	\$ 1,380,876
Second lien	721,618	—	304,481	417,137
Subordinated	38,863	—	—	38,863
Equity and other	778,432	—	—	778,432
Total investments	\$ 3,011,654	\$ —	\$ 396,346	\$ 2,615,308

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 or revenue) 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 or revenue multiples to the portfolio company's latest twelve month ("LTM") EBITDA or revenue, or projected EBITDA or revenue to calculate the enterprise value of the portfolio company. Significant increases or decreases in the EBITDA or revenue multiples 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 September 30, 2021, we used the relevant EBITDA or revenue 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 September 30, 2021, 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 of September 30, 2021 were as follows:

(in thousands)		Range					
Type	Fair Value as of September 30, 2021	Approach	Unobservable Input	Low	High	Weighted Average	
First lien	\$ 1,285,658	Market & income approach	EBITDA multiple	5.0x	27.5x	14.0x	
			Revenue multiple	4.0x	19.5x	6.5x	
			Discount rate	4.6 %	18.6 %	7.5 %	
			Market quote	N/A	N/A	N/A	
	20,797	Market quote	Broker quote	N/A	N/A	N/A	
	74,421	Other	N/A(1)	N/A	N/A	N/A	
Second lien	338,410	Market & income approach	EBITDA multiple	7.5x	65.3x	18.8x	
			Discount rate	6.5 %	27.3 %	10.3 %	
			Market quote	Broker quote	N/A	N/A	N/A
			Other	N/A(1)	N/A	N/A	N/A
	62,542	Market quote	Broker quote	N/A	N/A	N/A	
	16,185	Other	N/A(1)	N/A	N/A	N/A	
Subordinated	38,863	Market & income approach	EBITDA multiple	8.0x	18.0x	11.8x	
			Discount rate	10.9 %	28.7 %	18.0 %	
Equity and other	709,323	Market & income approach	EBITDA multiple	5.0x	26.5x	13.2x	
			Revenue multiple	5.0x	19.5x	16.5x	
			Discount rate	4.2 %	32.7 %	10.6 %	
			Other	N/A(1)	N/A	N/A	N/A
	69,109	Other	N/A(1)	N/A	N/A	N/A	
	<u>\$ 2,615,308</u>						

- (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 was structured as a private investment fund and was a portfolio company held by the Company. SLP I operated under a limited liability company agreement (the "SLP I Agreement") and invested in senior secured loans issued by companies within our core industry verticals. These investments were typically broadly syndicated first lien loans.

Effective May 5, 2021, us and SkyKnight Income III, LLC ("SkyKnight Income III") entered into a Contribution Agreement in which 100% of both of our respective membership interests in SLP I were transferred and contributed to NMFC Senior Loan Program IV LLC ("SLP IV"), a Delaware limited liability company, structured as a private joint venture investment fund between the Company and SkyKnight Income Alpha, LLC ("SkyKnight Alpha"). On May 5, 2021, SLP I entered into Amendment 1 to the First Amended and Restated Limited Liability Company Agreement (the "Amended Restated SLP I Agreement"), which admitted SLP IV as the sole member of SLP I. As of May 5, 2021, SLP I is a wholly-owned subsidiary of SLP IV.

As of May 4, 2021, SLP I had total investments with an aggregate fair value of approximately \$119.6 million, debt outstanding of \$79.5 million and capital that had been called and funded of \$43.0 million. As of December 31, 2020, SLP I had total investments with an aggregate fair value of approximately \$124.7 million, debt outstanding of \$188.9 million and capital that had been called and funded of \$43.0 million. Our investment in SLP I is disclosed on our Consolidated Schedule of Investments as of December 31, 2020.

Below is a summary of SLP I's portfolio, along with a listing of the individual investments in SLP I's portfolio as of December 31, 2020. As of May 5, 2021 all investments in the SLP I portfolio are included in the consolidated portfolio of SLP IV.

(in thousands)	December 31, 2020	
First lien investments (1)	\$	127,660
Weighted average interest rate on first lien investments (2)		4.85 %
Number of portfolio companies in SLP I		34
Largest portfolio company investment (1)	\$	7,797
Total of five largest portfolio company investments (1)	\$	34,918

(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 I's portfolio as of December 31, 2020:

Portfolio Company and Type of Investment	Industry	Interest Rate (1)	Maturity Date	Principal Amount or Par Value		Cost	Fair Value (2)
				(in thousands)	(in thousands)		
Funded Investments - First lien							
Access CIG, LLC	Business Services	3.98% (L + 3.75%)	2/27/2025	\$	3,678	\$	3,701
Advisor Group Holdings, Inc.	Consumer Services	5.15% (L + 5.00%)	7/31/2026		6,866		6,809
Affordable Care Holding Corp.	Healthcare Services	5.75% (L + 4.75%)	10/24/2022		6,614		6,578
ASG Technologies Group, Inc.	Software	4.50% (L + 3.50%)	7/31/2024		653		651
BarBri, Inc.	Education	5.00% (L + 4.00%)	12/1/2023		5,980		5,964
Bearcat Buyer, Inc.	Healthcare Services	5.25% (L + 4.25%)	7/9/2026		131		130
Bearcat Buyer, Inc.	Healthcare Services	5.25% (L + 4.25%)	7/9/2026		631		628
Bracket Intermediate Holding Corp.	Healthcare Services	4.48% (L + 4.25%)	9/5/2025		4,520		4,504
Certara Holdco, Inc.	Healthcare Information Technology	3.75% (L + 3.50%)	8/15/2024		5,138		5,134
CHA Holdings, Inc.	Business Services	5.50% (L + 4.50%)	4/10/2025		452		452
Cvent, Inc.	Software	3.90% (L + 3.75%)	11/29/2024		6,745		6,732
Dealer Tire, LLC	Distribution & Logistics	4.40% (L + 4.25%)	12/12/2025		3,433		3,426
Drilling Info Holdings, Inc.	Business Services	4.40% (L + 4.25%)	7/30/2025		6,103		6,084
Emerald 2 Limited	Business Services	3.50% (L + 3.25%)	7/10/2026		449		448
eResearchTechnology, Inc.	Healthcare Services	5.50% (L + 4.50%)	2/4/2027		1,345		1,333
Fastlane Parent Company, Inc.	Distribution & Logistics	4.65% (L + 4.50%)	2/4/2026		1,363		1,342
Greenway Health, LLC	Software	4.75% (L + 3.75%)	2/16/2024		6,693		6,677
Heartland Dental, LLC	Healthcare Services	3.65% (L + 3.50%)	4/30/2025		3,609		3,597
HS Purchaser, LLC / Help/Systems Holdings, Inc.	Software	5.75% (L + 4.75%)	11/19/2026		138		137
LSCS Holdings, Inc.	Healthcare Services	4.51% (L + 4.25%)	3/17/2025		1,372		1,367
LSCS Holdings, Inc.	Healthcare Services	4.51% (L + 4.25%)	3/17/2025		5,314		5,297
Market Track, LLC	Business Services	5.25% (L + 4.25%)	6/5/2024		781		783
Medical Solutions Holdings, Inc.	Healthcare Services	5.50% (L + 4.50%)	6/14/2024		2,249		2,245
Ministry Brands, LLC	Software	5.00% (L + 4.00%)	12/2/2022		4,876		4,868
National Intergovernmental Purchasing Alliance Company	Business Services	4.00% (L + 3.75%)	5/23/2025		1,352		1,354
Pelican Products, Inc.	Business Products	4.50% (L + 3.50%)	5/1/2025		2,254		2,250
Premise Health Holding Corp.	Healthcare Services	3.75% (L + 3.50%)	7/10/2025		628		626
Project Accelerate Parent, LLC	Business Services	5.25% (L + 4.25%)	1/2/2025		4,175		4,159
PSC Industrial Holdings Corp.	Industrial Services	4.75% (L + 3.75%)	10/11/2024		3,906		3,883
Salient CRGT Inc.	Federal Services	7.50% (L + 6.50%)	2/28/2022		6,731		6,713
Sierra Enterprises, LLC	Food & Beverage	5.00% (L + 4.00%)	11/11/2024		4,260		4,243
Wirepath LLC	Distribution & Logistics	4.25% (L + 4.00%)	8/5/2024		6,779		6,779
WP CityMD Bidco LLC	Healthcare Services	5.50% (L + 4.50%)	8/13/2026		6,148		6,096
Wrench Group LLC	Consumer Services	4.25% (L + 4.00%)	4/30/2026		2,739		2,716
YL LLC	Healthcare Services	5.00% (L + 4.00%)	11/7/2024		7,797		7,792
Zelis Cost Management Buyer, Inc.	Healthcare Information Technology	4.90% (L + 4.75%)	9/30/2026		1,758		1,743
Total Funded Investments				\$	127,660	\$	127,241
							\$ 124,659

(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, 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 I.

Below is certain summarized financial information for SLP I as of May 4, 2021 and December 31, 2020 and for the period from January 1, 2021 through May 4, 2021 and the three and nine months ended September 30, 2020:

Selected Balance Sheet Information:	May 4, 2021		December 31, 2020	
	(in thousands)		(in thousands)	
Investments at fair value (cost of \$120,921 and \$127,241, respectively)	\$	119,642	\$	124,659
Receivable from in-kind distributions		—		100,404
Receivable from unsettled securities sold		—		1,662
Cash and other assets		2,279		6,461
Total assets	\$	121,921	\$	233,186
Credit facility	\$	79,467	\$	188,867
Deferred financing costs		—		(296)
Distribution payable		310		2,538
Other liabilities		388		1,364
Total liabilities		80,165		192,473
Members' capital	\$	41,756	\$	40,713
Total liabilities and members' capital	\$	121,921	\$	233,186

Selected Statement of Operations Information:	Three Months Ended		Nine Months Ended			
	September 30, 2020	May 4, 2021(1)	September 30, 2020	September 30, 2020		
	(in thousands)		(in thousands)			
Interest income	\$	4,164	\$	2,555	\$	13,673
Other income		—		13		52
Total investment income		4,164		2,568		13,725
Interest and other financing expenses		1,220		852		4,531
Other expenses		357		591		1,143
Total expenses		1,577		1,443		5,674
Less: expenses waived and reimbursed		(32)		—		(137)
Net expenses		1,545		1,443		5,537
Net investment income		2,619		1,125		8,188
Net realized gains (losses) on investments		4		1		(293)
Net change in unrealized appreciation (depreciation) of investments		8,534		1,302		(7,710)
Net increase in members' capital	\$	11,157	\$	2,428	\$	185

(1) Reflects the results of operations for the period from January 1, 2021 through May 4, 2021.

Pursuant to the First Amended and Restated Limited Liability Company Agreement effective December 11, 2020 (the "Restated SLP I Agreement"), we are no longer entitled to, and SLP I no longer paid management fees for investment management services provided to SLP I. For the period from January 1, 2021 through May 4, 2021, we did not earn management fees related to SLP I. For the three and nine months ended September 30, 2020, we earned approximately \$0.3 million and \$0.8 million, respectively, in management fees related to SLP I, which is included in other income. As of September 30, 2021 and December 31, 2020, approximately \$0 and \$0.1 million, respectively, of management fees related to SLP I was included in receivable from affiliates. For the period from January 1, 2021 through May 4, 2021, we earned approximately \$0.1 million and \$0.7 million, respectively, of dividend income related to SLP I, which is included in dividend income. For the three and nine months ended September 30, 2020, we earned approximately \$0.7 million and \$2.1 million, respectively, of dividend income related to SLP I, which is included in dividend income. As of September 30, 2021 and December 31, 2020, approximately \$0 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 was structured as a private joint venture investment fund between us and SkyKnight Income, LLC ("SkyKnight") and operated under a limited liability company agreement (the "SLP II Agreement"). The purpose of the joint venture was to invest primarily in senior secured loans issued by portfolio companies within our core industry verticals. These investments were typically broadly syndicated first lien loans. All investment decisions had to be unanimously approved by the board of managers of SLP II, which had equal representation from us and SkyKnight.

Effective May 5, 2021, us and SkyKnight entered into a Contribution Agreement in which 100% of both of our membership interests in SLP II were transferred and contributed to SLP IV. Effective May 5, 2021, SLP II entered into Amendment 1 to the Limited Liability Company Agreement (the "Amended SLP II Agreement"), which admitted SLP IV as the sole member of SLP II. As of May 5, 2021, SLP II is a wholly-owned subsidiary of SLP IV.

As of May 4, 2021 and December 31, 2020, SLP II had total investments with an aggregate fair value of approximately \$250.3 million and \$271.1 million, respectively, and debt outstanding under its credit facility of \$158.5 million and \$184.0 million, respectively. As of May 4, 2021 and December 31, 2020, none of SLP II's investments were on non-accrual.

Below is a summary of SLP II's portfolio, along with a listing of the individual investments in SLP II's portfolio as of December 31, 2020. As of May 5, 2021, all investments in the SLP II portfolio are included in the consolidated portfolio of SLP IV.

