UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended March 31, 2015

OR

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

For the transition period from to

Commission file number 001-36364

TPG Specialty Lending, Inc.
(Exact Name of Registrant as Specified in Its Charter)

Delaware **(State or Other Jurisdiction of Incorporation or Organization)**	**27-3380000** **(I.R.S. Employer Identification No.)**
301 Commerce Street, Suite 3300, Fort Worth, TX **(Address of Principal Executive Offices)**	**76102** **(Zip Code)**

Registrant's Telephone Number, Including Area Code: (817) 871-4000

Not applicable
Former Name, Former Address and Former Fiscal Year, If Changed Since Last Report.

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☐ No ☐

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

Large accelerated filer	☒	Accelerated filer	☐
Non-Accelerated filer	☐ (Do not check if a smaller reporting company)	Smaller reporting company	☐

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Securities Exchange Act of 1934). Yes ☐ No ☒

The number of shares of the Registrant's common stock, $.01 par value per share, outstanding at May 7, 2015 was 54,001,289.

TPG SPECIALTY LENDING, INC.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements that involve substantial risks and uncertainties. These forward-looking statements are not historical facts, but rather are based on current expectations, estimates and projections about us, our current or prospective portfolio investments, our industry, our beliefs, and our assumptions. Words such as “anticipates,” “expects,” “intends,” “plans,” “believes,” “seeks,” “estimates,” “would,” “should,” “targets,” “projects,” and variations of these words and similar expressions are intended to identify forward-looking statements. These statements are not guarantees of future performance and are subject to risks, uncertainties, and other factors, some of which are beyond our control and are difficult to predict, that could cause actual results to differ materially from those expressed or forecasted in the forward-looking statements.

In addition to factors previously identified elsewhere in the reports and other documents TPG Specialty Lending, Inc. has filed with the Securities and Exchange Commission, or SEC, the following factors, among others, could cause actual results to differ materially from forward-looking statements or historical performance:

- an economic downturn could impair our portfolio companies’ abilities to continue to operate, which could lead to the loss of some or all of our investments in those portfolio companies;
- such an economic downturn could disproportionately impact the companies in which we have invested and others that we intend to target for investment, potentially causing us to experience a decrease in investment opportunities and diminished demand for capital from these companies;
- such an economic downturn could also impact availability and pricing of our financing;
- an inability to access the capital markets could impair our ability to raise capital and our investment activities; and
- the risks, uncertainties and other factors we identify in the section entitled “Risk Factors” in this report and in our Annual Report on Form 10-K for the year ended December 31, 2014, filed with the SEC on February 24, 2015, and elsewhere in our filings with the SEC.

Although we believe that the assumptions on which these forward-looking statements are based are reasonable, some of those assumptions are based on the work of third parties and any of those assumptions could prove to be inaccurate; as a result, forward-looking statements based on those assumptions also could prove to be inaccurate. In light of these and other uncertainties, the inclusion of a projection or forward-looking statement in this report should not be regarded as a representation by us that our plans and objectives will be achieved. You should not place undue reliance on these forward-looking statements, which apply only as of the date of this report. We do not undertake any obligation to update or revise any forward-looking statements or any other information contained herein, except as required by applicable law. The safe harbor provisions of Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act, which preclude civil liability for certain forward-looking statements, do not apply to the forward-looking statements in this report because we are an investment company.

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

TPG Specialty Lending, Inc.

Consolidated Balance Sheets
(Amounts in thousands, except share and per share amounts)
(Unaudited)

	March 31, 2015	December 31, 2014
Assets		
Investments at fair value		
Non-controlled, non-affiliated investments (amortized cost of $1,295,328 and $1,225,672, respectively)	$ 1,285,623	$ 1,221,875
Controlled, affiliated investments (amortized cost of $50,709 and $47,580, respectively)	45,370	41,636
Total investments at fair value (amortized cost of $1,346,037 and $1,273,252, respectively)	1,330,993	1,263,511
Cash and cash equivalents	3,329	2,413
Interest receivable	7,282	6,137
Receivable for interest rate swaps	667	1,020
Prepaid expenses and other assets	31,488	30,650
Total Assets	$ 1,373,759	$ 1,303,731
Liabilities		
Debt	$ 485,223	$ 395,864
Management fees payable to affiliate	4,950	4,887
Incentive fees payable to affiliate	5,007	5,955
Dividends payable	21,044	20,981
Payable for investments purchased	7,440	29,017
Payables to affiliate	1,561	2,918
Other liabilities	7,004	8,704
Total Liabilities	532,229	468,326
Commitments and contingencies (Note 8)		
Net Assets		
Preferred stock, $0.01 par value; 100,000,000 shares authorized; no shares issued and outstanding	—	—
Common stock, $0.01 par value; 400,000,000 shares authorized, 53,960,847 and 53,798,357 shares issued, respectively; and 53,959,848 and 53,797,358 shares outstanding, respectively	540	538
Additional paid-in capital	810,422	808,053
Treasury stock at cost; 999 shares	(1)	(1)
Undistributed net investment income	6,818	6,555
Net unrealized gains	1,747	188
Undistributed net realized gains	22,004	20,072
Total Net Assets	841,530	835,405
Total Liabilities and Net Assets	$ 1,373,759	$ 1,303,731
Net Asset Value Per Share	$ 15.60	$ 15.53

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

TPG Specialty Lending, Inc.

Consolidated Statements of Operations
(Amounts in thousands, except share and per share amounts)
(Unaudited)

	Three Months Ended March 31, 2015	Three Months Ended March 31, 2014
Income		
Investment income from non-controlled, non-affiliated investments:		
Interest from investments	$ 32,879	$ 31,118
Other income	3,377	2,363
Total investment income from non-controlled, non-affiliated investments	36,256	33,481
Investment income from controlled, affiliated investments:		
Interest from investments	1,417	—
Other income	57	—
Total investment income from controlled, affiliated investments	1,474	—
Total Investment Income	37,730	33,481
Expenses		
Interest	4,220	3,824
Management fees	4,950	4,237
Incentive fees	5,007	4,473
Professional fees	1,209	1,172
Directors’ fees	96	72
Other general and administrative	1,156	916
Total expenses	16,638	14,694
Management fees waived (Note 3)	—	(2,464)
Net Expenses	16,638	12,230
Net Investment Income Before Income Taxes	21,092	21,251
Income taxes, including excise taxes	305	9
Net Investment Income	20,787	21,242
Unrealized and Realized Gains (Losses)		
Net change in unrealized gains (losses):		
Non-controlled, non-affiliated investments	(5,907)	3,944
Controlled, affiliated investments	605	—
Translation of assets and liabilities in foreign currencies	7,215	1,771
Interest rate swaps	(353)	—
Total net change in unrealized gains	1,560	5,715
Realized gains (losses):		
Non-controlled, non-affiliated investments	265	—
Interest rate swaps	1,852	—
Foreign currency transactions	4	(1,609)
Total realized gains (losses)	2,121	(1,609)
Total Unrealized and Realized Gains	3,681	4,106
Increase in Net Assets Resulting from Operations	$ 24,468	$ 25,348
Earnings per common share—basic and diluted	$ 0.45	$ 0.61
Weighted average shares of common stock outstanding—basic and diluted	53,902,074	41,539,083

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

TPG Specialty Lending, Inc.

Consolidated Schedule of Investments as of March 31, 2015
(Amounts in thousands, except share amounts)
(Unaudited)

Company (1)	Investment	Interest	Initial Acquisition Date	Amortized Cost (2)	Fair Value	Percentage of Net Assets
Debt Investments						
Automotive						
Heartland Automotive Holdings, LLC (3)(4)	First-lien loan ($32,826 par, due 6/2017)	9.75%	8/28/2012	$ 32,383	$ 29,872	3.5%
	First-lien revolving loan ($4,278 par, due 6/2017)	10.75%	8/28/2012	4,207	3,778	0.4%
				36,590	33,650	3.9%
Beverage, food and tobacco						
AFS Technologies, Inc. (3)(4)(6)	First-lien loan ($64,098 par, due 3/2020)	6.25%	3/3/2014	62,856	62,816	7.5%
Great Atlantic & Pacific Tea Co. Inc. (3)(4)	First-lien loan ($22,574 par, due 9/2019)	9.85%	9/17/2014	22,231	22,405	2.7%
				85,087	85,221	10.2%
Business services						
Actian Corporation (3)(4)(6)	First-lien loan ($62,915 par, due 4/2018)	7.50%	4/11/2013	61,394	63,387	7.5%
Leaf US Holdings, Inc. (3)(4)(5)	First-lien loan ($29,376 par, due 6/2019)	7.50%	6/30/2014	28,793	28,984	3.4%
Network Merchants, Inc (3)(4)	First-lien loan ($29,659 par, due 9/2018)	8.75%	9/12/2013	29,230	29,582	3.5%
ScentAir Technologies, Inc (3)(4)	First-lien loan ($17,143 par, due 12/2019)	7.50%	12/30/2014	16,737	16,862	2.0%
				136,154	138,815	16.4%
Chemicals						
Vertellus Specialties, Inc. (3)(4)	First-lien loan ($19,900 par, due 10/2019)	10.50%	10/31/2014	19,246	17,562	2.1%
Education						
Campus Management, Inc. (3)(4)(6)	First-lien loan ($27,590 par, due 9/2018)	8.75%	9/30/2013	27,080	27,590	3.3%
Electronics						
MyAlarm Center, LLC (3)(4)	First-lien loan ($63,859 par, due 1/2018)	8.50%	1/9/2014	63,074	63,375	7.5%
MyAlarm Center, LLC	Mezzanine loan ($4,887 par, due 7/2018)	16.25% (incl. 4.25% PIK)	1/9/2014	4,851	4,862	0.6%
APX Group Inc.	Senior notes 8.75% ($10,000 par, due 12/2020)	8.75%	12/11/2014	8,608	9,225	1.1%
				76,533	77,462	9.2%
Financial services						
Embarcadero Technologies, Inc. (3)(4)(6)	First-lien loan ($39,684 par, due 12/2017)	8.00%	12/28/2012	39,082	40,080	4.8%
PayLease, LLC (3)	First-lien loan ($33,000 par, due 3/2020)	10.00% (incl. 2.50% PIK)	3/6/2015	32,247	32,240	3.8%
Rogue Wave Holdings, Inc. (3)(4)(6)	First-lien loan ($65,628 par, due 12/2018)	7.50%	11/21/2012	64,573	64,972	7.7%
				135,902	137,292	16.3%
Healthcare and pharmaceuticals						