(in thousands)	December 31, 2020	
First lien investments (1)	\$	279,678
Weighted average interest rate on first lien investments (2)		5.07 %
Number of portfolio companies in SLP II		32
Largest portfolio company investment (1)	\$	16,481
Total of five largest portfolio company investments (1)	\$	75,522

(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 of December 31, 2020:

Portfolio Company and Type of Investment	Industry	Interest Rate (1)	Maturity Date	Principal Amount or Par Value (in thousands)	Cost (in thousands)	Fair Value (2) (in thousands)
Funded Investments - First lien						
Access CIG, LLC	Business Services	3.98% (L + 3.75%)	2/27/2025	\$ 4,613	\$ 4,598	\$ 4,577
ADG, LLC	Healthcare Services	6.25% (L + 4.75% + 0.50% PIK)	9/28/2023	16,481	16,410	15,612
Advisor Group Holdings, Inc.	Consumer Services	5.15% (L + 5.00%)	7/31/2026	4,950	4,909	4,928
Bearcat Buyer, Inc.	Healthcare Services	5.25% (L + 4.25%)	7/9/2026	283	282	283
Bearcat Buyer, Inc.	Healthcare Services	5.25% (L + 4.25%)	7/9/2026	1,365	1,359	1,365
Blieriot US Bidco Inc.	Federal Services	5.00% (L + 4.75%)	10/31/2026	1,341	1,329	1,341
Blieriot US Bidco Inc.	Federal Services	5.00% (L + 4.75%)	10/30/2026	8,584	8,509	8,584
Brave Parent Holdings, Inc.	Software	4.15% (L + 4.00%)	4/18/2025	3,652	3,643	3,630
CentralSquare Technologies, LLC	Software	4.00% (L + 3.75%)	8/29/2025	14,700	14,674	13,745
CHA Holdings, Inc.	Business Services	5.50% (L + 4.50%)	4/10/2025	2,026	2,019	1,895
CHA Holdings, Inc.	Business Services	5.50% (L + 4.50%)	4/10/2025	10,588	10,556	9,900
Dealer Tire, LLC	Distribution & Logistics	4.40% (L + 4.25%)	12/12/2025	7,425	7,409	7,394
Drilling Info Holdings, Inc.	Business Services	4.40% (L + 4.25%)	7/30/2025	14,608	14,563	14,182
Edgewood Partners Holdings LLC (EPIC)	Business Services	5.25% (L + 4.25%)	9/6/2024	7,356	7,304	7,301
eResearchTechnology, Inc.	Healthcare Services	5.50% (L + 4.50%)	2/4/2027	3,129	3,101	3,106
Fastlane Parent Company, Inc.	Distribution & Logistics	4.65% (L + 4.50%)	2/4/2026	3,439	3,386	3,419
Greenway Health, LLC	Software	4.75% (L + 3.75%)	2/16/2024	14,475	14,439	13,281
HS Purchaser, LLC / Help/Systems Holdings, Inc.	Software	5.75% (L + 4.75%)	11/19/2026	4,411	4,373	4,411
Institutional Shareholder Services Inc.	Business Services	4.75% (L + 4.50%)	3/5/2026	13,755	13,648	13,600
Keystone Acquisition Corp.	Healthcare Services	6.25% (L + 5.25%)	5/1/2024	5,225	5,196	4,937
LSCS Holdings, Inc.	Healthcare Services	4.51% (L + 4.25%)	3/17/2025	1,865	1,863	1,828
LSCS Holdings, Inc.	Healthcare Services	4.51% (L + 4.25%)	3/17/2025	7,225	7,219	7,080
Market Track, LLC	Business Services	5.25% (L + 4.25%)	6/5/2024	11,580	11,549	11,376
Medical Solutions Holdings, Inc.	Healthcare Services	5.50% (L + 4.50%)	6/14/2024	2,767	2,760	2,753
Ministry Brands, LLC	Software	5.00% (L + 4.00%)	12/2/2022	2,073	2,069	2,063
Ministry Brands, LLC	Software	5.00% (L + 4.00%)	12/2/2022	871	869	867
Ministry Brands, LLC	Software	5.00% (L + 4.00%)	12/2/2022	12,034	12,011	11,975
Peraton Corp. (fka MHVC Acquisition Corp.)	Federal Services	6.25% (L + 5.25%)	4/29/2024	10,133	10,105	10,158
Premise Health Holding Corp.	Healthcare Services	3.75% (L + 3.50%)	7/10/2025	1,358	1,354	1,328
Project Accelerate Parent, LLC	Business Services	5.25% (L + 4.25%)	1/2/2025	12,418	12,379	11,300
PSC Industrial Holdings Corp.	Industrial Services	4.75% (L + 3.75%)	10/11/2024	3,028	3,011	2,945
Quest Software US Holdings Inc.	Software	4.46% (L + 4.25%)	5/16/2025	14,700	14,650	14,480
Salient CRGT Inc.	Federal Services	7.50% (L + 6.50%)	2/28/2022	12,478	12,445	12,478
Wirepath LLC	Distribution & Logistics	4.25% (L + 4.00%)	8/5/2024	14,663	14,663	14,149
WP CityMD Bidco LLC	Healthcare Services	5.50% (L + 4.50%)	8/13/2026	5,418	5,372	5,431
Wrench Group LLC	Consumer Services	4.25% (L + 4.00%)	4/30/2026	5,924	5,875	5,865
YI, LLC	Healthcare Services	5.00% (L + 4.00%)	11/7/2024	14,649	14,641	13,477
Zelis Cost Management Buyer, Inc.	Healthcare Information Technology	4.90% (L + 4.75%)	9/30/2026	4,088	4,053	4,105
Total Funded Investments				\$ 279,678	\$ 278,595	\$ 271,149

- (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, 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 II.

Below is certain summarized financial information for SLP II as of May 4, 2021 and December 31, 2020 and for the period from January 1, 2021 through May 4, 2021 and the three and nine months ended September 30, 2020:

Selected Balance Sheet Information:	May 4, 2021		December 31, 2020	
	(in thousands)		(in thousands)	
Investments at fair value (cost of \$254,139 and \$278,595, respectively)	\$	250,290	\$	271,149
Cash and other assets		5,691		8,759
Total assets	\$	255,981	\$	279,908
Credit facility	\$	158,470	\$	183,970
Deferred financing costs		—		(534)
Distribution payable		535		2,500
Other liabilities		460		1,058
Total liabilities		159,465		186,994
Members' capital	\$	96,516	\$	92,914
Total liabilities and members' capital	\$	255,981	\$	279,908

Selected Statement of Operations Information:	Three Months Ended		Nine Months Ended			
	September 30, 2020		May 4, 2021(1)		September 30, 2020	
	(in thousands)		(in thousands)		(in thousands)	
Interest income	\$	4,174	\$	4,744	\$	14,153
Other income		—		—		70
Total investment income		4,174		4,744		14,223
Interest and other financing expenses		1,190		1,560		4,696
Other expenses		98		148		360
Total expenses		1,288		1,708		5,056
Net investment income		2,886		3,036		9,167
Net realized gains (losses) on investments		3		3		(803)
Net change in unrealized appreciation (depreciation) of investments		6,988		3,597		(6,061)
Net increase in members' capital	\$	9,877	\$	6,636	\$	2,303

(1) Reflects the results of operations for the period from January 1, 2021 through May 4, 2021.

For the period from January 1, 2021 through May 4, 2021, we earned approximately \$2.4 million of dividend income related to SLP II, which is included in dividend income. For the three and nine months ended September 30, 2020, we earned approximately \$2.0 million and \$6.7 million, respectively, of dividend income related to SLP II, which is included in dividend income. As of September 30, 2021 and December 31, 2020, approximately \$0 and \$2.0 million, respectively, of dividend income related to SLP II was included in interest and dividend receivable.

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 September 30, 2021, we and SkyKnight II have committed \$140.0 million and \$35.0 million, respectively, of equity to SLP III. As of September 30, 2021, we and SkyKnight II have contributed \$140.0 million and \$35.0 million, respectively, of equity to SLP III. Our investment in SLP III is disclosed on our Consolidated Schedule of Investments as of September 30, 2021 and December 31, 2020.

On May 2, 2018, SLP III entered into its revolving credit facility with Citibank, N.A., which matures on January 8, 2026. Effective July 8, 2021, the reinvestment period was extended to July 8, 2024. As of the most recent amendment on July 8, 2021, during the reinvestment period the credit facility bears interest at a rate of LIBOR plus 1.60% and after the reinvestment period it will bear interest at a rate of LIBOR plus 1.90%. Prior to July 8, 2021, the credit facility bore interest at a rate of LIBOR plus 1.70%. Effective February 13, 2020, SLP III's revolving credit facility has a maximum borrowing capacity of \$525.0 million. As of September 30, 2021 and December 31, 2020, SLP III had total investments with an aggregate fair value of approximately \$683.3 million and \$610.0 million, respectively, and debt outstanding under its credit facility of \$505.6 million and \$424.2 million, respectively. As of September 30, 2021 and December 31, 2020, none of SLP III's investments were on non-accrual. Additionally, as of September 30, 2021 and December 31, 2020, SLP III had unfunded commitments in the form of delayed draws of \$10.6 million and \$7.8 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 September 30, 2021 and December 31, 2020:

(in thousands)	September 30, 2021		December 31, 2020	
First lien investments (1)	\$	696,434	\$	626,985
Weighted average interest rate on first lien investments (2)		4.51 %		4.72 %
Number of portfolio companies in SLP III		79		69
Largest portfolio company investment (1)	\$	23,548	\$	23,735
Total of five largest portfolio company investments (1)	\$	96,749	\$	99,159

(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 of September 30, 2021:

Portfolio Company and Type of Investment	Industry	Interest Rate (1)	Maturity Date	Principal Amount or Par Value (in thousands)	Cost (in thousands)	Fair Value (2) (in thousands)
Funded Investments - First lien						
ADMI Corp. (aka Aspen Dental)	Healthcare Services	4.00% (L + 3.50%)	12/23/2027	\$ 2,432	\$ 2,419	\$ 2,430
Advisor Group Holdings, Inc.	Consumer Services	4.58% (L + 4.50%)	7/31/2026	9,825	9,789	9,852
AG Parent Holdings, LLC	Healthcare Services	5.08% (L + 5.00%)	7/31/2026	12,281	12,236	12,266
Artera Services, LLC	Distribution & Logistics	4.50% (L + 3.50%)	3/6/2025	6,925	6,875	6,905
Aston FinCo S.a.r.l. / Aston US Finco, LLC	Software	4.33% (L + 4.25%)	10/9/2026	5,910	5,866	5,900
Astra Acquisition Corp.	Software	5.50% (L + 4.75%)	3/1/2027	16,408	16,338	16,408
BCPE Empire Holdings, Inc.	Distribution & Logistics	4.08% (L + 4.00%)	6/11/2026	4,313	4,283	4,289
Bearcat Buyer, Inc.	Healthcare Services	5.25% (L + 4.25%)	7/9/2026	19,504	19,434	19,504
Bearcat Buyer, Inc.	Healthcare Services	5.25% (L + 4.25%)	7/9/2026	4,044	4,027	4,044
Bella Holding Company, LLC	Healthcare Services	4.50% (L + 3.75%)	5/10/2028	4,039	4,001	4,041
Bleriot US Bidco Inc.	Federal Services	4.13% (L + 4.00%)	10/30/2026	2,935	2,913	2,941
Bluefin Holding, LLC	Software	4.33% (L + 4.25%)	9/4/2026	9,825	9,716	9,825
Bracket Intermediate Holding Corp.	Healthcare Services	4.39% (L + 4.25%)	9/5/2025	14,550	14,506	14,544
Brave Parent Holdings, Inc.	Software	4.08% (L + 4.00%)	4/18/2025	11,130	11,108	11,143
Cano Health, LLC	Healthcare Services	5.25% (L + 4.50%)	11/23/2027	6,965	6,926	6,980
Cardinal Parent, Inc.	Software	5.25% (L + 4.50%)	11/12/2027	7,002	6,907	6,994
CentralSquare Technologies, LLC	Software	3.88% (L + 3.75%)	8/29/2025	14,587	14,566	13,575
CHA Holdings, Inc.	Business Services	5.50% (L + 4.50%)	4/10/2025	969	969	968
CommerceHub, Inc.	Software	4.75% (L + 4.00%)	12/29/2027	5,790	5,763	5,808
Community Brands ParentCo, LLC (f.k.a Ministry Brands, LLC)	Software	5.00% (L + 4.00%)	12/2/2022	2,994	2,972	2,993
Community Brands ParentCo, LLC (f.k.a Ministry Brands, LLC)	Software	5.00% (L + 4.00%)	12/2/2022	4,467	4,461	4,467
Community Brands ParentCo, LLC (f.k.a Ministry Brands, LLC)	Software	5.00% (L + 4.00%)	12/2/2022	864	863	864
Confluent Health, LLC	Healthcare Services	5.08% (L + 5.00%)	6/24/2026	4,364	4,323	4,375
Cornerstone OnDemand, Inc.	Software	4.25% (L + 3.75%)	10/16/2028	4,546	4,523	4,545
Covenant Surgical Partners, Inc.	Healthcare Services	4.09% (L + 4.00%)	7/1/2026	9,802	9,732	9,667
Covenant Surgical Partners, Inc.	Healthcare Services	4.08% (L + 4.00%)	7/1/2026	2,000	1,980	1,973
CRCI Longhorn Holdings, Inc.	Business Services	3.59% (L + 3.50%)	8/8/2025	14,550	14,507	14,407
Dealer Tire, LLC	Distribution & Logistics	4.33% (L + 4.25%)	12/12/2025	9,825	9,807	9,853
DG Investment Intermediate Holdings 2, Inc.	Business Services	4.50% (L + 3.75%)	3/31/2028	6,186	6,157	6,213
DG Investment Intermediate Holdings 2, Inc.	Business Services	4.50% (L + 3.75%)	3/31/2028	1,196	1,196	1,201
Dispatch Acquisition Holdings, LLC	Industrial Services	5.00% (L + 4.25%)	3/27/2028	4,169	4,129	4,169
Drilling Info Holdings, Inc.	Business Services	4.33% (L + 4.25%)	7/30/2025	18,434	18,379	18,296
EAB Global, Inc.	Education	4.00% (L + 3.50%)	8/16/2028	4,250	4,229	4,238
eResearchTechnology, Inc.	Healthcare Services	5.50% (L + 4.50%)	2/4/2027	7,364	7,333	7,410
EyeCare Partners, LLC	Healthcare Services	3.88% (L + 3.75%)	2/18/2027	14,797	14,782	14,736
Foundational Education Group, Inc.	Education	4.75% (L + 4.25%)	8/31/2028	9,500	9,405	9,453
Frontline Technologies Intermediate Holdings, LLC	Software	6.75% (L + 5.75%)	9/18/2023	6,466	6,465	6,465
Frontline Technologies Intermediate Holdings, LLC	Software	6.75% (L + 5.75%)	9/18/2023	2,018	2,018	2,018
Greenway Health, LLC	Healthcare I.T.	4.75% (L + 3.75%)	2/16/2024	14,407	14,412	13,871
Heartland Dental, LLC	Healthcare Services	3.58% (L + 3.50%)	4/30/2025	18,398	18,346	18,273
HelpSystems Holdings, Inc.	Software	4.75% (L + 4.00%)	11/19/2026	18,301	18,151	18,374
Higginbotham Insurance Agency, Inc.	Financial Services	6.25% (L + 5.50%)	11/25/2026	7,151	7,104	7,223
Higginbotham Insurance Agency, Inc.	Financial Services	6.25% (L + 5.50%)	11/25/2026	1,646	1,622	1,663
HighTower Holding, LLC	Business Services	4.75% (L + 4.00%)	4/21/2028	3,862	3,825	3,870
Idera, Inc.	Software	4.50% (L + 3.75%)	3/2/2028	16,004	15,990	16,020
Kestra Advisor Services Holdings A, Inc.	Business Services	4.34% (L + 4.25%)	6/3/2026	12,089	12,027	12,081
LI Group Holdings, Inc.	Software	4.50% (L + 3.75%)	3/11/2028	4,632	4,621	4,658
LSCS Holdings, Inc.	Healthcare Services	4.42% (L + 4.25%)	3/17/2025	2,607	2,595	2,581
LSCS Holdings, Inc.	Healthcare Services	4.42% (L + 4.25%)	3/17/2025	673	670	666
Mamba Purchaser, Inc.	Healthcare Services	4.25% (L + 3.75%)	10/16/2028	5,773	5,744	5,782

Portfolio Company and Type of Investment	Industry	Interest Rate (1)	Maturity Date	Principal Amount or Par Value	Cost	Fair Value (2)
Maravai Intermediate Holdings, LLC	Specialty Chemicals & Materials	4.75% (L + 3.75%)	10/19/2027	\$ 2,948	\$ 2,921	\$ 2,960
Maverick Bidco Inc.	Software	4.50% (L + 3.75%)	5/18/2028	4,000	3,981	4,005
Mavis Tire Express Services Topco Corp.	Retail	4.75% (L + 4.00%)	5/4/2028	4,227	4,207	4,242
MED ParentCo, LP	Healthcare Services	4.33% (L + 4.25%)	8/31/2026	12,751	12,661	12,745
National Intergovernmental Purchasing Alliance Company	Business Services	3.63% (L + 3.50%)	5/23/2025	8,540	8,537	8,490
Navex Topco, Inc.	Software	3.34% (L + 3.25%)	9/5/2025	18,068	17,959	17,955
NetSMART, Inc.	Healthcare I.T.	4.75% (L + 4.00%)	10/1/2027	3,990	3,990	4,005
Newport Group Holdings II, Inc.	Business Services	3.63% (L + 3.50%)	9/12/2025	4,850	4,835	4,840
Outcomes Group Holdings, Inc.	Healthcare Services	3.38% (L + 3.25%)	10/24/2025	3,374	3,369	3,317
Pelican Products, Inc.	Business Products	4.50% (L + 3.50%)	5/1/2025	4,838	4,831	4,831
Peraton Corp.	Federal Services	4.50% (L + 3.75%)	2/1/2028	7,462	7,427	7,478
PetVet Care Centers, LLC (fka Pearl Intermediate Parent LLC)	Consumer Services	4.25% (L + 3.50%)	2/14/2025	4,483	4,483	4,494
Planview Parent, Inc.	Software	4.75% (L + 4.00%)	12/17/2027	7,939	7,867	7,973
Premise Health Holding Corp.	Healthcare Services	3.63% (L + 3.50%)	7/10/2025	7,502	7,480	7,469
Project Accelerate Parent, LLC	Business Services	5.25% (L + 4.25%)	1/2/2025	7,429	7,407	7,299
Project Ruby Ultimate Parent Corp.	Healthcare I.T.	4.00% (L + 3.25%)	3/10/2028	11,444	11,388	11,436
Quest Software US Holdings Inc.	Software	4.38% (L + 4.25%)	5/16/2025	14,587	14,546	14,590
RealPage, Inc.	Business Services	3.75% (L + 3.25%)	4/24/2028	14,000	13,967	13,970
RLG Holdings, LLC	Packaging	5.00% (L + 4.25%)	7/7/2028	4,711	4,688	4,725
RLG Holdings, LLC	Packaging	5.00% (L + 4.25%)	7/7/2028	396	395	398
Sierra Enterprises, LLC	Food & Beverage	5.00% (L + 4.00%)	11/11/2024	2,412	2,411	2,406
Sovos Brands Intermediate, Inc.	Food & Beverage	4.50% (L + 3.75%)	6/8/2028	10,204	10,179	10,230
Spring Education Group, Inc. (fka SSH Group Holdings, Inc.)	Education	4.38% (L + 4.25%)	7/30/2025	12,089	12,071	11,783
Storable, Inc.	Software	3.75% (L + 3.25%)	4/17/2028	3,862	3,853	3,856
Symplr Software, Inc.	Healthcare I.T.	5.25% (L + 4.50%)	12/22/2027	15,920	15,784	15,994
Syndigo LLC	Software	5.25% (L + 4.50%)	12/15/2027	14,925	14,823	15,018
Therapy Brands Holdings LLC	Healthcare I.T.	4.75% (L + 4.00%)	5/18/2028	3,408	3,392	3,408
Thermostat Purchaser III, Inc.	Business Services	5.25% (L + 4.50%)	8/31/2028	5,673	5,645	5,659
TIBCO Software Inc.	Software	3.84% (L + 3.75%)	6/30/2026	7,596	7,581	7,579
Trader Interactive, LLC (fka Dominion Web Solutions LLC)	Business Services	4.50% (L + 4.00%)	7/28/2028	4,910	4,885	4,916
Unified Women's Healthcare, LP	Healthcare Services	5.00% (L + 4.25%)	12/20/2027	9,975	9,905	10,002
Waystar Technologies, Inc.	Healthcare Services	4.08% (L + 4.00%)	10/22/2026	4,076	4,068	4,084
Wirepath LLC	Distribution & Logistics	4.08% (L + 4.00%)	8/5/2024	16,995	16,995	16,963
WP CityMD Bidco LLC	Healthcare Services	4.50% (L + 3.75%)	8/13/2026	16,575	16,452	16,647
Valcour Packaging, LLC	Packaging	4.25% (L + 3.75%)	10/4/2028	2,872	2,857	2,875
VetCor Professional Practices LLC	Consumer Services	4.40% (L + 4.25%)	7/2/2025	809	793	802
VT Topco, Inc.	Business Services	3.33% (L + 3.25%)	8/1/2025	2,773	2,773	2,750
VT Topco, Inc.	Business Services	4.50% (L + 3.75%)	8/1/2025	851	847	851
YI, LLC	Healthcare Services	5.00% (L + 4.00%)	11/7/2024	9,615	9,611	9,471
Total Funded Investments				\$ 685,848	\$ 682,874	\$ 683,338
Unfunded Investments - First lien						
DG Investment Intermediate Holdings 2, Inc.	Business Services	—	3/31/2023	\$ 99	\$ —	\$ —
Higginbotham Insurance Agency, Inc.	Financial Services	—	11/25/2022	373	(3)	4
HighTower Holding, LLC	Business Services	—	4/21/2022	976	—	2
RLG Holdings, LLC	Packaging	—	4/21/2022	736	(4)	2
Therapy Brands Holdings LLC	Healthcare I.T.	—	5/18/2023	735	—	—
Thermostat Purchaser III, Inc.	Business Services	—	5/18/2023	1,327	—	(3)
VetCor Professional Practices LLC	Consumer Services	—	5/20/2023	6,191	(62)	(54)
VT Topco, Inc.	Business Services	—	5/20/2023	149	—	—
Total Unfunded Investments				\$ 10,586	\$ (69)	\$ (49)
Total Investments				\$ 696,434	\$ 682,805	\$ 683,289

- (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 September 30, 2021.
- (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.

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

Portfolio Company and Type of Investment	Industry	Interest Rate (1)	Maturity Date	Principal Amount or Par Value		Cost	Fair Value (2)
				(in thousands)	(in thousands)		
Funded Investments - First lien							
Access CIG, LLC	Business Services	3.98% (L + 3.75%)	2/27/2025	\$	868	\$	861
Advisor Group Holdings, Inc.	Consumer Services	5.15% (L + 5.00%)	7/31/2026		4,950		4,928
Affordable Care Holding Corp.	Healthcare Services	5.75% (L + 4.75%)	10/24/2022		5,901		5,827
AG Parent Holdings, LLC	Healthcare Services	5.15% (L + 5.00%)	7/31/2026		12,375		12,251
Ascensus Specialties LLC	Specialty Chemicals & Materials	4.90% (L + 4.75%)	9/24/2026		9,900		9,858
Aston FinCo S.a.r.l. / Aston US Finco, LLC	Software	4.40% (L + 4.25%)	10/9/2026		5,955		5,900
Astra Acquisition Corp.	Software	6.50% (L + 5.50%)	3/1/2027		11,490		11,605
BCPE Empire Holdings, Inc.	Distribution & Logistics	4.15% (L + 4.00%)	6/11/2026		10,869		10,801
Bearcat Buyer, Inc.	Healthcare Services	5.25% (L + 4.25%)	7/9/2026		19,654		19,573
Bearcat Buyer, Inc.	Healthcare Services	5.25% (L + 4.25%)	7/9/2026		4,081		4,062
Bleriot US Bidco Inc.	Federal Services	5.00% (L + 4.75%)	10/31/2026		4,292		4,254
Bleriot US Bidco Inc.	Federal Services	5.00% (L + 4.75%)	10/31/2026		671		665
Bluefin Holding, LLC	Software	4.15% (L + 4.00%)	9/4/2026		9,900		9,900
Bracket Intermediate Holding Corp.	Healthcare Services	4.48% (L + 4.25%)	9/5/2025		14,663		14,610
Brave Parent Holdings, Inc.	Software	4.15% (L + 4.00%)	4/18/2025		11,217		11,147
Cano Health, LLC	Healthcare Services	5.50% (L + 4.75%)	11/23/2027		6,308		6,244
Cardinal Parent, Inc.	Software	5.25% (L + 4.50%)	11/12/2027		7,038		6,932
CentralSquare Technologies, LLC	Software	4.00% (L + 3.75%)	8/29/2025		14,700		13,745
Certara Holdco, Inc.	Healthcare I.T.	3.75% (L + 3.50%)	8/15/2024		1,246		1,248
CHA Holdings, Inc.	Business Services	5.50% (L + 4.50%)	4/10/2025		977		914
CommerceHub, Inc.	Software	4.75% (L + 4.00%)	12/29/2027		5,833		5,804
Confluent Health, LLC	Healthcare Services	5.15% (L + 5.00%)	6/24/2026		4,398		4,354
Covenant Surgical Partners, Inc.	Healthcare Services	4.15% (L + 4.00%)	7/1/2026		9,876		9,795
CRCI Longhorn Holdings, Inc.	Business Services	3.65% (L + 3.50%)	8/8/2025		14,663		14,498
Dealer Tire, LLC	Distribution & Logistics	4.40% (L + 4.25%)	12/12/2025		9,900		9,879
Dentalcorp Health Services ULC (fka Dentalcorp Perfect Smile ULC)	Healthcare Services	4.75% (L + 3.75%)	6/6/2025		14,636		14,611
Drilling Info Holdings, Inc.	Business Services	4.40% (L + 4.25%)	7/30/2025		18,576		18,511
Edgewood Partners Holdings LLC	Business Services	5.25% (L + 4.25%)	9/6/2024		7,356		7,301
eResearchTechnology, Inc.	Healthcare Services	5.50% (L + 4.50%)	2/4/2027		3,911		3,883
EyeCare Partners, LLC	Healthcare Services	3.90% (L + 3.75%)	2/18/2027		12,071		12,057
EyeCare Partners, LLC	Healthcare Services	3.90% (L + 3.75%)	2/18/2027		2,838		2,834
Fastlane Parent Company, Inc.	Distribution & Logistics	4.65% (L + 4.50%)	2/4/2026		3,439		3,386
Frontline Technologies Intermediate Holdings, LLC	Software	6.75% (L + 5.75%)	9/18/2023		6,513		6,513
Greenway Health, LLC	Software	4.75% (L + 3.75%)	2/16/2024		14,520		13,322
Heartland Dental, LLC	Healthcare Services	3.65% (L + 3.50%)	4/30/2025		18,540		18,104
HS Purchaser, LLC / Help/Systems Holdings, Inc.	Software	5.75% (L + 4.75%)	11/19/2026		18,440		18,440
Higginbotham Insurance Agency, Inc.	Financial Services	6.50% (L + 5.75%)	11/25/2026		7,187		7,134
Idera, Inc.	Software	5.00% (L + 4.00%)	6/28/2024		9,435		9,406
Institutional Shareholder Services Inc.	Business Services	4.75% (L + 4.50%)	3/5/2026		983		975
Kestra Advisor Services Holdings A, Inc.	Business Services	4.40% (L + 4.25%)	6/3/2026		9,381		9,318
LSCS Holdings, Inc.	Healthcare Services	4.51% (L + 4.25%)	3/17/2025		2,627		2,612
LSCS Holdings, Inc.	Healthcare Services	4.51% (L + 4.25%)	3/17/2025		678		665
Maravai Intermediate Holdings, LLC	Specialty Chemicals & Materials	5.25% (L + 4.25%)	10/19/2027		4,125		4,085
Market Track, LLC	Business Services	5.25% (L + 4.25%)	6/5/2024		4,729		4,645
Mavis Tire Express Services Corp.	Retail	5.00% (L + 4.00%)	3/20/2025		4,828		4,733
MED ParentCo, LP	Healthcare Services	4.40% (L + 4.25%)	8/31/2026		10,272		10,148
MED ParentCo, LP	Healthcare Services	4.40% (L + 4.25%)	8/31/2026		2,576		2,554
Ministry Brands, LLC	Software	5.00% (L + 4.00%)	12/2/2022		4,502		4,492
Ministry Brands, LLC	Software	5.00% (L + 4.00%)	12/2/2022		871		867
National Intergovernmental Purchasing Alliance Company	Business Services	4.00% (L + 3.75%)	5/23/2025		8,701		8,698