Aesynt Incorporated (3)(4)(6)	First-lien loan ($34,344 par, due 5/2019)	7.00%	5/8/2014	$ 33,542	$ 33,485	4.0%
Global Healthcare Exchange, Inc. (3)(4)	First-lien loan ($46,134 par, due 3/2020)	8.50%	3/11/2014	45,076	45,272	5.4%
Helix Health, Ltd. (3)(5)	First-lien loan (EUR 28,224 par, due 9/2019)	11.50% (incl. 3.00% PIK)	9/30/2014	34,051	29,252	3.5%
	First-lien revolving loan (EUR 300 par, due 9/2019)	11.50%	9/30/2014	242	228	0.0%
Mediware Information Systems, Inc. (3)(4)(6)	First-lien loan ($68,948 par, due 5/2018)	7.00%	11/9/2012	67,846	69,637	8.3%
SRS Software, LLC (3)(4)	First-lien loan ($33,281 par, due 12/2017)	8.75%	12/28/2012	32,771	33,448	4.0%
	First-lien revolving loan ($2,000 par, due 12/2017)	8.75%	12/28/2012	1,938	2,010	0.2%
				215,466	213,332	25.4%
Hotel, gaming, and leisure						
Centaur, LLC (3)(4)	Second-lien loan ($10,000 par, due 2/2020)	8.75%	2/15/2013	9,934	10,075	1.2%
IRG Sports & Entertainment, LLC (3)(4)	First-lien loan ($44,201 par, due 9/2019)	12.00% (incl. 5.00% PIK)	9/30/2014	41,720	40,444	4.8%
Soho House (5)	Second-lien bond (GBP 20,375 par, due 10/2018)	9.13%	9/20/2013	33,252	31,759	3.8%
				84,906	82,278	9.8%
Human Resource Support Services						
Saba Software, Inc. (3)(6)	First-lien loan ($55,000 par, due 3/2021)	9.75%	3/30/2015	54,354	54,175	6.4%
Insurance						
Infogix, Inc. (3)(4)	First-lien loan ($34,950 par, due 6/2017)	10.00%	6/1/2012	34,588	34,775	4.1%
	First-lien revolving loan ($2,202 par, due 6/2017)	11.00%	6/1/2012	2,159	2,177	0.3%
Insurity, Inc. (3)(4)(6)	First-lien loan ($64,838 par, due 10/2020)	7.50%	10/31/2014	64,222	64,189	7.6%
				100,969	101,141	12.0%
Internet Services						
Highwinds Capital, Inc. (3)(4)	First-lien loan ($54,038 par, due 7/2018)	9.00%	3/7/2014	53,332	53,468	6.4%
Manufacturing						
Jeeves Information Systems AB (3)(5)(6)	First-lien loan (SEK 200,499 par, due 3/2019)	8.75%	6/5/2013	30,495	23,074	2.7%
Metals and mining						
Metalico, Inc. (3)(4)(6)	First-lien loan ($19,773 par, due 11/2019)	10.50%	11/21/2013	17,604	21,009	2.5%
Office products						
Ecommerce Industries, Inc. (3)(4)(6)	First-lien loan ($37,358 par, due 3/2019)	7.25%	3/11/2014	37,074	37,122	4.4%
Oil, gas and consumable fuels						
Milagro Exploration, LLC (3)(4)	First-lien loan ($62,464 par, due 9/2017)	9.50%	9/4/2014	61,802	61,993	7.4%
Mississippi Resources, LLC (3)(4)(8)	First-lien loan ($42,568 par, due 6/2018)	13.00% (incl. 1.50% PIK)	6/4/2014	41,835	40,865	4.9%
				103,637	102,858	12.3%
Retail						

Toys 'R' Us-Delaware, Inc. (3)(4)	First-lien loan ($42,000 par, due 10/2019)	8.25%	10/10/2014	$ 41,179	$ 41,685	5.0%
Transportation						
Carrix, Inc. (3)	First-lien loan ($8,000 par, due 1/2019)	4.50%	3/17/2015	7,440	7,387	0.9%
Kewill, Ltd. (3)(5)	Second-lien loan ($62,500 par, due 10/2019)	9.50%	10/2/2013	61,473	61,406	7.3%
Total Debt Investments				1,324,521	1,316,527	156.5%
Equity and Other Investments						
Business services						
Network Merchants, Inc	Non-Voting Preferred Units (774,099 units)		9/12/2013	780	942	0.1%
Healthcare and pharmaceuticals						
Global Healthcare Exchange, LLC	Common Shares Class A (598 shares)		3/11/2014	467	515	0.1%
	Common Shares Class B (196 shares)		3/11/2014	137	151	0.0%
Helix Health, Ltd. (5)	Warrants		9/30/2014	877	745	0.1%
SRS Parent Corp.	Common Shares Class A (1,980 shares)		12/28/2012	1,980	1,134	0.1%
	Common Shares Class B (2,953,020 shares)		12/28/2012	20	11	0.0%
				3,481	2,556	0.3%
Hotel, gaming, and leisure						
IRG Sports & Entertainment, LLC	Warrants		9/30/2014	1,494	762	0.1%
Metals and mining						
Metalico, Inc.	Warrants		11/21/2013	1,343	149	0.0%
Oil, gas and consumable fuels						
Mississippi Resources, LLC (8)	Class A Member Units (933 units)		6/4/2014	8,874	4,505	0.5%
Other						
Symphony (5)(7)	Structured Product	5.98%	11/17/2014	5,544	5,552	0.7%
Total Equity and Other Investments				21,516	14,466	1.7%
Total Investments				**$ 1,346,037**	**$ 1,330,993**	**158.2%**

(1) Unless otherwise indicated, the Company’s portfolio companies are domiciled in the United States. Certain portfolio company investments are subject to contractual restrictions on sales.

(2) The amortized cost represents the original cost adjusted for the amortization of discounts and premiums, as applicable, on debt investments using the effective interest method.

(3) Loan contains a variable rate structure, subject to an interest rate floor. Variable rate loans bear interest at a rate that may be determined by reference to either LIBOR (which can include one-, two-, three- or six-month LIBOR) or an alternate base rate (which can include the Federal Funds Effective Rate or the Prime Rate), at the borrower’s option, which reset periodically based on the terms of the loan agreement. For each such loan the Company has provided the interest rate in effect on the date presented.

(4) The investment, or a portion thereof, is held within TPG SL SPV, LLC, a wholly-owned subsidiary of the Company, and is pledged as collateral supporting the amounts outstanding under the SPV Asset Facility (see Note 7).

(5) This portfolio company is a non-U.S. corporation and, as a result, is not a qualifying asset under Section 55(a) of the 1940 Act. Under the 1940 Act, the Company may not acquire any non-qualifying asset unless, at the time such acquisition is made, qualifying assets represent at least 70% of total assets.

(6) In addition to the interest earned based on the stated interest rate of this loan, which is the amount reflected in this schedule, the Company may be entitled to receive additional interest as a result of an arrangement with other lenders in the syndication.

(7) Contains a variable rate structure. Bears interest at a rate determined by three-month LIBOR.

(8) Under the 1940 Act, the Company is deemed to be both an "Affiliated Person" of and "Control," as such terms are defined in the 1940 Act, this portfolio company, as the Company owns more than 25% of the portfolio company's outstanding voting securities or has the power to exercise control over management or policies of such portfolio company (including through a management agreement). Transactions during the three months ended March 31, 2015 in which the issuer was an Affiliated Person of and was deemed to Control a portfolio company are as follows:

Company	Fair Value at December 31, 2014	Gross Additions (a)	Gross Reductions (b)	Net Unrealized Gain/(Loss)	Realized Gain/(Losses)	Fair Value at March 31, 2015	Other Income	Interest Income
Mississippi Resources, LLC	$ 41,636	$ 3,220	$ (91)	$ 605	$ —	$ 45,370	$ 57	$ 1,417
Total	**$ 41,636**	**$ 3,220**	**$ (91)**	**$ 605**	**$ —**	**$ 45,370**	**$ 57**	**$ 1,417**

(a) Gross additions include increases in the cost basis of investments resulting from new investments, payment-in-kind interest or dividends, the amortization of any unearned income or discounts on debt investments, as applicable.

(b) Gross reductions include decreases in the cost basis of investments resulting from principal collections related to investment repayments or sales, and the amortization of any discounts on debt investments, as applicable.

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

Consolidated Schedule of Investments as of December 31, 2014
(Amounts in thousands, except share amounts)
(Unaudited)

Company (1)	Investment	Interest	Initial Acquisition Date	Amortized Cost (2)	Fair Value	Percentage of Net Assets
Debt Investments						
Automotive						
Heartland Automotive Holdings, LLC (3)(4)	First-lien loan ($32,826 par, due 6/2017)	9.75%	8/28/2012	$ 32,340	$ 30,447	3.6%
	First-lien revolving loan ($4,500 par, due 6/2017)	10.75%	8/28/2012	4,421	4,097	0.5%
				36,761	34,544	4.1%
Beverage, food and tobacco						
AFS Technologies, Inc. (3)(4)(6)	First-lien loan ($64,399 par, due 3/2020)	6.25%	3/3/2014	63,102	63,111	7.5%
Great Atlantic & Pacific Tea Co. Inc. (3)(4)	First-lien loan ($22,787 par, due 9/2019)	9.85%	9/17/2014	22,426	22,274	2.6%
				85,528	85,385	10.1%
Business services						
Actian Corporation (3)(4)(6)	First-lien loan ($63,933 par, due 4/2018)	7.50%	4/11/2013	62,282	63,933	7.6%
Leaf US Holdings, Inc. (3)(4)(5)	First-lien loan ($16,418 par, due 6/2019)	7.50%	6/30/2014	16,077	16,003	1.9%
Network Merchants, Inc (3)(4)	First-lien loan ($29,659 par, due 9/2018)	8.75%	9/12/2013	29,204	29,506	3.5%
ScentAir Technologies, Inc (3)(4)	First-lien loan ($16,071 par, due 12/2019)	7.50%	12/30/2014	15,628	15,621	1.9%
				123,191	125,063	14.9%
Chemicals						
Vertellus Specialties, Inc. (3)(4)	First-lien loan ($19,950 par, due 10/2019)	10.50%	10/31/2014	19,267	18,753	2.2%
Communications						
IPC Systems, Inc. (3)(4)	Second-lien loan ($17,000 par, due 5/2021)	9.50%	5/2/2014	16,935	17,680	2.1%
Containers and packaging						
The Newark Group, Inc. (3)(4)	First-lien loan ($39,240 par, due 2/2018)	8.50%	2/8/2013	38,984	40,025	4.8%
Education						
Campus Management, Inc. (3)(4)(6)	First-lien loan ($28,125 par, due 9/2018)	8.75%	9/30/2013	27,576	27,914	3.3%
Electronics						
MyAlarm Center, LLC (3)(4)	First-lien loan ($61,861 par, due 1/2018)	8.50%	1/9/2014	61,013	60,893	7.2%
MyAlarm Center, LLC	Mezzanine loan ($4,887 par, due 7/2018)	16.25% (incl. 4.25% PIK)	1/9/2014	4,849	4,520	0.5%
APX Group Inc.	First-lien bond 6.375% ($5,000 par, due 12/2019)	6.38%	12/12/2014	4,727	4,788	0.6%
	First-lien bond 8.75% ($10,000 par, due 12/2020)	8.75%	12/11/2014	8,566	8,444	1.0%
				79,155	78,645	9.3%
Financial services						
Embarcadero Technologies, Inc. (3)(4)(6)	First-lien loan ($40,243 par, due 12/2017)	8.00%	12/28/2012	39,585	40,544	4.8%
Rogue Wave Holdings, Inc. (3)(4)(6)	First-lien loan ($66,470 par, due 12/2018)	7.50%	11/21/2012	65,344	65,971	7.8%

				104,929	106,515	12.6%
Healthcare and pharmaceuticals						
Aesynt Incorporated (3)(4)(6)	First-lien loan ($34,563 par, due 5/2019)	7.00%	5/8/2014	$ 33,714	$ 33,526	4.0%
Global Healthcare Exchange, Inc. (3)(4)	First-lien loan ($46,250 par, due 3/2020)	8.50%	3/11/2014	45,149	45,139	5.4%
Helix Health, Ltd. (3)(5)	First-lien loan (EUR 28,014 par, due 9/2019)	11.50% (incl. 3.00% PIK)	9/30/2014	33,761	32,373	3.8%
	First-lien revolving loan (EUR 300 par, due 9/2019)	11.50%	9/30/2014	235	227	0.0%
Mediware Information Systems, Inc. (3)(4)(6)	First-lien loan ($69,405 par, due 5/2018)	7.00%	11/9/2012	68,221	68,885	8.2%
SRS Software, LLC (3)(4)	First-lien loan ($33,750 par, due 12/2017)	8.75%	12/28/2012	33,192	33,834	4.0%
	First-lien revolving loan ($2,000 par, due 12/2017)	8.75%	12/28/2012	1,933	2,005	0.2%
				216,205	215,989	25.6%
Hotel, gaming, and leisure						
Centaur, LLC (3)(4)	Second-lien loan ($10,000 par, due 2/2020)	8.75%	2/15/2013	9,931	9,913	1.2%
IRG Sports & Entertainment, LLC (3)(4)	First-lien loan ($43,653 par, due 9/2019)	12.00% (incl. 5.00% PIK)	9/30/2014	41,073	40,161	4.8%
Soho House (5)	Second-lien bond (GBP 13,750 par, due 10/2018)	9.13%	9/20/2013	22,826	22,565	2.7%
				73,830	72,639	8.7%
Insurance						
Infogix, Inc. (3)(4)	First-lien loan ($35,438 par, due 6/2017)	10.00%	6/1/2012	35,034	35,260	4.2%
	First-lien revolving loan ($2,010 par, due 6/2017)	11.00%	6/1/2012	1,961	1,985	0.2%
Insurity, Inc. (3)(4)(6)	First-lien loan ($65,000 par, due 10/2020)	7.50%	10/31/2014	64,363	64,025	7.6%
				101,358	101,270	12.0%
Internet Services						
Highwinds Capital, Inc. (3)(4)	First-lien loan ($41,401 par, due 7/2018)	9.00%	3/7/2014	40,931	40,859	4.9%
Manufacturing						
Jeeves Information Systems AB (3)(5)(6)	First-lien loan (SEK 203,140 par, due 3/2019)	8.75%	6/5/2013	30,897	25,690	3.1%
Metals and mining						
Metalico, Inc. (3)(4)(6)	First-lien loan ($19,973 par, due 11/2019)	10.50%	11/21/2013	17,699	21,321	2.5%
Office products						
Ecommerce Industries, Inc. (3)(4)(6)	First-lien loan ($35,390 par, due 3/2019)	7.25%	3/11/2014	35,090	34,868	4.1%
Oil, gas and consumable fuels						
Milagro Exploration, LLC (3)(4)	First-lien loan ($62,857 par, due 9/2017)	9.50%	9/4/2014	62,130	61,457	7.3%
Mississippi Resources, LLC (3)(4)(8)	First-lien loan ($39,505 par, due 6/2018)	13.00% (incl. 1.50% PIK)	6/4/2014	38,706	37,381	4.4%
				100,836	98,838	11.7%
Retail						
Toys 'R' Us-Delaware, Inc. (3)(4)	First-lien loan ($42,000 par, due 10/2019)	8.25%	10/10/2014	41,149	41,370	4.9%

Transportation						
Kewill, Ltd. (3)(5)	Second-lien loan ($62,500 par, due 10/2019)	9.50%	10/2/2013	$ 61,428	$ 61,250	7.3%
Total Debt Investments				1,251,749	1,248,618	148.2%
Equity and Other Investments						
Business services						
Network Merchants, Inc	Non-Voting Preferred Units (774,099 units)		9/12/2013	780	932	0.1%
Healthcare and pharmaceuticals						
Global Healthcare Exchange, LLC	Common Shares Class A (598 shares)		3/11/2014	467	467	0.1%
	Common Shares Class B (196 shares)		3/11/2014	137	137	0.0%
Helix Health, Ltd. (5)	Warrants		9/30/2014	877	840	0.1%
SRS Parent Corp.	Common Shares Class A (1,980 shares)		12/28/2012	1,980	1,099	0.1%
	Common Shares Class B (2,953,020 shares)		12/28/2012	20	11	0.0%
				3,481	2,554	0.3%
Hotel, gaming, and leisure						
IRG Sports & Entertainment, LLC	Warrants		9/30/2014	1,494	1,494	0.2%
Metals and mining						
Metalico, Inc.	Warrants		11/21/2013	1,343	133	0.0%
Oil, gas and consumable fuels						
Mississippi Resources, LLC (8)	Class A Member Units (933 units)		6/4/2014	8,874	4,254	0.5%
Other						
Symphony (5)(7)	Structured Product	5.98%	11/17/2014	5,531	5,526	0.7%
Total Equity and Other Investments				21,503	14,893	1.8%
Total Investments				**$ 1,273,252**	**$ 1,263,511**	**150.0%**

(1) Unless otherwise indicated, the Company's portfolio companies are domiciled in the United States. As of December 31, 2014, the Company does not "control" any of the portfolio companies nor are any of its portfolio companies considered to be "affiliates" (see Note 4). Certain portfolio company investments are subject to contractual restrictions on sales.