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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)
National Mentor Holdings, Inc. (aka Civitas Solutions, Inc.)	Healthcare Services	4.43% (L + 4.25%)	3/9/2026	\$ 8,887	\$ 8,887	\$ 8,897
National Mentor Holdings, Inc. (aka Civitas Solutions, Inc.)	Healthcare Services	4.51% (L + 4.25%)	3/9/2026	398	398	398
Navex Topco, Inc.	Software	3.40% (L + 3.25%)	9/5/2025	18,208	18,079	17,929
Navicare, Inc.	Healthcare Services	4.75% (L + 4.00%)	10/22/2026	4,107	4,097	4,110
Newport Group Holdings II, Inc.	Business Services	3.75% (L + 3.50%)	9/12/2025	4,888	4,870	4,851
Orion Advisor Solutions, Inc.	Business Services	5.00% (L + 4.00%)	9/24/2027	5,237	5,186	5,260
Outcomes Group Holdings, Inc.	Healthcare Services	3.50% (L + 3.25%)	10/24/2025	3,400	3,394	3,349
Pelican Products, Inc.	Business Products	4.50% (L + 3.50%)	5/1/2025	4,875	4,867	4,796
Peraton Corp. (fka MHVC Acquisition Corp.)	Federal Services	6.25% (L + 5.25%)	4/29/2024	15,272	15,225	15,310
Planview Parent, Inc.	Software	4.75% (L + 4.00%)	12/17/2027	6,484	6,419	6,496
Premise Health Holding Corp.	Healthcare Services	3.75% (L + 3.50%)	7/10/2025	13,583	13,538	13,279
Project Accelerate Parent, LLC	Business Services	5.25% (L + 4.25%)	1/2/2025	9,822	9,786	8,939
Project Boost Purchaser, LLC	Business Services	5.00% (L + 4.25%)	6/1/2026	1,995	1,975	2,002
Quest Software US Holdings Inc.	Software	4.46% (L + 4.25%)	5/16/2025	14,700	14,650	14,480
Ryan Specialty Group, LLC	Business Services	4.00% (L + 3.25%)	9/1/2027	3,491	3,441	3,491
Sierra Enterprises, LLC	Food & Beverage	5.00% (L + 4.00%)	11/11/2024	2,431	2,429	2,393
Sovos Brands Intermediate, Inc.	Food & Beverage	4.96% (L + 4.75%)	11/20/2025	3,591	3,582	3,609
Spring Education Group, Inc. (fka SSH Group Holdings, Inc.)	Education	4.50% (L + 4.25%)	7/30/2025	12,183	12,161	11,665
Symplr Software, Inc. (fka Caliper Software, Inc.)	Healthcare I.T.	5.25% (L + 4.50%)	12/22/2027	10,000	9,850	9,913
Syndigo LLC	Software	5.25% (L + 4.50%)	12/15/2027	15,000	14,888	14,888
TIBCO Software Inc.	Software	3.90% (L + 3.75%)	6/30/2026	7,654	7,637	7,572
Unified Women's Healthcare, LP	Healthcare Services	5.00% (L + 4.25%)	12/20/2027	10,000	9,923	9,975
Wirepath LLC	Distribution & Logistics	4.25% (L + 4.00%)	8/5/2024	17,127	17,127	16,527
WP CityMD Bidco LLC	Healthcare Services	5.50% (L + 4.50%)	8/13/2026	19,868	19,701	19,914
VT Topco, Inc.	Business Services	3.65% (L + 3.50%)	8/1/2025	2,795	2,795	2,763
YI, LLC	Healthcare Services	5.00% (L + 4.00%)	11/7/2024	9,691	9,685	8,915
Total Funded Investments				\$ 619,147	\$ 615,974	\$ 609,981
Unfunded Investments - First lien						
Cano Health, LLC	Healthcare Services	—	11/23/2021	\$ 2,300	\$ (23)	\$ (23)
Covenant Surgical Partners, Inc.	Healthcare Services	—	7/1/2021	2,000	(20)	(40)
Higginbotham Insurance Agency, Inc.	Financial Services	—	11/25/2022	2,023	(15)	40
Planview Parent, Inc.	Software	—	3/31/2021	1,515	—	3
Total Unfunded Investments				\$ 7,838	\$ (58)	\$ (20)
Total Investments				\$ 626,985	\$ 615,916	\$ 609,961

- (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, 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.

Below is certain summarized financial information for SLP III as of September 30, 2021 and December 31, 2020 and for the three and nine months ended September 30, 2021 and September 30, 2020:

Selected Balance Sheet Information:	September 30, 2021		December 31, 2020	
	(in thousands)		(in thousands)	
Investments at fair value (cost of \$682,805 and \$615,916)	\$	683,289	\$	609,961
Cash and other assets		25,024		10,176
Receivable from unsettled securities sold		738		—
Total assets	\$	709,051	\$	620,137
Credit facility	\$	505,600	\$	424,200
Deferred financing costs		(3,555)		(2,471)
Payable for unsettled securities purchased		23,642		47,192
Distribution payable		4,594		3,800
Other liabilities		2,561		2,501
Total liabilities		532,842		475,222
Members' capital	\$	176,209	\$	144,915
Total liabilities and members' capital	\$	709,051	\$	620,137

Selected Statement of Operations Information:	Three Months Ended		Nine Months Ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
	(in thousands)		(in thousands)	
Interest income	\$ 8,080	\$ 6,500	\$ 23,278	\$ 20,836
Other income	172	75	487	320
Total investment income	8,252	6,575	23,765	21,156
Interest and other financing expenses	2,679	2,516	7,954	9,593
Other expenses	207	250	585	571
Total expenses	2,886	2,766	8,539	10,164
Less: expenses waived and reimbursed	—	—	—	—
Net expenses	2,886	2,766	8,539	10,164
Net investment income	5,366	3,809	15,226	10,992
Net realized (losses) gains on investments	(83)	(82)	488	(78)
Net change in unrealized appreciation (depreciation) of investments	887	14,775	6,439	(10,379)
Net increase in members' capital	\$ 6,170	\$ 18,502	\$ 22,153	\$ 535

For the three and nine months ended September 30, 2021, we earned approximately \$3.7 million and \$12.7 million, respectively, of dividend income related to SLP III, which is included in dividend income. For the three and nine months ended September 30, 2020, we earned approximately \$3.2 million and \$8.8 million, respectively, of dividend income related to SLP III, which is included in dividend income. As of September 30, 2021 and December 31, 2020, approximately \$3.7 million and \$3.0 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.

NMFC Senior Loan Program IV LLC

SLP IV was formed as a Delaware limited liability company on April 6, 2021, and commenced operations on May 5, 2021. SLP IV is structured as a private joint venture investment fund between us and SkyKnight Alpha and operates under the First Amended and Restated Limited Liability Company Agreement of NMFC Senior Loan Program IV LLC (the "SLP IV Agreement"). Upon the effectiveness of the SLP IV Agreement dated May 5, 2021, the members contributed their respective membership interests in SLP I and SLP II to SLP IV. Immediately following the contribution of their membership interests, SLP I and SLP II became wholly-owned subsidiaries of SLP IV. 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 IV, which has equal representation from us and SkyKnight Alpha. SLP IV has a five year investment period and will continue in existence until May 5, 2026. The investment period may be extended for up to one year pursuant to certain terms of the SLP IV Agreement.

SLP IV is capitalized with equity contributions which were transferred and contributed from its members. As of September 30, 2021, we and SkyKnight Alpha have transferred and contributed \$112.4 million and \$30.6 million, respectively, of their membership interests in SLP I and SLP II to SLP IV. Our investment in SLP IV is disclosed on our Consolidated Schedule of Investments as of September 30, 2021.

On May 5, 2021, SLP IV entered into a \$370.0 million revolving credit facility with Wells Fargo Bank, National Association which matures on May 5, 2026 and bears interest at a rate of LIBOR plus 1.60% per annum. As of September 30, 2021, SLP IV had total investments with an aggregate fair value of approximately \$483.2 million and debt outstanding under its credit facility of \$345.6 million. As of September 30, 2021, none of SLP IV's investments were on non-accrual. Additionally, as of September 30, 2021, SLP IV had unfunded commitments in the form of delayed draws of \$13.5 million.

Below is a summary of SLP IV's consolidated portfolio, along with a listing of the individual investments in SLP IV's consolidated portfolio as of September 30, 2021:

(in thousands)	September 30, 2021	
First lien investments (1)	\$	499,274
Weighted average interest rate on first lien investments (2)		4.62 %
Number of portfolio companies in SLP IV		63
Largest portfolio company investment (1)	\$	22,273
Total of five largest portfolio company investments (1)	\$	104,805

(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 IV's consolidated portfolio as of September 30, 2021:

Portfolio Company and Type of Investment	Industry	Interest Rate (1)	Maturity Date	Principal Amount or Par Value	Cost	Fair Value (2)
				(in thousands)	(in thousands)	(in thousands)
Funded Investments - First lien						
ADG, LLC	Healthcare Services	6.25% (L + 4.75% + 0.50% PIK)	9/28/2023	\$ 16,543	\$ 16,491	\$ 16,543
ADMI Corp. (aka Aspen Dental)	Healthcare Services	4.00% (L + 3.50%)	12/23/2027	1,875	1,866	1,875
Advisor Group Holdings, Inc.	Consumer Services	4.58% (L + 4.50%)	7/31/2026	11,727	11,641	11,759
Artera Services, LLC	Distribution & Logistics	4.50% (L + 3.50%)	3/6/2025	5,342	5,304	5,326
Bayou Intermediate II, LLC	Healthcare Products	5.25% (L + 4.50%)	8/2/2028	8,693	8,651	8,726
Bearcat Buyer, Inc.	Healthcare Services	5.25% (L + 4.25%)	7/9/2026	1,981	1,974	1,981
Bearcat Buyer, Inc.	Healthcare Services	5.25% (L + 4.25%)	7/9/2026	411	409	411
Bella Holding Company, LLC	Healthcare Services	4.50% (L + 3.75%)	5/10/2028	3,000	2,989	3,001
Bleriot US Bidco Inc.	Federal Services	4.13% (L + 4.00%)	10/30/2026	7,871	7,849	7,886
Bracket Intermediate Holding Corp.	Healthcare Services	4.39% (L + 4.25%)	9/5/2025	4,485	4,471	4,483
Brave Parent Holdings, Inc.	Software	4.08% (L + 4.00%)	4/18/2025	3,624	3,617	3,628
Cano Health, LLC	Healthcare Services	5.25% (L + 4.50%)	11/23/2027	5,752	5,745	5,764
CentralSquare Technologies, LLC	Software	3.88% (L + 3.75%)	8/29/2025	14,587	14,566	13,575
Certara Holdco, Inc.	Healthcare Information Technology	3.58% (L + 3.50%)	8/15/2026	3,950	3,940	3,945
CHA Holdings, Inc.	Business Services	5.50% (L + 4.50%)	4/10/2025	10,947	10,921	10,933
CHA Holdings, Inc.	Business Services	5.50% (L + 4.50%)	4/10/2025	2,009	2,003	2,007
Cornerstone OnDemand, Inc.	Software	4.25% (L + 3.75%)	9/21/2028	3,247	3,231	3,246
Cvent, Inc.	Software	3.83% (L + 3.75%)	11/29/2024	6,693	6,683	6,675
Dealer Tire, LLC	Distribution & Logistics	4.33% (L + 4.25%)	12/12/2025	10,776	10,756	10,806
Drilling Info Holdings, Inc.	Business Services	4.33% (L + 4.25%)	7/30/2025	20,553	20,499	20,399
EAB Global, Inc.	Education	4.00% (L + 3.50%)	8/16/2028	10,000	9,951	9,972
Emerald 2 Limited	Business Services	3.33% (L + 3.25%)	7/10/2026	445	444	441
eResearchTechnology, Inc.	Healthcare Services	5.50% (L + 4.50%)	2/4/2027	4,441	4,405	4,468
Foundational Education Group, Inc.	Education	4.75% (L + 4.25%)	8/31/2028	6,500	6,436	6,468
Greenway Health, LLC	Healthcare Information Technology	4.75% (L + 3.75%)	2/16/2024	21,003	20,963	20,222
Heartland Dental, LLC	Healthcare Services	3.58% (L + 3.50%)	4/30/2025	3,582	3,572	3,557
Heartland Dental, LLC	Healthcare Services	4.08% (L + 4.00%)	4/30/2025	6,284	6,255	6,277
Help/Systems Holdings, Inc.	Software	4.75% (L + 4.00%)	11/19/2026	9,934	9,900	9,974
Hunter Holdco 3 Limited	Healthcare Services	4.75% (L + 4.25%)	8/19/2028	6,250	6,188	6,285
Idera, Inc.	Software	4.50% (L + 3.75%)	3/2/2028	9,342	9,266	9,351
Keystone Acquisition Corp.	Healthcare Services	6.25% (L + 5.25%)	5/1/2024	5,184	5,162	5,090
LSCS Holdings, Inc.	Healthcare Services	4.42% (L + 4.25%)	3/17/2025	3,212	3,207	3,180
LSCS Holdings, Inc.	Healthcare Services	4.42% (L + 4.25%)	3/17/2025	12,444	12,424	12,320
Mamba Purchaser, Inc.	Healthcare Services	4.25% (L + 3.75%)	10/16/2028	4,124	4,103	4,130
Mandolin Technology Intermediate Holdings, Inc.	Software	4.25% (L + 3.75%)	7/31/2028	10,000	9,951	9,975
Maverick Bidco Inc.	Software	4.50% (L + 3.75%)	5/18/2028	8,000	7,962	8,009
Mavis Tire Express Services Topco Corp.	Retail	4.75% (L + 4.00%)	5/4/2028	8,453	8,412	8,483
MediaOcean, LLC	Software	4.08% (L + 4.00%)	8/18/2025	3,625	3,616	3,628
Medical Solutions Holdings, Inc.	Healthcare Services	5.50% (L + 4.50%)	6/14/2024	4,978	4,969	4,988
Mercury Borrower, Inc.	Business Services	4.00% (L + 3.50%)	8/2/2028	6,250	6,219	6,245
Ministry Brands, LLC	Software	5.00% (L + 4.00%)	12/2/2022	16,778	16,758	16,778
Ministry Brands, LLC	Software	5.00% (L + 4.00%)	12/2/2022	2,057	2,055	2,057
Ministry Brands, LLC	Software	5.00% (L + 4.00%)	12/2/2022	864	863	864
National Intergovernmental Purchasing Alliance Company	Business Services	3.63% (L + 3.50%)	5/23/2025	1,327	1,329	1,320
Netsmart, Inc.	Healthcare Information Technology	4.75% (L + 4.00%)	10/1/2027	6,982	6,982	7,009
Pelican Products, Inc.	Business Products	4.50% (L + 3.50%)	5/1/2025	2,237	2,233	2,234
Premise Health Holding Corp.	Healthcare Services	3.63% (L + 3.50%)	7/10/2025	1,971	1,966	1,963
Project Accelerate Parent, LLC	Business Services	5.25% (L + 4.25%)	1/2/2025	12,549	12,517	12,329