(2) The amortized cost represents the original cost adjusted for the amortization of discounts and premiums, as applicable, on debt investments using the effective interest method.

(3) Loan contains a variable rate structure, subject to an interest rate floor. Variable rate loans bear interest at a rate that may be determined by reference to either LIBOR (which can include one-, two-, three- or six-month LIBOR) or an alternate base rate (which can include the Federal Funds Effective Rate or the Prime Rate), at the borrower's option, which reset periodically based on the terms of the loan agreement. For each such loan the Company has provided the interest rate in effect on the date presented.

(4) The investment, or a portion thereof, is held within TPG SL SPV, LLC, a wholly-owned subsidiary of the Company, and is pledged as collateral supporting the amounts outstanding under the SPV Asset Facility (see Note 7).

(5) This portfolio company is a non-U.S. corporation and, as a result, is not a qualifying asset under Section 55(a) of the 1940 Act. Under the 1940 Act, the Company may not acquire any non-qualifying asset unless, at the time such acquisition is made, qualifying assets represent at least 70% of total assets.

(6) In addition to the interest earned based on the stated interest rate of this loan, which is the amount reflected in this schedule, the Company may be entitled to receive additional interest as a result of an arrangement with other lenders in the syndication.

(7) Contains a variable rate structure. Bears interest at a rate determined by three-month LIBOR.

(8) Under the 1940 Act, the Company is deemed to be both an "Affiliated Person" of and "Control," as such terms are defined in the 1940 Act, this portfolio company, as the Company owns more than 25% of the portfolio company's outstanding voting securities or has the power to exercise control over management or policies of such portfolio company (including through a

management agreement). Transactions during the year ended December 31, 2014 in which the issuer was an Affiliated Person of and was deemed to Control a portfolio company are as follows:

Company	Fair Value at December 31, 2013	Gross Additions (a)	Gross Reductions (b)	Net Unrealized Gain/(Loss)	Realized Gain/(Losses)	Fair Value at December 31, 2014	Other Income	Interest Income
Mississippi Resources, LLC	$ —	$ 47,580	$ —	$ (5,944)	$ —	$ 41,636	$ 143	$ 2,994
Total	**$ —**	**$ 47,580**	**$ —**	**$ (5,944)**	**$ —**	**$ 41,636**	**$ 143**	**$ 2,994**

(a) Gross additions include increases in the cost basis of investments resulting from new investments, payment-in-kind interest or dividends, the amortization of any unearned income or discounts on debt investments, as applicable.

(b) Gross reductions include decreases in the cost basis of investments resulting from principal collections related to investment repayments or sales, and the amortization of any discounts on debt investments, as applicable.

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

TPG Specialty Lending, Inc.

Consolidated Statements of Changes in Net Assets
(Amounts in thousands)
(Unaudited)

	Three Months Ended March 31, 2015	Three Months Ended March 31, 2014
Increase in Net Assets Resulting from Operations		
Net investment income	$ 20,787	$ 21,242
Net change in unrealized gains	1,560	5,715
Net realized gains (losses)	2,121	(1,609)
Increase in Net Assets Resulting from Operations	24,468	25,348
Increase in Net Assets Resulting from Capital Share Transactions		
Issuance of common shares, net of offering and underwriting costs	—	216,634
Reinvestment of dividends	2,701	7,794
Dividends declared from net investment income	(21,044)	(19,717)
Increase (Decrease) in Net Assets Resulting from Capital Share Transactions	(18,343)	204,711
Total Increase in Net Assets	6,125	230,059
Net assets, beginning of period	835,405	574,696
Net Assets, End of Period	$ 841,530	$ 804,755
Undistributed Net Investment Income Included in Net Assets at the End of the Period	$ 6,818	$ 2,620

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

TPG Specialty Lending, Inc.

Consolidated Statements of Cash Flows
(Amounts in thousands)
(Unaudited)

	Three Months Ended March 31, 2015	Three Months Ended March 31, 2014
Cash Flows from Operating Activities		
Increase in net assets resulting from operations	$ 24,468	$ 25,348
Adjustments to reconcile increase in net assets resulting from operations to net cash used in operating activities:		
Net change in unrealized (gains) losses on investments	5,302	(3,944)
Net change in unrealized gains on foreign currency transactions	(7,215)	(1,771)
Net change in unrealized losses on interest rate swaps	353	—
Net realized gains on investments	(265)	—
Net realized losses on foreign currency transactions	9	1,609
Net realized gains on interest rate swaps	(1,852)	—
Net amortization of discount on securities	(1,754)	(4,434)
Amortization of debt issuance costs	742	578
Accretion of discount on Convertible Senior Notes	138	—
Purchases of investments, net	(139,319)	(325,289)
Proceeds from investments, net	5,000	50,035
Repayments on investments	64,394	103,567
Paid-in-kind interest	(935)	(630)
Changes in operating assets and liabilities:		
Interest receivable	(1,090)	(4,003)
Interest receivable paid-in-kind	(94)	—
Prepaid expenses and other assets	382	(1,367)
Management fees payable to affiliate	64	192
Incentive fees payable to affiliate	(948)	1,390
Payable to affiliate	(1,357)	(617)
Other liabilities	(23,277)	7,817
Net Cash Used in Operating Activities	(77,254)	(151,519)
Cash Flows from Financing Activities		
Borrowings on debt	244,387	487,378
Payments on debt	(147,826)	(517,042)
Debt issuance costs	(109)	(3,101)
Proceeds from issuance of common stock, net of offering and underwriting costs	—	216,634
Dividends paid to stockholders	(18,282)	(7,017)
Net Cash Provided by Financing Activities	78,170	176,852
Net Increase in Cash and Cash Equivalents	916	25,333
Cash and cash equivalents, beginning of period	2,413	3,471
Cash and Cash Equivalents, End of Period	$ 3,329	$ 28,804
Supplemental Information:		
Interest paid during the period	$ 2,673	$ 2,781
Excise taxes paid during the period	$ 1,200	$ 185
Dividends declared during the period	$ 21,044	$ 19,717
Reinvestment of dividends during the period	$ 2,701	$ 7,794

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

1. Organization and Basis of Presentation

Organization

TPG Specialty Lending, Inc. ("TSLX" or the "Company") is a Delaware corporation formed on July 21, 2010. The Company was formed primarily to lend to, and selectively invest in, middle-market companies in the United States. The Company has elected to be regulated as a business development company ("BDC") under the Investment Company Act of 1940, as amended (the "1940 Act"). In addition, for tax purposes, the Company has elected to be treated as a regulated investment company ("RIC") under Subchapter M of the Internal Revenue Code of 1986, as amended (the "Code"). TSLX is managed by TSL Advisers, LLC (the "Adviser"). On June 1, 2011, the Company formed a wholly-owned subsidiary, TC Lending, LLC, a Delaware limited liability company. On March 22, 2012, the Company formed a wholly-owned subsidiary, TPG SL SPV, LLC, a Delaware limited liability company ("TPG SL SPV"). On May 19, 2014, the Company formed a wholly-owned subsidiary, TSL MR, LLC, a Delaware limited liability company.

On March 21, 2014, the Company's shares began trading on the New York Stock Exchange ("NYSE") under the symbol "TSLX."

Basis of Presentation

The accompanying consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"), and include the accounts of the Company and its subsidiaries. In the opinion of management, all adjustments, consisting solely of accruals considered necessary for the fair presentation of the consolidated financial statements for the periods presented, have been included. The results of operations for interim periods are not indicative of results to be expected for the full year. All intercompany balances and transactions have been eliminated in consolidation.

Certain financial information that is normally included in annual financial statements, including certain financial statement footnotes, prepared in accordance with U.S. GAAP, is not required for interim reporting purposes and has been condensed or omitted herein. These financial statements should be read in conjunction with the Company's consolidated financial statements and notes related thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 2014, which was filed with the Securities and Exchange Commission ("SEC"), on February 24, 2015.