Portfolio Company and Type of Investment	Industry	Interest Rate (1)	Maturity Date	Principal Amount or Par Value	Cost	Fair Value (2)
Project Boost Purchaser, LLC	Business Services	4.00% (L + 3.50%)	5/30/2026	\$ 2,494	\$ 2,488	\$ 2,494
Quest Software US Holdings Inc.	Software	4.38% (L + 4.25%)	5/16/2025	14,587	14,546	14,590
RealPage, Inc.	Business Services	3.75% (L + 3.25%)	4/24/2028	5,000	4,982	4,989
RLG Holdings, LLC	Packaging	5.00% (L + 4.25%)	7/7/2028	3,634	3,616	3,645
RLG Holdings, LLC	Packaging	5.00% (L + 4.25%)	7/7/2028	396	395	399
Sierra Enterprises, LLC	Food & Beverage	5.00% (L + 4.00%)	11/11/2024	4,227	4,213	4,216
Sovos Brands Intermediate, Inc.	Food & Beverage	4.50% (L + 3.75%)	6/8/2028	8,971	8,949	8,993
Storable, Inc.	Software	3.75% (L + 3.25%)	4/17/2028	4,000	3,976	3,994
Syndigo LLC	Software	5.25% (L + 4.50%)	12/15/2027	7,859	7,853	7,908
Therapy Brands Holdings LLC	Healthcare Information Technology	4.75% (L + 4.00%)	5/18/2028	4,621	4,599	4,621
Thermostat Purchaser III, Inc.	Business Services	5.25% (L + 4.50%)	8/31/2028	4,052	4,032	4,042
TIBCO Software Inc.	Software	3.84% (L + 3.75%)	6/30/2026	2,985	2,967	2,978
Trader Interactive, LLC (fka Dominion Web Solutions LLC)	Business Services	4.50% (L + 4.00%)	7/28/2028	5,303	5,276	5,309
Unified Women's Healthcare, LP	Healthcare Services	5.00% (L + 4.25%)	12/20/2027	7,419	7,383	7,439
USIC Holdings, Inc.	Consumer Services	4.25% (L + 3.50%)	5/12/2028	3,849	3,834	3,850
Valcour Packaging, LLC	Packaging	4.25% (L + 3.75%)	10/4/2028	2,051	2,041	2,054
VetCor Professional Practices LLC	Consumer Services	4.40% (L + 4.25%)	7/2/2025	1,156	1,132	1,145
VT Topco, Inc.	Business Services	4.50% (L + 3.75%)	8/1/2025	8,511	8,470	8,509
Wirepath LLC	Distribution & Logistics	4.08% (L + 4.00%)	8/5/2024	21,277	21,277	21,238
WP CityMD Bidco LLC	Healthcare Services	4.50% (L + 3.75%)	8/13/2026	9,649	9,580	9,691
Wrench Group LLC	Consumer Services	4.13% (L + 4.00%)	4/30/2026	8,591	8,530	8,608
YL LLC	Healthcare Services	5.00% (L + 4.00%)	11/7/2024	22,273	22,261	21,939
Total Funded Investments				\$ 485,787	\$ 484,114	\$ 483,237
Unfunded Investments - First lien						
RLG Holdings, LLC	Packaging	—	7/7/2028	\$ 736	\$ (4)	\$ 2
Therapy Brands Holdings LLC	Healthcare Information Technology	—	5/18/2023	1,470	—	—
Thermostat Purchaser III, Inc.	Business Services	—	8/31/2023	948	—	(2)
VetCor Professional Practices LLC	Consumer Services	—	7/2/2025	8,844	(88)	(77)
VT Topco, Inc.	Business Services	—	8/4/2023	1,489	—	—
Total Unfunded Investments				\$ 13,487	\$ (92)	\$ (77)
Total Investments				\$ 499,274	\$ 484,022	\$ 483,160

- (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 September 30, 2021.
- (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 IV.

Below is certain summarized consolidated financial information for SLP IV as of September 30, 2021 and for the three and nine months ended September 30, 2021:

Selected Consolidated Balance Sheet Information:	September 30, 2021	
	(in thousands)	
Investments at fair value (cost of \$484,022)	\$	483,160
Receivable from unsettled securities sold		1,247
Cash and other assets		18,405
Total assets	\$	502,812
Credit facility	\$	345,637
Deferred financing costs		(2,760)
Payable for unsettled securities purchased		12,313
Distribution payable		3,396
Other liabilities		1,840
Total liabilities		360,426
Members' capital	\$	142,386
Total liabilities and members' capital	\$	502,812

Selected Consolidated Statement of Operations Information:	Three Months Ended		Nine Months Ended	
	September 30, 2021		September 30, 2021(1)	
	(in thousands)		(in thousands)	
Interest income	\$	5,806	\$	9,034
Other income		143		157
Total investment income		5,949		9,191
Interest and other financing expenses		1,649		2,523
Other expenses		206		475
Total expenses		1,855		2,998
Net investment income		4,094		6,193
Net realized (losses) gains on investments		(85)		139
Net change in unrealized appreciation of investments		2,214		4,265
Net increase in members' capital	\$	6,223	\$	10,597

(1) Reflects the results of operations for the period from May 5, 2021 through September 30, 2021.

For the three months ended September 30, 2021 and the period from May 5, 2021 through September 30, 2021, we earned approximately \$2.7 million and \$5.1 million, respectively, of dividend income related to SLP IV, which is included in dividend income. As of September 30, 2021, approximately \$2.7 million of dividend income related to SLP IV was included in interest and dividend receivable.

We have determined that SLP IV is an investment company under ASC 946; however, in accordance with such guidance we 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, we do not consolidate SLP IV.

New Mountain Net Lease Corporation

NMNL was formed to acquire commercial real estate properties that are subject to "triple net" leases. NMNL's investments are disclosed on our Consolidated Schedule of Investments as of September 30, 2021.

On March 30, 2020, an affiliate of the Investment Adviser purchased directly from NMNL 105,030 shares of NMNL's common stock at a price of \$107.73 per share, which represented the net asset value per share of NMNL at the date of purchase, for an aggregate purchase price of approximately \$11.3 million. Immediately thereafter, NMNL 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 NMNL to NMFC on March 31, 2020.

Below is certain summarized property information for NMNL as of September 30, 2021:

Portfolio Company	Tenant	Lease Expiration Date	Location	Total Square Feet (in thousands)	Fair Value as of September 30, 2021 (in thousands)
NM NL Holdings LP / NM GP Holdco LLC	Various	Various	Various	Various	\$ 91,662
NM GLCR LP	Arctic Glacier U.S.A.	2/28/2038	CA	214	46,272
NM CLFX LP	Victor Equipment Company	8/31/2033	TX	423	25,352
NM APP Canada, Corp.	A.P. Plasman, Inc.	9/30/2031	Canada	436	14,494
NM APP US LLC	Plasman Corp, LLC / A-Brite LP	9/30/2033	AL / OH	261	9,006
NM YI, LLC	Young Innovations, Inc.	10/31/2039	IL / MO	212	8,188
NM DRVT LLC	FMH Conveyors, LLC	10/31/2031	AR	195	7,558
NM JRA LLC	J.R. Automation Technologies, LLC	1/31/2031	MI	88	3,899
NM KRLN LLC	None	N/A	MD	95	486
					\$ 206,917

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 September 30, 2021 and December 31, 2020, 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 September 30, 2021 and December 31, 2020, 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 and nine months ended September 30, 2021, we recognized PIK and non-cash interest from investments of approximately \$5.7 million and \$17.1 million, respectively, and PIK and non-cash dividends from investments of approximately \$3.7 million and \$14.7 million, respectively. For the three and nine months ended September 30, 2020, we recognized PIK and non-cash interest from investments of approximately \$5.0 million and \$11.7 million, respectively, and PIK and non-cash dividends from investments of approximately \$3.8 million and \$9.2 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.

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 September 30, 2021:

(in millions) Investment Rating	As of September 30, 2021			
	Cost	Percent	Fair Value	Percent
Investment Rating 1	\$ 277.3	9.1 %	\$ 319.6	10.5 %
Investment Rating 2	2,449.4	80.7 %	2,538.1	83.7 %
Investment Rating 3	168.4	5.6 %	122.5	4.0 %
Investment Rating 4	138.7	4.6 %	52.9	1.8 %
	<u>\$ 3,033.8</u>	<u>100.0 %</u>	<u>\$ 3,033.1</u>	<u>100.0 %</u>

As of September 30, 2021, all investments in our portfolio had an Investment Rating of 1 or 2 with the exception of seven portfolio companies that had an Investment Rating of 3 and seven portfolio companies that had an Investment Rating of 4.

As of September 30, 2021, our aggregate principal amount of our first lien term loans and subordinated position in American Achievement Corporation ("AAC") was \$28.9 million and \$5.2 million, respectively, of which \$12.5 million and \$5.2 million, respectively, were placed on non-accrual status during the quarter and the investments had a rating of 4. As of September 30, 2021, our positions in AAC on non-accrual status had an aggregate cost basis of \$12.4 million, an aggregate fair value of \$7.3 million and total unearned interest income of \$0.3 million and \$0.3 million for the three and nine months then ended, respectively.

During the third quarter of 2021, we placed our second lien position in Sierra Hamilton Holdings Corporation ("Sierra") on non-accrual status and the investment had a rating of 4. As of September 30, 2021, our second lien position in Sierra had an aggregate cost basis of \$0.0 million, an aggregate fair value of \$0.0 million and total unearned interest income of \$0.0 million and \$0.0 million for the three and nine months then ended, respectively.

As of September 30, 2021, our aggregate principal amount of our first lien positions in Tenawa Resource Management LLC ("Tenawa") was \$42.9 million, of which \$17.2 million was placed on non-accrual status during the quarter and the investment had a rating of 4. As of September 30, 2021, our first lien positions in Tenawa on non-accrual status had an aggregate cost basis of \$17.1 million, an aggregate fair value of \$10.8 million and total unearned interest income of \$0.4 million and \$0.4 million for the three and nine months then ended, respectively.

During the first quarter of 2020, we placed our investment in our junior preferred shares of UniTek Global Services, Inc. ("UniTek") on non-accrual status and the investment had a rating of 4. As of September 30, 2021, our junior preferred shares of UniTek had an aggregate cost basis of \$34.4 million, an aggregate fair value of \$0.0 million and total unearned dividend income of \$1.5 million and \$4.3 million for the three and nine months then ended, respectively. During the third quarter of 2021, we placed an aggregate principal amount of \$19.8 million of our investment in our senior preferred shares of UniTek on non-accrual status and the investment had a rating of 4. As of September 30, 2021, our senior preferred shares of UniTek had an aggregate cost basis of \$19.8 million, an aggregate fair value of approximately \$2.6 million and total unearned dividend income of approximately \$1.0 million and \$1.9 million for the three and nine months then ended, respectively.

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") have an investment rating of 4. As of September 30, 2021, our investment in EDMC, with an Investment Rating of 4 had an aggregate cost basis of \$1.4 million, an aggregate fair value of \$0.0 million and total unearned interest income of \$0.0 million for the three and nine months then ended, respectively.

Since March 31, 2020, our investment in NM KRLN LLC had an investment rating of 4 and had an aggregate cost basis of \$9.0 million and an aggregate fair value of \$0.5 million.

Since December 31, 2019, our subordinated position in PPVA Black Elk (Equity) LLC had an investment rating of 4. As of September 30, 2021, our investment in this security had an aggregate cost basis of \$14.5 million and an aggregate fair value of approximately \$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 September 30, 2021, our investment in this security had an aggregate cost basis of \$30.0 million and an aggregate fair value of approximately \$21.4 million.

In response to the continuing impact of the outbreak of the 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 the COVID-19 pandemic. The evaluation process consisted of dialogue with sponsors and portfolio companies to understand the COVID-19 pandemic'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 the COVID-19 pandemic, 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 September 30, 2021:

(in millions) Risk Rating	As of September 30, 2021			
	Cost	Percent	Fair Value	Percent
Red	\$ 125.4	4.1 %	\$ 82.3	2.7 %
Orange	84.1	2.8 %	70.1	2.3 %
Yellow	257.9	8.5 %	194.3	6.4 %
Green	2,566.4	84.6 %	2,686.4	88.6 %
	<u>\$ 3,033.8</u>	<u>100.0 %</u>	<u>\$ 3,033.1</u>	<u>100.0 %</u>

Portfolio and Investment Activity

The fair value of our investments was approximately \$3,011.7 million in 106 portfolio companies at September 30, 2021 and approximately \$2,953.5 million in 104 portfolio companies at December 31, 2020.

The following table shows our portfolio and investment activity for the nine months ended September 30, 2021 and September 30, 2020:

(in millions)	Nine Months Ended	
	September 30, 2021	September 30, 2020
New investments in 46 and 25 portfolio companies, respectively	\$ 769.4	\$ 272.8
Debt repayments in existing portfolio companies	710.5	277.2
Sales of securities in 8 and 16 portfolio companies, respectively	105.7	214.5
Change in unrealized appreciation on 38 and 41 portfolio companies, respectively	107.7	21.8
Change in unrealized depreciation on 80 and 75 portfolio companies, respectively	(55.2)	(113.0)

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 September 30, 2021 and September 30, 2020

Revenue

(in thousands)	Three Months Ended	
	September 30, 2021	September 30, 2020
Total interest income	\$ 47,788	\$ 49,654
Total dividend income	14,546	12,644
Other income	6,140	3,223
Total investment income	<u>\$ 68,474</u>	<u>\$ 65,521</u>

Our total investment income increased by approximately \$3.0 million, or 5%, for the three months ended September 30, 2021 as compared to the three months ended September 30, 2020. For the three months ended September 30, 2021, total investment income of approximately \$68.4 million consisted of approximately \$37.6 million in cash interest from investments, approximately \$5.7 million in PIK and non-cash interest from investments, approximately \$1.4 million in prepayment fees, net amortization of purchase premiums and discounts of approximately \$3.1 million, approximately \$10.8 million in cash dividends from investments, approximately \$3.7 million in PIK and non-cash dividends from investments and approximately \$6.1 million in other income. The decrease in interest income of approximately \$1.9 million during the three months ended September 30, 2021 as compared to the three months ended September 30, 2020 was primarily due to lower LIBOR rates on smaller invested balances. Our smaller invested balances were driven by asset sales and repayments greater than asset originations during 2020. The increase in dividend income for the three months ended September 30, 2021 as compared to the three months ended September 30, 2020 was primarily due to an increase in cash dividends from our investment in SLP III and PIK dividends related to new investments. Other income during the three months ended September 30, 2021, which represents fees that are generally non-recurring in nature, was primarily attributable to upfront, consent and amendment fees received from 25 different portfolio companies.

Operating Expenses

(in thousands)	Three Months Ended	
	September 30, 2021	September 30, 2020
Management fee	\$ 13,740	\$ 12,877
Less: management fee waiver	(3,752)	(2,841)
Total management fee	9,988	10,036
Incentive fee	7,661	7,135
Less: incentive fee waiver	—	(500)
Total incentive fee	7,661	6,635
Interest and other financing expenses	17,693	18,077
Administrative expenses	1,082	1,024
Professional fees	923	731
Other general and administrative expenses	490	442
Total expenses	37,837	36,945
Less: expenses waived and reimbursed	—	(589)
Net expenses before income taxes	37,837	36,356
Income tax (benefit) expense	(8)	123
Net expenses after income taxes	\$ 37,829	\$ 36,479

Our total net operating expenses increased by approximately \$1.4 million for the three months ended September 30, 2021 as compared to the three months ended September 30, 2020. Our management fee, net of a management fee waiver, remained relatively flat for the three months ended September 30, 2021 as compared to the three months ended September 30, 2020 due to the fee waiver agreement (as defined below) in which the Investment Adviser has agreed to waive base management fees in order to reach a target base management fee of 1.25% on gross assets. Our incentive fee increased by approximately \$1.0 million for the three months ended September 30, 2021 as compared to the three months ended September 30, 2020 which was attributable to an incentive fee waiver by the Investment Adviser in 2020 and higher net investment income as compared to 2020 due to an increase in investment income, lower interest and other financing expenses and an expense waiver of indirect administrative expenses by the Administrator in 2020.

Interest and other financing expenses decreased by approximately \$0.4 million during the three months ended September 30, 2021 as compared to the three months ended September 30, 2020, primarily due to lower LIBOR rates on our floating rate borrowings, lower borrowings on our revolving facilities and lower interest expense on our 2021A Unsecured Notes issued in the first quarter as compared to our 2016 Unsecured Notes and 5.75% Unsecured Notes, which were repaid with these proceeds in the first quarter of 2021. Our total professional fees, administrative expenses and total other general and administrative expenses for the three months ended September 30, 2021 as compared to the three months ended September 30, 2020 remained relatively flat.

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

(in thousands)	Three Months Ended	
	September 30, 2021	September 30, 2020
Net realized gains on investments	\$ 23,008	\$ 47
Net change in unrealized (depreciation) appreciation of investments	(30,736)	60,242
Net change in unrealized depreciation on foreign currency	(13)	—
Benefit for taxes	1	257
Net realized and unrealized (losses) gains	\$ (7,740)	\$ 60,546

Our net realized gains and unrealized losses resulted in a net loss of approximately \$7.7 million for the three months ended September 30, 2021 compared to net realized and unrealized gains resulting in a net gain of approximately \$60.5 million for the same period in 2020. 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 September 30, 2021 was primarily driven by unrealized depreciation in Tenawa, CentralSquare Technologies, LLC and UniTek and was partially offset by unrealized appreciation on our investments in New Benevis Topco, LLC and NM GLCR LP. The provision for income taxes was attributable to equity investments that are held as of September 30, 2021 in six of our corporate subsidiaries. The net gain for the three months ended September 30, 2020 was primarily driven by the overall increase in market prices of our investments during the period due to the partial recovery of the market from the impact of the COVID-19 pandemic. See *Monitoring of Portfolio Investments* above for more details regarding the continuing impact of the COVID-19 pandemic on the health of our portfolio companies.

Results of Operations for the Nine Months Ended September 30, 2021 and September 30, 2020**Revenue**

(in thousands)	Nine Months Ended	
	September 30, 2021	September 30, 2020
Total interest income	\$ 141,878	\$ 162,653
Total dividend income	47,171	35,353
Other income	13,694	7,566
Total investment income	\$ 202,743	\$ 205,572

Our total investment income decreased by approximately \$2.8 million, or (1)%, for the nine months ended September 30, 2021 as compared to the nine months ended September 30, 2020. For the nine months ended September 30, 2021, total investment income of approximately \$202.7 million consisted of approximately \$115.8 million in cash interest from investments, approximately \$17.1 million in PIK and non-cash interest from investments, approximately \$2.3 million in prepayment fees, net amortization of purchase premiums and discounts of approximately \$6.7 million, approximately \$32.4 million in cash dividends from investments, approximately \$14.7 million in PIK and non-cash dividends from investments and approximately \$13.7 million in other income. The decrease in interest income of approximately \$20.8 million during the nine months ended September 30, 2021 as compared to the nine months ended September 30, 2020 was primarily due to lower LIBOR rates on smaller invested balances. Our smaller invested balances were driven by the repayments of our revolving credit facilities due to asset sales and repayments greater than asset originations during 2020. The increase in dividend income for the nine months ended September 30, 2021 as compared to the nine months ended September 30, 2020 was primarily due to the an increase in cash dividends from our investment in SLP III and PIK dividends related to new investments. In addition, total dividend income for the nine months ended September 30, 2020 included a reversal of \$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 nine months ended September 30, 2021, which represents fees that are generally non-recurring in nature, was primarily attributable to upfront, consent and amendment fees received from 47 different portfolio companies.

Operating Expenses

(in thousands)	Nine Months Ended	
	September 30, 2021	September 30, 2020
Management fee	\$ 40,885	\$ 39,869
Less: management fee waiver	(11,193)	(9,567)
Total management fee	29,692	30,302
Incentive fee	22,207	21,857
Less: incentive fee waiver	—	(500)
Total incentive fee	22,207	21,357
Interest and other financing expenses	54,949	59,500
Administrative expenses	3,240	3,303
Professional fees	2,413	2,605
Other general and administrative expenses	1,398	1,383
Total expenses	113,899	118,450
Less: expenses waived and reimbursed	—	(924)
Net expenses before income taxes	113,899	117,526
Income tax expense	15	116
Net expenses after income taxes	\$ 113,914	\$ 117,642

Our total net operating expenses decreased by approximately \$3.7 million for the nine months ended September 30, 2021 as compared to the nine months ended September 30, 2020. Our management fee, net of a management fee waiver, decreased by approximately \$0.6 million and our incentive fee increased by approximately \$0.9 million for the nine months ended September 30, 2021 as compared to the nine months ended September 30, 2020. The decrease in management fees was attributable to an increase in the management fee waiver as a result of the fee waiver agreement (as defined below) in which the Investment Adviser has agreed to waive base management fees in order to reach a target base management fee of 1.25% on gross assets. The increase in incentive fees was attributable to the incentive fee waiver by the Investment Adviser during the nine months ended September 30, 2020.

Interest and other financing expenses decreased by approximately \$4.6 million during the nine months ended September 30, 2021 as compared to the nine months ended September 30, 2020, primarily due to lower LIBOR rates on our floating rate borrowings, lower borrowings on our revolving facilities and lower interest expense on our 2021A Unsecured Notes issued in the first quarter as compared to our 2016 Unsecured Notes and 5.75% Unsecured Notes, which were repaid with these proceeds in the first quarter of 2021. Our total professional fees, administrative expenses and total other general and administrative expenses for the nine months ended September 30, 2021 as compared to the nine months ended September 30, 2020 remained relatively flat.

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

(in thousands)	Nine Months Ended	
	September 30, 2021	September 30, 2020
Net realized gains (losses) on investments	\$ 12,692	\$ (3,595)
Net change in unrealized appreciation (depreciation) of investments	52,544	(91,215)
Net change in unrealized depreciation on foreign currency	(13)	—
(Provision) benefit for taxes	(114)	778
Net realized and unrealized gains (losses)	\$ 65,109	\$ (94,032)

Our net realized and unrealized gains resulted in a net gain of approximately \$65.1 million for the nine months ended September 30, 2021 compared to net realized and unrealized losses resulting in a net loss of approximately \$94.0 million for the same period in 2020. 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 gain for the nine months ended September 30, 2021 was primarily driven by realized gains and unrealized appreciation on our investments in Edmentum and unrealized appreciation on our investments in NM CLFX LP and NM GLCR LP, which offset unrealized depreciation on our investments in AAC, Tenawa and UniTek. The provision for income taxes was attributable to equity investments that are held as of September 30, 2021 in six of our corporate subsidiaries. The net loss for the nine months ended September 30, 2020 was primarily driven by the overall decrease in market prices of our investments during the period due to the impact of the COVID-19 pandemic. See *Monitoring*

of *Portfolio Investments* above for more details regarding the continuing impact of the COVID-19 pandemic on the health of our portfolio companies.

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 September 30, 2021, 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. 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, 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 we are required to maintain under the 1940 Act. The agreements governing the NMFC Credit Facility, the 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 September 30, 2021, our asset coverage ratio was 184.0%.

At September 30, 2021 and December 31, 2020, we had cash and cash equivalents of approximately \$83.4 million and \$79.0 million, respectively. Our cash provided by operating activities during the nine months ended September 30, 2021 and September 30, 2020 was approximately \$84.7 million and \$269.6 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 October 24, 2017, we entered into the Third 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 April 20, 2021, the maturity date of the Holdings Credit Facility is April 20, 2026, 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 September 30, 2021, the maximum amount of revolving borrowings available under the Holdings Credit Facility is \$730.0 million. Under the Holdings Credit Facility, NMF Holdings is permitted to borrow up to 25.0%, 45.0%, 67.5% 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, amending 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.