Certain prior period information has been reclassified to conform to the current period presentation. These reclassifications have no effect on the Company's financial position or its results of operations as previously reported.

The Company is an investment company and, therefore, applying the specialized accounting and reporting guidance in Accounting Standards Codification ("ASC") Topic 946, *Financial Services – Investment Companies.*

Fiscal Year End

The Company's fiscal year ends on December 31.

2. Significant Accounting Policies

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements. Such amounts could differ from those estimates and such differences could be material.

Cash and Cash Equivalents

Cash and cash equivalents may consist of demand deposits and highly liquid investments (e.g., money market funds, U.S. Treasury notes, and similar type instruments) with original maturities of three months or less. Cash and cash equivalents are carried at cost, which approximates fair value. The Company deposits its cash and cash equivalents with highly-rated banking corporations and, at times, cash deposits may exceed the insured limits under applicable law.

Investments at Fair Value

Investment transactions purchased on a secondary basis are recorded on the trade date. Loan originations are recorded on the date of the binding commitment, which is generally the funding date. Realized gains or losses are measured by the difference between the net proceeds received (excluding prepayment fees, if any) and the amortized cost basis of the investment without regard to unrealized gains or losses previously recognized, and include investments charged off during the period, net of recoveries. The net change in unrealized gains or losses primarily reflects the change in investment values and also includes the reversal of previously recorded unrealized gains or losses with respect to investments realized during the period.

Investments for which market quotations are readily available are typically valued at those market quotations. To validate market quotations, the Company utilizes a number of factors to determine if the quotations are representative of fair value, including the source and number of the quotations. Debt and equity securities that are not publicly traded or whose market prices are not readily available, as is the case for substantially all of our investments, are valued at fair value as determined in good faith by the Company's Board of Directors (the "Board"), based on, among other things, the input of the Adviser, the Company's Audit Committee and independent third-party valuation firms engaged at the direction of the Board.

As part of the valuation process, the Board takes into account relevant factors in determining the fair value of its investments, including: the estimated enterprise value of a portfolio company (that is, the total fair value of the portfolio company's debt and equity), the nature and realizable value of any collateral, the portfolio company's ability to make payments based on its earnings and cash flow, the markets in which the portfolio company does business, a comparison of the portfolio company's securities to any similar publicly traded securities, and overall changes in the interest rate environment and the credit markets that may affect the price at which similar investments may be made in the future. When an external event such as a purchase transaction, public offering or subsequent equity sale occurs, the Board considers whether the pricing indicated by the external event corroborates its valuation.

The Board undertakes a multi-step valuation process, which includes, among other procedures, the following:

- The valuation process begins with each investment being initially valued by the investment professionals responsible for the portfolio investment in conjunction with the portfolio management team.
- The Adviser's management reviews the preliminary valuations with the investment professionals. Agreed upon valuation recommendations are presented to the Audit Committee.
- The Audit Committee reviews the valuations presented and recommends values for each investment to the Board.
- The Board reviews the recommended valuations and determines the fair value of each investment; valuations that are not based on readily available market quotations are valued in good faith based on, among other things, the input of the Adviser, Audit Committee and, where applicable, other third parties.

The Company currently conducts this valuation process on a quarterly basis.

In connection with debt and equity securities that are valued at fair value in good faith by the Board, the Board has engaged independent third-party valuation firms to perform certain limited procedures that the Board has identified and requested them to perform. At March 31, 2015, the independent third-party valuation firms performed their procedures over substantially all of the Company's investments. Upon completion of such limited procedures, the third-party valuation firms determined that the fair value, as determined by the Board, of those investments subjected to their limited procedures, was reasonable.

The Company applies Financial Accounting Standards Board Accounting Standards Codification 820, *Fair Value Measurement* (ASC 820), as amended, which establishes a framework for measuring fair value in accordance with U.S. GAAP and required disclosures of fair value measurements. ASC 820 determines fair value to be the price that would be received for an investment in a current sale, which assumes an orderly transaction between market participants on the measurement date. Market participants are defined as buyers and sellers in the principal or most advantageous market (which may be a hypothetical market) that are independent, knowledgeable, and willing and able to transact. In accordance with ASC 820, the Company considers its principal market to be the market that has the greatest volume and level of activity. ASC 820 specifies a fair value hierarchy that prioritizes and ranks the level of observability of inputs used in determination of fair value. In accordance with ASC 820, these levels are summarized below:

- Level 1—Valuations based on quoted prices in active markets for identical assets or liabilities that the Company has the ability to access.
- Level 2—Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.
- Level 3—Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

Transfers between levels, if any, are recognized at the beginning of the quarter in which the transfers occur. In addition to using the above inputs in investment valuations, the Company applies the valuation policy approved by its Board that is consistent with ASC 820. Consistent with the valuation policy, the Company evaluates the source of inputs, including any markets in which its investments are trading (or any markets in which securities with similar attributes are trading), in determining fair value. When a security is valued based on prices provided by reputable dealers or pricing services (that is, broker quotes), the Company subjects those prices to various criteria in making the determination as to whether a particular investment would qualify for treatment as a Level 2 or Level 3 investment. For example, the Company reviews pricing methodologies provided by dealers or pricing services in order to determine if observable market information is being used, versus unobservable inputs. Some additional factors considered include the number of prices obtained as well as an assessment as to their quality.

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. Additionally, the fair value of such investments may differ significantly from the values that would have been used had a ready market existed for such investments and may differ materially from the values that may ultimately be realized. Further, such investments are generally less liquid than publicly traded securities and may be subject to contractual and other restrictions on resale. If the Company were required to liquidate a portfolio investment in a forced or liquidation sale, it could realize amounts that are different from the amounts presented and such differences could be material.

In addition, changes in the market environment and other events that may occur over the life of the investments may cause the gains or losses ultimately realized on these investments to be different than the unrealized gains or losses reflected herein.

Financial and Derivative Instruments

The Company recognizes all derivative instruments as assets or liabilities at fair value in its consolidated financial statements. Derivative contracts entered into by the Company are not designated as hedging instruments, and as a result the Company presents changes in fair value through current period earnings.

In the normal course of business, the Company has commitments and risks resulting from its investment transactions, which may include those involving derivative instruments. Derivative instruments are measured in terms of the notional contract amount and derive their value based upon one or more underlying instruments. While the notional amount gives some indication of the Company's volume of derivative trading activity, it generally is not exchanged, but is only used as the basis on which interest and other payments are exchanged. Derivative instruments are subject to various risks similar to non-derivative instruments including market, credit, liquidity, and operational risks. The Company manages these risks on an aggregate basis as part of its risk management process.

Derivatives, including the Company's interest rate swaps, for which broker quotes are available are typically valued at those broker quotes.

Offsetting Assets and Liabilities

The Company presents the fair value of foreign currency forward contracts and interest rate swaps executed with the same counterparty on a net basis given the Company has the legal right to offset the recognized amounts, and it intends to settle on a net basis.

Foreign currency forward contract and interest rate swap receivables or payables pending settlement are offset, and the net amount is included with receivable or payable for foreign currency forward contracts or interest rate swaps in the consolidated balance sheets when, and only when, the Company has the legal right to offset the recognized amounts, and it intends to either settle on a net basis or realize the asset and settle the liability simultaneously.

Foreign Currency

Foreign currency amounts are translated into U.S. dollars on the following basis:

- cash and cash equivalents, market value of investments, outstanding debt on revolving credit facilities, other assets and liabilities: at the spot exchange rate on the last business day of the period; and
- purchases and sales of investments, borrowings and repayments of such borrowings, income and expenses: at the rates of exchange prevailing on the respective dates of such transactions.

Although net assets and fair values are presented based on the applicable foreign exchange rates described above, 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 fair values of investments held. Such fluctuations are included with the net realized and unrealized gain or loss from investments. Fluctuations arising from the translation of foreign currency borrowings are included with the net change in unrealized gains (losses) on translation of assets and liabilities in foreign currencies on the consolidated statements of operations.

Investments denominated in foreign currencies and foreign currency transactions may involve certain considerations and risks not typically associated with those of domestic origin, including unanticipated movements in the value of the foreign currency relative to the U.S. dollar.

The Company’s current approach to hedging the foreign currency exposure in its non-U.S. dollar denominated investments is primarily to borrow the necessary local currency under the Company’s Revolving Credit Facility to fund these investments.

Equity Offering Expenses

The Company records expenses related to registration statement filings and applicable offering costs as deferred financing costs. To the extent such expenses relate to equity offerings, these expenses are charged as a reduction of capital upon each such offering.

Debt Issuance Costs

The Company records origination and other expenses related to its debt obligations as deferred financing costs. These expenses are deferred and amortized using the effective yield method, or straight-line method for revolving credit facilities, over the stated maturity life of the obligation.

Interest and Dividend Income Recognition

Interest income is recorded on an accrual basis and includes the amortization of discounts and premiums. Discounts and premiums to par value on securities purchased are amortized into interest income over the contractual life of the respective security using the effective yield method. The amortized cost of investments represents the original cost adjusted for the amortization of discounts and premiums, if any.