As of the most recent amendment on April 20, 2021, the Holdings Credit Facility bears interest at a rate of LIBOR plus 1.60% per annum for Broadly Syndicated Loans (as defined in the Fifth Amendment Loan and Security Agreement) and LIBOR plus 2.10% per annum for all other investments. From September 30, 2020 to April 19, 2021 the Holdings Credit Facility bore interest at a rate of LIBOR plus 2.00% per annum for Broadly Syndicated Loans (as defined in the Fourth Amendment Loan and Security Agreement) and LIBOR plus 2.50% per annum for all other investments. Prior to September 30, 2020, the Holdings Credit Facility bore interest at a rate of LIBOR plus 1.75% per annum for Broadly Syndicated Loans (as defined in the Second Amended and Restated 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 Third Amended and Restated 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 and nine months ended September 30, 2021 and September 30, 2020:

(in millions)	Three Months Ended				Nine Months Ended				
	September 30, 2021		September 30, 2020		September 30, 2021		September 30, 2020		
Interest expense	\$	2.4	\$	2.7	\$	7.6	\$	11.3	
Non-usage fee	\$	0.3	\$	0.4	\$	1.0	\$	0.9	
Amortization of financing costs	\$	0.8	\$	0.3	\$	2.0	\$	1.0	
Weighted average interest rate		2.0	%	2.2	%	2.2	%	2.7	%
Effective interest rate		2.9	%	2.8	%	3.0	%	3.2	%
Average debt outstanding	\$	483.1	\$	488.8	\$	467.6	\$	551.1	

As of September 30, 2021 and December 31, 2020, the outstanding balance on the Holdings Credit Facility was \$493.3 million and \$450.2 million, respectively, and NMF Holdings was in compliance with the applicable covenants in the Holdings Credit Facility on such dates.

NMFC Credit Facility—The Amended and Restated Senior Secured Revolving Credit Agreement, (as amended from time to time, and together with the related guarantee and security agreement, the "RCA"), dated June 4, 2021, 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 (the "NMFC Credit Facility"), 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. As of the most recent amendment on June 4, 2021, the maturity date of the NMFC Credit Facility is June 4, 2026.

As of September 30, 2021, 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 RCA. All fees associated with the origination and amending 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.

As of the most recent amendment on June 4, 2021, the NMFC Credit Facility generally bears interest at a rate of LIBOR plus 2.10% per annum or the prime rate plus 1.10% per annum, and charges a commitment fee, based on the unused facility amount multiplied by 0.375% per annum (as defined in the RCA). Prior to June 4, 2021, the NMFC Credit Facility bore interest at a rate of LIBOR plus 2.50% per annum or the prime rate plus 1.50% per annum, and charged a commitment fee based on the unused facility amount multiplied by 0.375% per annum (as defined in the RCA).

The following table summarizes the interest expense, non-usage fees and amortization of financing costs incurred on the NMFC Credit Facility for the three and nine months ended September 30, 2021 and September 30, 2020:

(in millions)	Three Months Ended				Nine Months Ended				
	September 30, 2021		September 30, 2020		September 30, 2021		September 30, 2020		
Interest expense	\$	0.7	\$	0.9	\$	2.3	\$	4.0	
Non-usage fee	\$	0.1	\$	0.1	\$	0.2	\$	0.1	
Amortization of financing costs	\$	—	(1)	\$	—	(1)	\$	0.1	
Weighted average interest rate		2.2	%	2.7	%	2.5	%	3.4	%
Effective interest rate		2.7	%	3.0	%	2.8	%	3.6	%
Average debt outstanding	\$	117.1	\$	131.8	\$	122.5	\$	155.0	

(1) For the three months ended September 30, 2021 and the three months ended September 30, 2020, the total amortization of financing costs were less than \$50.0 thousand.

As of September 30, 2021 and December 31, 2020, the outstanding balance on the NMFC Credit Facility was \$150.0 million and \$165.5 million, 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, dated March 30, 2020, by and between us, as the Borrower, and NMF Investments III, L.L.C., as Lender, an affiliate of the Investment Adviser (the "Unsecured Management Company Revolver"), 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). 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. As of September 30, 2021, the maximum amount of revolving borrowings available under the Unsecured Management Company Revolver was \$50.0 million and no borrowings were outstanding. For the three and nine months ended September 30, 2021 and September 30, 2020, amortization of financing costs were each less than \$50.0 thousand, respectively.

DB Credit Facility—The Loan Financing and Servicing Agreement (the "LFSA") 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 (the "DB Credit Facility"), is structured as a secured revolving credit facility and matures on March 25, 2026.

As of September 30, 2021, 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 LFSA. 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 and amending 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. Prior to March 25, 2021, the Applicable Margin was equal to 2.60% during the Revolving Period and then increases by 0.02% during an Event of Default. Effective March 25, 2021, the Applicable Margin is equal to 2.35% 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 LFSA) 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 and nine months ended September 30, 2021 and September 30, 2020:

(in millions)	Three Months Ended		Nine Months Ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
Interest expense(1)	\$ 1.4	\$ 1.8	\$ 4.5	\$ 6.7
Non-usage fee(1)	\$ 0.1	\$ 0.1	\$ 0.3	\$ 0.2
Amortization of financing costs	\$ 0.3	\$ 0.2	\$ 0.7	\$ 0.5
Weighted average interest rate	2.8 %	3.2 %	2.9 %	3.8 %
Effective interest rate	3.5 %	3.6 %	3.5 %	4.2 %
Average debt outstanding	\$ 198.9	\$ 216.8	\$ 209.4	\$ 233.4

(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 September 30, 2021 and December 31, 2020, the outstanding balance on the DB Credit Facility was \$167.8 million and \$244.0 million, respectively, and NMFDB was in compliance with the applicable covenants in the DB Credit Facility on such date.

NMNL Credit Facilities—The Revolving Credit Agreement (together with the related guarantee and security agreement, the "NMNL Credit Facility"), dated September 21, 2018, by and between NMNL, as the Borrower, and KeyBank National Association, as the Administrative Agent and Lender ("the NMNL Revolving Credit Agreement"), was structured as a senior secured revolving credit facility and matured on September 23, 2020. The NMNL Credit Facility was

guaranteed by us and proceeds from the NMNLC Credit Facility were able to be used for funding of additional acquisition properties.

The NMNLC Credit Facility bore interest at a rate of LIBOR plus 2.50% per annum or the prime rate plus 1.50% per annum, and charged a commitment fee, based on the unused facility amount multiplied by 0.15% per annum (as defined in the Revolving Credit Agreement). For the three and nine months ended September 30, 2020, interest expense, non-usage fees and amortization of financing costs were each less than \$50.0 thousand.

The Credit Agreement (together with the related guarantee and security agreement, the "NMNLC CA"), dated February 26, 2021, by and between NMNLC, as the Borrower, and City National Bank, as the Lender (the "NMNLC Credit Facility II"), is structured as a senior secured revolving credit facility and matures on February 25, 2022. The NMNLC Credit Facility II is guaranteed by us and proceeds from the NMNLC Credit Facility II are able to be used for funding of additional acquisition properties. As of September 30, 2021, the maximum amount of revolving borrowings available under the NMNLC Credit Facility II is \$10.0 million.

The NMNLC Credit Facility II bears interest at a rate of LIBOR plus 2.75% per annum, and charges a commitment fee, based on the unused facility amount multiplied by 0.05% per annum (as defined in the NMNLC CA). For the three and nine months ended September 30, 2021, interest expense and non-usage fees were each less than \$50.0 thousand and amortization of financing costs were \$0.1 million and \$0.1 million, respectively. As of September 30, 2021, the outstanding balance on the NMNLC Credit Facility II was \$5.8 million and NMNLC was in compliance with the applicable covenants in the NMNLC Credit Facility II on such date.

Convertible Notes—On August 20, 2018, we closed a registered public offering of \$100.0 million aggregate principal amount of unsecured 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 Convertible Notes pursuant to the exercise of an overallotment option by the underwriter of the Convertible Notes. On June 7, 2019, we closed a registered public offering of an additional \$86.3 million aggregate principal amount of the Convertible Notes. These additional 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 Convertible Notes that we issued in August 2018.

The 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 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 Convertible Notes prior to May 15, 2023. On or after May 15, 2023, we may redeem the 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 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 Convertible Notes. Holders of Convertible Notes may, at their option, convert their 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 Convertible Notes. In addition, if certain corporate events occur, holders of the Convertible Notes may require us to repurchase for cash all or part of their Convertible Notes at a repurchase price equal to 100.0% of the principal amount of the 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 Convertible Notes and the trustee if we cease to be subject to the reporting requirements of the Securities Exchange Act of 1934, as amended (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 Convertible Notes as of September 30, 2021:

	Convertible Notes
Initial conversion premium	10.0 %
Initial conversion rate(1)	65.8762
Initial conversion price	\$ 15.18
Conversion premium at September 30, 2021	10.0 %
Conversion rate at September 30, 2021(1)(2)	65.8762
Conversion price at September 30, 2021(2)(3)	\$ 15.18
Last conversion price calculation date	August 20, 2021

- (1) Conversion rates denominated in shares of common stock per \$1.0 thousand principal amount of the 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 September 30, 2021 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 Convertible Notes is not required to be separately accounted for as a derivative under GAAP.

The 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 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 *Item 1. - Financial Statements - 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 and nine months ended September 30, 2021 and September 30, 2020:

(in millions)	Three Months Ended				Nine Months Ended			
	September 30, 2021		September 30, 2020		September 30, 2021		September 30, 2020	
Interest expense	\$	2.9	\$	2.9	\$	8.7	\$	8.7
Amortization of financing costs	\$	0.1	\$	0.1	\$	0.3	\$	0.3
Amortization of premium	\$	—	(1)	\$	—	(1)	\$	(0.1)
Weighted average interest rate		5.8 %		5.8 %		5.8 %		5.8 %
Effective interest rate		5.9 %		5.9 %		5.9 %		5.9 %
Average debt outstanding	\$	201.3	\$	201.3	\$	201.3	\$	201.3

- (1) For the three months ended September 30, 2021 and the three months ended September 30, 2020, the amortization of premium was less than \$50.0 thousand.

As of September 30, 2021 and December 31, 2020, 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 our 2016 Unsecured Notes (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 February 16, 2021, we repaid all \$90.0 million in aggregate principal amount of the issued and outstanding 2016 Unsecured Notes. 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. On January 29, 2021, we issued \$200.0 million in aggregate principal amount of five year unsecured notes that mature on January 29, 2026 (the "2021A Unsecured Notes") pursuant to the NPA and a fifth supplement to the NPA. The NPA provides for future issuances of unsecured notes in separate series or tranches.

On February 5, 2021, we caused notices to be issued to holders of our 2016 Unsecured Notes regarding the exercise of our option to prepay all of our \$90.0 million in aggregate principal amount of issued and outstanding 2016 Unsecured Notes, which was prepaid on February 16, 2021.

The 2016 Unsecured Notes bore 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. 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. The 2021A Unsecured Notes bear interest at an annual rate of 3.875%, payable semi-annually in arrears on January 29 and July 29 of each year, which commenced on July 29, 2021. 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 our 5.75% Unsecured Notes that mature on October 1, 2023 (the "5.75% Unsecured Notes", together with the 2016 Unsecured Notes, 2017A Unsecured Notes, 2018A Unsecured Notes, 2018B Unsecured Notes, 2019A Unsecured Notes and the 2021A 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.

On March 8, 2021, we redeemed \$51.8 million in aggregate principal amount of the 5.75% Unsecured Notes at a redemption price of 100% plus accrued and unpaid interest.

The 5.75% Unsecured Notes bore 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 were listed on the New York Stock Exchange and traded under the trading symbol "NMFV" until September 13, 2020. On September 14, 2020, the 5.75% Unsecured Notes began trading on the NASDAQ Global Select Market (the "NASDAQ") under the ticker symbol "NMFCL", until redeemed on March 8, 2021.

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 the three and nine months ended September 30, 2021 and September 30, 2020:

(in millions)	Three Months Ended				Nine Months Ended			
	September 30, 2021		September 30, 2020		September 30, 2021		September 30, 2020	
Interest expense	\$	5.9	\$	6.0	\$	18.4	\$	17.9
Amortization of financing costs	\$	0.2	\$	0.4	\$	1.7	\$	1.0
Weighted average interest rate		4.7	%	5.3	%	4.7	%	5.3
Effective interest rate		4.8	%	5.5	%	5.2	%	5.5
Average debt outstanding	\$	511.5	\$	453.3	\$	518.3	\$	453.3

As of September 30, 2021 and December 31, 2020, the outstanding balance on the Unsecured Notes was \$511.5 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 September 30, 2021 and December 31, 2020, 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 September 30, 2021 and December 31, 2020, SBIC II had regulatory capital of \$75.0 million and \$75.0 million, respectively, and \$150.0 million and \$150.0 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 September 30, 2021:

(in millions)					
Issuance Date	Maturity Date	Debt 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	41.0	2.078 %	0.222 %	
March 25, 2020	March 1, 2030	24.0	2.078 %	0.275 %	
September 23, 2020	September 1, 2030	51.0	1.034 %	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.

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 the three and nine months ended September 30, 2021 and September 30, 2020:

(in millions)	Three Months Ended				Nine Months Ended			
	September 30, 2021		September 30, 2020		September 30, 2021		September 30, 2020	
Interest expense	\$ 2.1	\$ 2.1	\$ 6.1	\$ 6.0				
Amortization of financing costs	\$ 0.2	\$ 0.2	\$ 0.7	\$ 0.7				
Weighted average interest rate	2.7 %	2.8 %	2.7 %	2.8 %				
Effective interest rate	3.0 %	3.1 %	3.0 %	3.2 %				
Average debt outstanding	\$ 300.0	\$ 300.0	\$ 300.0	\$ 281.1				

The SBIC program is designed to stimulate the flow of private investor capital into eligible small businesses, as defined by the SBA. Under SBA regulations, SBICs are subject to regulatory requirements, including making investments in SBA-eligible small businesses, investing at least 25.0% of its investment capital in eligible smaller enterprises (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 September 30, 2021 and December 31, 2020, 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 September 30, 2021 and December 31, 2020, we had outstanding commitments to third parties to fund investments totaling \$207.8 million and \$73.1 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 September 30, 2021 and December 31, 2020, we had commitment letters to purchase investments in an aggregate par amount of \$116.8 million million and \$44.9 million, respectively. As of September 30, 2021 and December 31, 2020, we had not entered into any bridge financing commitments which could require funding in the future.