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

Dividend income on preferred equity securities is recorded on an accrual basis to the extent that such amounts are payable by the portfolio company and are expected to be collected. Dividend income on common equity securities is recorded on the record date for private portfolio companies or on the ex-dividend date for publicly-traded portfolio companies.

Other Income

From time to time, the Company may receive fees for services provided to portfolio companies by the Adviser. These fees are generally only available to the Company as a result of closing investments, are normally paid at the closing of the investments, are generally non-recurring and are recognized as revenue when earned upon closing of the investment. The services that the Adviser provides vary by investment, but generally include syndication, structuring or diligence fees, and fees for providing managerial assistance to our portfolio companies.

In certain instances where the Company is invited to participate as a co-lender in a transaction and does not provide significant services in connection with the investment, all or a portion of any loan fees received by the Company in such situations will be deferred and amortized over the investment’s life using the effective yield method.

Reimbursement of Transaction-Related Expenses

The Company may receive reimbursement for certain transaction-related expenses in pursuing investments. Transaction-related expenses, which are expected to be reimbursed by third parties, are typically deferred until the transaction is consummated and are recorded in Prepaid expenses and other assets on the date incurred. The costs of successfully completed investments not otherwise reimbursed are borne by the Company and included as a component of the investment's cost basis. Subsequent to closing, investments are recorded at fair value at each reporting period.

Cash advances received in respect of transaction-related expenses are recorded as cash and cash equivalents with an offset to Other liabilities or Payables to affiliates. Other liabilities or Payables to affiliates are relieved as reimbursable expenses are incurred.

Income Taxes

The Company has elected to be treated as a BDC under the 1940 Act. The Company also has elected to be treated as a RIC under the Internal Revenue Code. So long as the Company maintains its status as a RIC, it will generally not pay corporate-level U.S. federal income or excise taxes on any ordinary income or capital gains that it distributes at least annually to its stockholders as dividends. As a result, any tax liability related to income earned and distributed by the Company represents obligations of the Company's stockholders and will not be reflected in the consolidated financial statements of the Company.

The Company evaluates tax positions taken or expected to be taken in the course of preparing its financial statements to determine whether the tax positions are "more-likely-than-not" to be sustained by the applicable tax authority. Tax positions not deemed to meet the "more-likely-than-not" threshold are reversed and recorded as a tax benefit or expense in the current year. All penalties and interest associated with income taxes are included in income tax expense. Conclusions regarding tax positions are subject to review and may be adjusted at a later date based on factors including, but not limited to, on-going analyses of tax laws, regulations and interpretations thereof.

Dividends to Common Stockholders

Dividends to common stockholders are recorded on the record date. The amount to be paid out as a dividend is determined by the Board and is generally based upon the earnings estimated by the Adviser. Net realized long-term capital gains, if any, would be generally distributed at least annually, although the Company may decide to retain such capital gains for investment.

The Company has adopted a dividend reinvestment plan that provides for reinvestment of any dividends declared in cash on behalf of stockholders, unless a stockholder elects to receive cash. As a result, if the Board authorizes, and it declares, a cash dividend, then the stockholders who have not "opted out" of the dividend reinvestment plan will have their cash dividends automatically reinvested in additional shares of the Company's common stock, rather than receiving the cash dividend. The Company expects to use newly issued shares to implement the dividend reinvestment plan.

New Accounting Pronouncements

In August 2014, the Financial Accounting Standards Board issued Accounting Standards Update 2014–15 ("ASU 2014-15"), "*Presentation of Financial Statements – Going Concern (Subtopic 205 – 40): Disclosure of Uncertainties About an Entity's Ability to Continue as a Going Concern*." ASU 2014-15 requires management to evaluate whether there are conditions or events that raise substantial doubt about the entity's ability to continue as a going concern, and to provide certain disclosures when it is probable that the entity will be unable to meet its obligations as they become due within one year after the date that the financial statements are issued. Since this guidance is primarily around certain disclosures to the financial statements, the Company anticipates no impact on our financial position, results of operations or cash flows from adopting this standard. ASU 2014-15 is effective for the annual period ending after December 31, 2016 and for annual periods and interim periods thereafter, with early adoption permitted. The Company is currently assessing the additional disclosure requirements, if any, of ASU 2014-15.

In May 2014, the Financial Accounting Standards Board issued Accounting Standards Update 2014-09 ("ASU 2014-09"), *"Revenue from Contracts with Customers (Topic 606)."* The guidance in this ASU supersedes the revenue recognition requirements in Topic 605, Revenue Recognition. Under the new guidance, an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The amendments in ASU 2014-09 are effective for annual reporting periods beginning after December 15, 2016, including interim periods within that reporting period. Early application is not permitted. The Company is currently evaluating the impact of adopting this ASU on its consolidated financial statements. In April 2015, the FASB issued a proposal to defer the effective date of this guidance for an additional year. If approved by the FASB, this guidance would become effective for public companies for interim and annual periods beginning after December 15, 2017, with early adoption permitted for interim and annual periods beginning after December 15, 2016.

3. Agreements and Related Party Transactions

Administration Agreement

On March 15, 2011, the Company entered into the Administration Agreement with the Adviser. Under the terms of the Administration Agreement, the Adviser provides administrative services to the Company. These services include providing office space, equipment and office services, maintaining financial records, preparing reports to stockholders and reports filed with the SEC, and managing the payment of expenses and the performance of administrative and professional services rendered by others. Certain of these services are reimbursable to the Adviser under the terms of the Administration Agreement. In addition, the Adviser is permitted to delegate its duties under the Administration Agreement to affiliates or third parties and the Company pays or reimburses the Adviser expenses incurred by any such affiliates or third parties for work done on its behalf.

For the three months ended March 31, 2015, and 2014, the Company incurred expenses of $0.9 million and $0.6 million, respectively, for administrative services payable to the Adviser under the terms of the Administration Agreement.

On November 3, 2014, the Board renewed the Administration Agreement. Unless earlier terminated as described below, the Administration Agreement will remain in effect until November 3, 2015, and may be extended subject to required approvals. The Administration Agreement may be terminated by either party without penalty on 60 days' written notice to the other party.

No person who is an officer, director or employee of the Adviser or its affiliates and who serves as a director of the Company receives any compensation from the Company for his or her services as a director. However, the Company reimburses the Adviser (or its affiliates) for an allocable portion of the compensation paid by the Adviser or its affiliates to the Company's Chief Compliance Officer, Chief Financial Officer, and other professionals who spend time on such related activities (based on the percentage of time those individuals devote, on an estimated basis, to the business and affairs of the Company). Directors who are not affiliated with the Adviser receive compensation for their services and reimbursement of expenses incurred to attend meetings.

Investment Advisory Agreement

On April 15, 2011, the Company entered into the Investment Advisory Agreement with the Adviser. The Investment Advisory Agreement was subsequently amended on December 12, 2011. Under the terms of the Investment Advisory Agreement, the Adviser will provide investment advisory services to the Company. The Adviser's services under the Investment Advisory Agreement are not exclusive, and the Adviser is free to furnish similar or other services to others so long as its services to the Company are not impaired. Under the terms of the Investment Advisory Agreement, the Company will pay the Adviser the Management Fee and may also pay certain Incentive Fees.

The Management Fee is calculated at an annual rate of 1.5% based on the average value of the Company's gross assets calculated using the values at the end of the two most recently completed calendar quarters, adjusted for any share issuances or repurchases during the period. The Management Fee is payable quarterly in arrears and is prorated for any partial month or quarter.

For the three months ended March 31, 2015 and 2014, Management Fees were $5.0 million and $4.2 million, respectively.

Until the IPO, the Adviser had waived its right to receive the Management Fee in excess of the sum of (i) 0.25% of aggregate committed but undrawn capital; and, (ii) 0.75% of aggregate drawn capital (including capital drawn to pay Company expenses) as determined as of the end of any calendar quarter.

For the three months ended March 31, 2015, no Management Fees were waived. For the three months ended March 31, 2014, $2.5 million of Management Fees were waived. Any waived Management Fees were not subject to recoupment by the Adviser. Following the IPO, the Adviser has not waived its right to receive the full Management Fee and accordingly, the Company will be required to continue to pay the full amount of the Management Fee.

The Incentive Fee consists of two parts, as follows:

(i) Through March 31, 2014, the quarter in which the Company completed its IPO, the first component, payable at the end of each quarter in arrears, equaled 100% of the pre-Incentive Fee net investment income in excess of a 1.5% quarterly "hurdle rate" the calculation of which is further explained below, until the Adviser had received 15% of the total pre-Incentive Fee net investment income for that quarter and, for pre-Incentive Fee net investment income in excess of 1.76% quarterly, 15% of all remaining pre-Incentive Fee net investment income for that quarter . The 100% “catch-up” provision for pre-Incentive Fee net investment income in excess of the 1.5% “hurdle rate” is intended to provide the Adviser with an incentive fee of 15% on all pre-Incentive Fee net investment income when that amount equals 1.76% in a quarter (7.04% annualized), which is the rate at which catch-up was achieved. Once the “hurdle rate” is reached and catch-up is achieved, 15% of any pre-Incentive Fee net investment income in excess of 1.76% in any quarter is payable to the Adviser.

Beginning April 1, 2014, the first quarter after the Company’s IPO, the first component, payable at the end of each quarter in arrears, equals 100% of the pre-Incentive Fee net investment income in excess of a 1.5% quarterly “hurdle rate,” the calculation of which is further explained below, until the Adviser has received 17.5% of the total pre-Incentive Fee net investment income for that quarter and, for pre-Incentive Fee net investment income in excess of 1.82% quarterly, 17.5% of all remaining pre-Incentive Fee net investment income for that quarter. The 100% “catch-up” provision for pre-Incentive Fee net investment income in excess of the 1.5% “hurdle rate” is intended to provide the Adviser with an incentive fee of 17.5% on all pre-Incentive Fee net investment income when that amount equals 1.82% in a quarter (7.28% annualized), which is the rate at which catch-up is achieved. Once the “hurdle rate” is reached and catch-up is achieved, 17.5% of any pre-Incentive Fee net investment income in excess of 1.82% in any quarter is payable to the Adviser.

Pre-Incentive Fee net investment income means dividends (including reinvested dividends), interest and fee income accrued by the Company during the calendar quarter, minus the Company’s operating expenses for the quarter (including the Management Fee, expenses payable under the Administration Agreement to the Administrator, and any interest expense and dividends paid on any issued and outstanding preferred stock, but excluding the Incentive Fee). Pre-Incentive Fee net investment income includes, in the case of investments with a deferred interest feature (such as original issue discount, debt instruments with pay-in-kind interest and zero coupon securities), accrued income that the Company may not have 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.

(ii) The second component, payable at the end of each fiscal year in arrears, equaled 15% through March 31, 2014 and, beginning April 1, 2014, equals a weighted percentage of cumulative realized capital gains from the Company’s inception to the end of that fiscal year, less cumulative realized capital losses and unrealized capital depreciation. This component of the Incentive Fee is referred to as the Capital Gains Fee. Each year, the fee paid for this component of the Incentive Fee is net of the aggregate amount of any previously paid Capital Gains Fee for prior periods. For capital gains that accrue following March 31, 2014, the Incentive Fee rate is 17.5%. The Company accrues, but does not pay, a capital gains Incentive Fee with respect to unrealized appreciation because a capital gains Incentive Fee would be owed to the Adviser if the Company were to sell the relevant investment and realize a capital gain. The weighted percentage is intended to ensure that for each fiscal year following the completion of the IPO, the portion of the Company’s realized capital gains that accrued prior to March 31, 2014, is subject to an incentive fee rate of 15% and the portion of the Company’s realized capital gains that accrued beginning April 1, 2014 is subject to an incentive fee rate of 17.5%.

To determine whether pre-Incentive Fee net investment income exceeds the hurdle rate, prior to the IPO, the pre-Incentive Fee net investment income was expressed as a rate of return on an average daily hurdle calculation value. The average daily hurdle calculation value, on any given day, equaled

- net assets as of the end of the calendar quarter immediately preceding the day; plus
- the aggregate amount of capital drawn from investors (or reinvested pursuant to the dividend reinvestment plan) from the beginning of the current quarter to the day; minus
- the aggregate amount of distributions (including share repurchases) made by the Company from the beginning of the current quarter to the day (but only to the extent the distributions were not declared and accounted for on our books and records in a previous quarter).

Following the IPO, for purposes of determining whether pre-Incentive Fee net investment income exceeds the hurdle rate, pre-Incentive Fee net investment income is expressed as a rate of return on the value of the Company’s net assets at the end of the immediately preceding calendar quarter.

The Company accrues the Incentive Fee taking into account unrealized gains and losses; however, Section 205(b)(3) of the Investment Advisers Act of 1940, as amended, prohibits the Adviser from receiving the payment of fees until those gains are realized, if ever. There can be no assurance that such unrealized gains will be realized in the future.

For the three months ended March 31, 2015, Incentive Fees were $5.0 million, of which $4.5 million were realized and payable to the Adviser. For the three months ended March 31, 2014, Incentive Fees were $4.5 million, of which $3.9 million were realized and payable to the Adviser.

On November 3, 2014, the Board renewed the Investment Advisory Agreement. Unless earlier terminated as described below, the Investment Advisory Agreement will remain in effect until November 3, 2015, and may be extended subject to required approvals. The Investment Advisory Agreement will automatically terminate in the event of an assignment and may be terminated by either party without penalty upon 60 days' written notice to the other party.

From time to time, the Adviser may pay amounts owed by the Company to third-party providers of goods or services, including the Board, and the Company will subsequently reimburse the Adviser for such amounts paid on its behalf. Amounts payable to the Adviser are settled in the normal course of business without formal payment terms.

4. Investments at Fair Value

Under the 1940 Act, the Company is required to separately identify non-controlled investments where it owns 5% or more of a portfolio company's outstanding voting securities as investments in "affiliated" companies and/or had the power to exercise control over the management or policies of such portfolio company. In addition, under the 1940 Act, the Company is required to separately identify investments where it owns more than 25% of a portfolio company's outstanding voting securities and/or had the power to exercise control over the management or policies of such portfolio company as investments in "controlled" companies. Detailed information with respect to the Company's non-controlled, non-affiliated; non-controlled, affiliated; and controlled affiliated investments is contained in the accompanying consolidated financial statements, including the consolidated schedule of investments. The information in the tables below is presented on an aggregate portfolio basis, without regard to whether they are non-controlled non-affiliated, non-controlled affiliated or controlled affiliated investments.

Investments at fair value consisted of the following at March 31, 2015 and December 31, 2014:

	March 31, 2015		
	Amortized Cost (1)	Fair Value	Net Unrealized Gain (Loss)
First-lien debt investments	$ 1,206,404	$ 1,199,200	$ (7,204)
Second-lien debt investments	104,659	103,240	(1,419)
Mezzanine debt investments	13,459	14,087	628
Equity and other investments	21,515	14,466	(7,049)
Total Investments	$ 1,346,037	$ 1,330,993	$ (15,044)

	December 31, 2014		
	Amortized Cost (1)	Fair Value	Net Unrealized Gain (Loss)
First-lien debt investments	$ 1,127,215	$ 1,124,246	$ (2,969)
Second-lien debt investments	111,121	111,408	287
Mezzanine debt investments	13,414	12,964	(450)
Equity and other investments	21,502	14,893	(6,609)
Total Investments	$ 1,273,252	$ 1,263,511	$ (9,741)

(1) The amortized cost represents the original cost adjusted for the amortization of discounts or premiums, as applicable, on debt investments using the effective interest method.

The industry composition of Investments at fair value at March 31, 2015 and December 31, 2014 is as follows:

	March 31, 2015	December 31, 2014
Automotive	2.5%	2.7%
Beverage, food, and tobacco	6.4%	6.8%
Business services	10.5%	10.0%
Chemicals	1.4%	1.5%
Communications	—	1.4%
Containers and packaging	—	3.2%
Education	2.1%	2.2%
Electronics	5.8%	6.2%
Financial services	10.3%	8.4%
Healthcare and pharmaceuticals	16.2%	17.3%
Hotel, gaming, and leisure	6.2%	5.9%
Human resource support services	4.1%	—
Insurance	7.6%	8.0%
Internet services	4.0%	3.2%
Manufacturing	1.7%	2.0%
Metals and mining	1.6%	1.7%
Office products	2.8%	2.8%
Oil, gas and consumable fuels	8.1%	8.2%
Other	0.4%	0.4%
Retail	3.1%	3.3%
Transportation	5.2%	4.8%
Total	100.0%	100.0%

The geographic composition of Investments at fair value at March 31, 2015 and December 31, 2014 is as follows:

	March 31, 2015	December 31, 2014
United States		
Midwest	12.4%	13.1%
Northeast	21.6%	27.1%
South	23.8%	23.6%
West	29.0%	23.6%
Canada	2.2%	1.3%
Europe	11.0%	11.3%
Total	100.0%	100.0%

5. Derivatives

Foreign Currency

The Company enters into foreign currency forward contracts from time to time to facilitate settlement of purchases and sales of investments denominated in foreign currencies or to help mitigate the impact that an adverse change in foreign exchange rates would have on the value of the Company's investments denominated in foreign currencies. A foreign currency forward contract is a commitment to purchase or sell a foreign currency at a future date at a negotiated forward rate. These contracts are marked-to-market by recognizing the difference between the contract exchange rate and the current market rate as unrealized appreciation or depreciation. Realized gains or losses are recognized when contracts are settled. The foreign currency forward contracts that the Company enters into typically have terms of approximately two months or less. Risks may arise as a result of the potential inability of the counterparties to meet the terms of their contracts. The Company attempts to limit this risk by dealing with only creditworthy counterparties.