Contractual Obligations

A summary of our significant contractual payment obligations as of September 30, 2021 is as follows:

(in millions)	Contractual Obligations Payments Due by Period				
	Total	Less than 1 Year	1 - 3 Years	3 - 5 Years	More than 5 Years
Holdings Credit Facility(1)	\$ 493.3	\$ —	\$ —	\$ 493.3	\$ —
Unsecured Notes(2)	511.5	55.0	256.5	200.0	—
SBA-guaranteed debentures(3)	300.0	—	—	121.7	178.3
DB Credit Facility(4)	167.8	—	—	167.8	—
Convertible Notes(5)	201.2	—	201.2	—	—
NMFC Credit Facility(6)	150.0	—	—	150.0	—
NMNLC Credit Facility II(7)	5.8	5.8	—	—	—
Total Contractual Obligations	\$ 1,829.6	\$ 60.8	\$ 457.7	\$ 1,132.8	\$ 178.3

- (1) Under the terms of the \$730.0 million Holdings Credit Facility, all outstanding borrowings under that facility (\$493.3 million as of September 30, 2021) must be repaid on or before April 20, 2026. As of September 30, 2021, there was approximately \$236.7 million of possible capacity remaining under the Holdings Credit Facility.
- (2) \$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, \$116.5 million of the 2019A Unsecured Notes will mature on April 30, 2024 unless earlier repurchased and \$200.0 million of the 2021A Unsecured Notes will mature on January 29, 2026 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 (\$167.8 million as of September 30, 2021) must be repaid on or before March 25, 2026. As of September 30, 2021, there was approximately \$112.2 million of possible capacity remaining under the DB Credit Facility.
- (5) The 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 (\$150.0 million as of September 30, 2021) must be repaid on or before June 4, 2026. As of September 30, 2021, there was approximately \$38.5 million of available capacity remaining under the NMFC Credit Facility.
- (7) Under the terms of the NMNLC Credit Facility II, all outstanding borrowings under that facility (\$5.8 million as of September 30, 2021) must be repaid on or before February 25, 2022. As of September 30, 2021, there was approximately \$4.2 million of available capacity remaining under the NMNLC Credit Facility II.

We have entered into an investment management and advisory agreement (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 nine months ended September 30, 2021 totaled approximately \$87.2 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, 2021				
Third Quarter	July 29, 2021	September 16, 2021	September 30, 2021	\$ 0.30
Second Quarter	April 30, 2021	June 16, 2021	June 30, 2021	0.30
First Quarter	February 17, 2021	March 17, 2021	March 31, 2021	0.30
				<u>\$ 0.90</u>
December 31, 2020				
Fourth Quarter	October 28, 2020	December 16, 2020	December 30, 2020	\$ 0.30
Third Quarter	July 29, 2020	September 16, 2020	September 30, 2020	0.30
Second Quarter	April 29, 2020	June 16, 2020	June 30, 2020	0.30
First Quarter	February 19, 2020	March 13, 2020	March 27, 2020	0.34
				<u>\$ 1.24</u>
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
				<u>\$ 1.36</u>

- (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, 2020 and December 31, 2019, total distributions were \$120.1 million and \$117.4 million, respectively, of which the distributions were comprised of approximately 84.58% and 72.01%, respectively, of ordinary income, 0.00% and 0.00%, respectively, of long-term capital gains and approximately 15.42% and 27.99%, 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 a fee waiver agreement (the "Fee Waiver Agreement") with the Investment Adviser, pursuant to which the Investment Adviser agreed to voluntarily reduce the base management fees payable to the Investment Adviser by us under the Investment Management Agreement beginning with the quarter ended March 31, 2021 through the quarter ended December 31, 2022. See *Item 1—Financial Statements—Note 5. Agreements* for details.
- 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 and nine months ended September 30, 2021 approximately \$0.6 million and \$2.0 million, respectively, of indirect administrative expenses were included in administrative expenses, of which approximately \$0.0 million and \$0.0 million, respectively, were waived by the Administrator. As of September 30, 2021, approximately \$0.7 million of indirect administrative expenses were included in payable to affiliates. For the three and nine months ended September 30, 2021, the reimbursement to the Administrator represented approximately 0.02% and 0.06%, respectively, 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 the Unsecured Management Company Revolver 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. 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. Refer to *Borrowings* 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. In addition, U.S. and global capital markets and credit markets have experienced a higher level of stress due to the global COVID-19 pandemic, which has resulted in an increase in the level of volatility across such markets and a general decline in value of the securities that we hold. Because we fund a portion of our investments with borrowings, our net investment income is affected by the difference between the rate at which we invest and the rate at which we borrow. As a result, there can be no assurance that a significant change in market interest rates will not have a material adverse effect on our net investment income. In connection with the COVID-19 pandemic, the U.S. Federal Reserve and other central banks have reduced certain interest rates and LIBOR has decreased. 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. During the nine months ended September 30, 2021, certain of the loans held in our portfolio had floating interest rates. As of September 30, 2021, approximately 88.21% 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 11.79% 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 September 30, 2021. 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 September 30, 2021. Interest expense on our floating rate credit facilities is calculated using the interest rate as of September 30, 2021, 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 September 30, 2021. These hypothetical calculations are based on a model of the investments in our portfolio, held as of September 30, 2021, and are only adjusted for assumed changes in the underlying base interest rates.

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	0.17	%
Base Interest Rate	—	%
+100 Basis Points	0.46	%
+200 Basis Points	11.00	%
+300 Basis Points	21.54	%

Item 4. Controls and Procedures

(a) Evaluation of Disclosure Controls and Procedures

As of September 30, 2021 (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 SEC filings is recorded, processed, summarized and reported within the time periods specified in the SEC 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 September 30, 2021 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 as of September 30, 2021. From time to time, we or our consolidated subsidiaries 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, 2020, which could materially affect our business, financial condition and/or operating results, including the Risk Factor titled "Small Business Credit Availability Act 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 nine months ended September 30, 2021 to the risk factors discussed in *Item 1A. Risk Factors* in our Annual Report on Form 10-K for the year ended December 31, 2020.

The interest rates of our term loans to our portfolio companies that extend beyond 2021 might be subject to change based on recent regulatory changes.

LIBOR, the London Interbank Offered Rate, is the basic rate of interest used in lending transactions between banks on the London interbank market and is widely used as a reference for setting the interest rate on loans globally. We typically use LIBOR as a reference rate in floating-rate loans we extend to portfolio companies such that the interest due to us pursuant to term loan extended to a portfolio company is calculated using LIBOR. The terms of our debt investments generally include minimum interest rate floors which are calculated based on LIBOR.

On March 5, 2021, the United Kingdom's Financial Conduct Authority (the "FCA"), which regulates LIBOR, announced that (i) 24 LIBOR settings would cease to exist immediately after December 31, 2021 (all seven euro LIBOR settings; all seven Swiss franc LIBOR settings; the Spot Next, 1-week, 2-month, and 12-month Japanese yen LIBOR settings; the overnight, 1-week, 2-month, and 12-month sterling LIBOR settings; and the 1-week and 2-month US dollar LIBOR settings); (ii) the overnight and 12-month US LIBOR settings would cease to exist after June 30, 2023; and (iii) the FCA would consult on whether the remaining nine LIBOR settings should continue to be published on a synthetic basis for a certain period using the FCA's proposed new powers that the UK government is legislating to grant to them. Central banks and regulators in a number of major jurisdictions (for example, United States, United Kingdom, European Union, Switzerland and Japan) have convened working groups to find, and implement the transition to, suitable replacements for interbank offered rates. To identify a successor rate for U.S. dollar LIBOR, the Alternative Reference Rates Committee ("ARRC"), a U.S.-based group convened by the Federal Reserve Board and the Federal Reserve Bank of New York, was formed. The ARRC has identified the Secured Overnight Financing Rate ("SOFR") as its preferred alternative rate for LIBOR. SOFR is a measure of the cost of borrowing cash overnight, collateralized by U.S. Treasury securities, and is based on directly observable U.S. Treasury-backed repurchase transactions. Although SOFR appears to be the preferred replacement rate for U.S. dollar LIBOR, at this time, it is not possible to predict the effect of any such changes, any establishment of alternative reference rates or other reforms to LIBOR that may be enacted in the United States, United Kingdom or elsewhere or, whether the COVID-19 pandemic will have further effect on LIBOR transition plans.

The elimination of LIBOR or any other changes or reforms to the determination or supervision of LIBOR could have an adverse impact on the market for or value of any LIBOR-indexed, floating-rate debt securities, loans, and other financial obligations or extensions of credit held by or due to us or on our overall financial condition or results of operations. If LIBOR ceases to exist, we may need to renegotiate the credit agreements extending beyond 2021 with our portfolio companies that utilize LIBOR as a factor in determining the interest rate to replace LIBOR with the new standard that is established. In the event that the LIBOR rate is no longer available or published on a current basis or no longer made available or used for determining the interest rate of loans, our administrative agent that manages our loans will generally select a comparable successor rate; provided that (i) to the extent a comparable or successor rate is approved by the administrative agent, the approved rate shall be applied in a manner consistent with market practice; and (ii) to the extent such market practice is not administratively feasible for the administrative agent, such approved rate shall be applied as otherwise reasonably determined by the administrative agent.

We are subject to risks related to corporate social responsibility.

Our business faces increasing public scrutiny related to environmental, social and governance (“ESG”) activities. We risk damage to our brand and reputation if we fail to act responsibly in a number of areas, such as environmental stewardship, corporate governance and transparency and considering ESG factors in our investment processes. Adverse incidents with respect to ESG activities could impact the value of our brand, the cost of our operations and relationships with investors, all of which could adversely affect our business and results of operations. Additionally, new regulatory initiatives related to ESG could adversely affect our business.

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

We did not engage in unregistered sales of equity securities during the nine months ended September 30, 2021.

Issuer Purchases of Equity Securities**Dividend Reinvestment Plan**

During the nine months ended September 30, 2021, as part of our dividend reinvestment plan for our common stockholders, our dividend reinvestment plan administrator purchased 88,931 shares of our common stock for approximately \$1.1 million in the open market in order to satisfy the reinvestment portion of our distribution. The following table outlines purchases by our dividend reinvestment plan administrator of our common stock for this purpose during the nine months ended September 30, 2021.

(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 2021	—	\$ —	—	\$ —
February 2021	—	—	—	—
March 2021	—	—	—	—
April 2021	88,931	12.66	—	—
May 2021	—	—	—	—
June 2021	—	—	—	—
July 2021	—	—	—	—
August 2021	—	—	—	—
September 2021	—	—	—	—
Total	88,931	\$ 12.66	—	\$ —

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 (the "Repurchase Program"). 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, 2020, our board of directors extended our Repurchase Program and we expect the Repurchase Program to be in place until the earlier of December 31, 2021 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 nine months ended September 30, 2021.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

None.

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	Form of Amendment No. 6 to Loan Financing and Servicing Agreement, dated as of March 25, 2021, by and among New Mountain Finance Corporation, as the equityholder, New Mountain Finance DB, L.L.C., as the borrower, U.S. Bank National Association, as the collateral Agent and collateral custodian, and Deutsche Bank AG, New York Branch, as the facility agent, an agent and a lender, and the other agents and lenders party thereto(5)
10.2	Form of Fifth Amendment to Loan and Security Agreement, dated as of April 20, 2021, by and among New Mountain Finance Corporation, as the collateral manager, New Mountain Finance Holdings, L.L.C., as the borrower, Wells Fargo Bank, National Association, as the administrative agent, the lenders party thereto and Wells Fargo Bank, National Association, as the collateral custodian(6)
10.3	Fee Waiver Agreement, dated May 4, 2021, by and between New Mountain Finance Corporation and New Mountain Finance Advisers BDC, L.L.C.(7)
10.4	Form of Amended and Restated Senior Secured Revolving Credit Agreement dated as of June 4, 2021, among New Mountain Finance Corporation, as Borrower, the Lenders Party Hereto and Goldman Sachs Bank USA, as Administrative Agent and Syndication Agent(8)
10.5	Amendment No. 1 to the Investment Advisory and Management Agreement by and between New Mountain Finance Corporation and New Mountain Finance Advisers BDC, L.L.C.(9)
10.6	Fee Waiver Letter Delivered to New Mountain Finance Corporation by New Mountain Finance Advisers BDC, L.L.C.(9)
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.
- (5) Previously filed in connection with New Mountain Finance Corporation's report on Form 8-K filed on March 31, 2021.
- (6) Previously filed in connection with New Mountain Finance Corporation's report on Form 8-K filed on April 26, 2021.
- (7) Previously filed in connection with New Mountain Finance Corporation's report on Form 8-K filed on May 5, 2021.

- (8) Previously filed in connection with New Mountain Finance Corporation's report on Form 8-K filed on June 9, 2021.
- (9) Previously filed in connection with New Mountain Finance Corporation's report on Form 8-K filed on November 3, 2021.

*Filed herewith.

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 the Securities Exchange Act of 1934, as amended (the "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 3rd day of November, 2021

/s/ ROBERT A. HAMWEE

Robert A. Hamwee

CERTIFICATION OF CHIEF FINANCIAL OFFICER

I, Shiraz Y. Kaje, 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 the Securities Exchange Act of 1934, as amended (the "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 3rd day of November, 2021

/s/ SHIRAZ Y. KAJEE

Shiraz Y. Kaje

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 ended September 30, 2021 (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: November 3, 2021

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 ended September 30, 2021 (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: November 3, 2021