During the three months ended March 31, 2015, the Company entered into foreign currency forward contracts related to its non-USD investments. The Company did not have any open foreign currency forward contracts as of March 31, 2015.

All realized and unrealized gains and losses on foreign currency forward contracts are included in earnings (changes in net assets) and are reported as separate line items within the Company's consolidated statements of operations. Unrealized gains and losses on foreign currency forward contracts are also reported as a separate line item within the Company's consolidated balance sheets.

The Company has not been required to post cash collateral related to its foreign currency forward contracts, but may be required to do so in the future.

Interest Rate Swaps

In June 2014, the Company entered into two interest rate swap transactions, each with a $57.5 million notional amount. As of December 31, 2014 the Company received fixed rate interest at 4.50% and paid variable rate interest based on the 3-month London Interbank Offered Rate ("LIBOR") plus 252.9 basis points.

In January 2015, the Company closed out its existing interest rate swaps and simultaneously entered into new interest rate swaps realizing a cash payment of $2.0 million and increasing pricing to three-month LIBOR plus 286 basis points. The new swap transactions mature on December 15, 2019.

During the three months ended March 31, 2015, the Company received $1.3 million and paid $0.9 million related to the quarterly settlements of its interest rate swaps. This net amount is a reduction to interest expense in the Company's consolidated statements of operations.

For the three months ended March 31, 2015, the Company recognized $0.4 million in unrealized depreciation on derivatives in the consolidated statement of operations related to the swap transactions. As of March 31, 2015, the swap transactions had a fair value of $0.7 million, which is included in receivable on interest rate swaps on the Company's consolidated balance sheet.

The Company is required under the terms of its derivatives agreements to pledge assets as collateral to secure its obligations under the derivatives. The amount of collateral required varies over time based on the mark-to-market value, notional amount and remaining term of the derivatives, and may exceed the amount owed by the Company on a mark-to-market basis. Any failure by the Company to fulfill any collateral requirement (e.g., a so-called "margin call") may result in a default. In the event of a default by a counterparty, the Company would be an unsecured creditor to the extent of any such overcollateralization. As of March 31, 2015, $2.4 million of cash is pledged as collateral under the Company's derivative instruments and is included in restricted cash as a component of other assets on the Company's consolidated balance sheet.

The Company may enter into other derivative instruments and incur other exposures with the same or other counterparties in the future.

6. Fair Value of Financial Instruments

Investments

The following tables present fair value measurements of investments as of March 31, 2015 and December 31, 2014:

	Fair Value Hierarchy at March 31, 2015			
	Level 1	**Level 2**	**Level 3**	**Total**
First-lien debt investments	$ —	$ 66,633	$ 1,132,567	$ 1,199,200
Second-lien debt investments	—	41,834	61,406	103,240
Mezzanine debt investments	—	9,225	4,862	14,087
Equity and other investments	—	5,552	8,914	14,466
Total Investments at Fair Value	$ —	$ 123,244	$ 1,207,749	$ 1,330,993
Receivable on interest rate swaps	—	667	—	667
Total	$ —	$ 123,911	$ 1,207,749	$ 1,331,660

	Fair Value Hierarchy at December 31, 2014			
	Level 1	Level 2	Level 3	Total
First-lien debt investments	$ —	$ 64,910	$ 1,059,336	$ 1,124,246
Second-lien debt investments	—	50,158	61,250	111,408
Mezzanine debt investments	—	8,444	4,520	12,964
Equity and other investments	—	5,525	9,368	14,893
Total Investments at Fair Value	$ —	$ 129,037	$ 1,134,474	$ 1,263,511
Receivable on interest rate swaps	—	1,020	—	1,020
Total	$ —	$ 130,057	$ 1,134,474	$ 1,264,531

The following tables present the changes in the fair value of investments for which Level 3 inputs were used to determine the fair value as of and for the three months ended March 31, 2015 and 2014:

	As of and for the Three Months Ended March 31, 2015				
	First-lien debt investments	Second-lien debt investments	Mezzanine debt investments	Equity and other investments	Total
Balance, beginning of year	$ 1,059,336	$ 61,250	$ 4,520	$ 9,368	$ 1,134,474
Purchases	121,413	—	—	—	121,413
Repayments / redemptions	(47,344)	—	—	—	(47,344)
Paid-in-kind interest	935	—	—	—	935
Net change in unrealized gains (losses)	(3,236)	111	340	(454)	(3,239)
Net realized losses	(95)	—	—	—	(95)
Net amortization of discount on securities	1,558	45	2	—	1,605
Transfers into (out of) Level 3	—	—	—	—	—
Balance, End of Year	$ 1,132,567	$ 61,406	$ 4,862	$ 8,914	$ 1,207,749

	As of and for the Three Months Ended March 31, 2014				
	First-lien debt investments	Second-lien debt investments	Mezzanine debt investments	Equity investments	Total
Balance, beginning of year	$ 854,972	$ 103,531	$ —	$ 1,804	$ 960,307
Purchases	257,098	63,050	4,641	500	325,289
Proceeds from investments	(51,642)	—	—	—	(51,642)
Repayments / redemptions	(102,989)	(464)	—	—	(103,453)
Paid-in-kind interest	392	238	—	—	630
Net change in unrealized gains	542	2,907	21	36	3,506
Net amortization of discount on securities	4,204	165	2	—	4,371
Transfers into (out of) of Level 3	—	—	—	—	—
Balance, End of Year	$ 962,577	$ 169,427	$ 4,664	$ 2,340	$ 1,139,008

The following table presents information with respect to net change in unrealized appreciation or depreciation on investments for which Level 3 inputs were used in determining fair value that are still held by the Company at March 31, 2015 and 2014:

	Net Change in Unrealized Appreciation or (Depreciation) for the Three Months Ended March 31, 2015 on Investments Held at March 31, 2015	Net Change in Unrealized Appreciation or (Depreciation) for the Three Months Ended March 31, 2014 on Investments Held at March 31, 2014
First-lien debt investments	$ (2,194)	$ 3,062
Second-lien debt investments	111	2,908
Mezzanine debt investments	340	21
Equity and other investments	(453)	35
Total	$ (2,196)	$ 6,026

The following tables present the fair value of Level 3 Investments at fair value and the significant unobservable inputs used in the valuations as of March 31, 2015 and December 31, 2014:

	March 31, 2015				
	Fair Value	Valuation Technique	Unobservable Input	Range (Weighted Average)	Impact to Valuation from an Increase to Input
First-lien debt investments	$ 1,132,567	Income approach (1)	Market yield	7.54% — 15.61% (10.63%)	Decrease
Second-lien debt investments	$ 61,406	Income approach	Market yield	10.93% — 10.93% (10.93%)	Decrease
Mezzanine debt investments	$ 4,862	Income approach	Market yield	19.64% — 19.64% (19.64%)	Decrease
Equity and other investments	$ 8,914	Market Multiple, Discounted Cash Flow or Black Scholes Option Model	Comparable multiple, discount rate or volatility	9.0x — 13.1x (11.9x) or 12.0% or 40%	Increase or decrease

(1) Includes $54.2 million of first-lien debt investments which, due to the proximity of the transactions relative to the measurement date, were valued using the cost of the investments.

	December 31, 2014				
	Fair Value	Valuation Technique	Unobservable Input	Range (Weighted Average)	Impact to Valuation from an Increase to Input
First-lien debt investments	$ 1,059,336	Income approach (1)	Market yield	8.00% — 15.35% (10.86%)	Decrease
Second-lien debt investments	$ 61,250	Income approach	Market yield	10.97% — 10.97% (10.97%)	Decrease
Mezzanine debt investments	$ 4,520	Income approach	Market yield	20.78% — 20.78% (20.78%)	Decrease
Equity and other investments	$ 9,368	Market Multiple, Discounted Cash Flow or Black Scholes Option Model	Comparable multiple, discount rate or volatility	7.9x — 13.0x (10.4x) or 14.4% or 40%	Increase or decrease

(1) Includes $15.6 million of first-lien debt investments which, due to the proximity of the transactions relative to the measurement date, were valued using the cost of the investments.

The Company typically determines the fair value of its performing Level 3 debt investments utilizing a yield analysis. In a yield analysis, a price is ascribed for each investment based upon an assessment of current and expected market yields for similar investments and risk profiles. Additional consideration is given to the expected life, portfolio company performance since close, and other terms and risks associated with an investment. Among other factors, a determinant of risk is the amount of leverage used by the portfolio company relative to the total enterprise value of the company, and the rights and remedies of our investment within each portfolio company's capital structure.

Significant unobservable quantitative inputs typically used in the fair value measurement of the Company's Level 3 debt investments primarily include current market yields, including relevant market indices, but may also include quotes from brokers, dealers, and pricing services as indicated by comparable investments. For the Company's Level 3 equity investments, multiples of similar companies' revenues, earnings before income taxes, depreciation and amortization ("EBITDA") or some combination thereof and comparable market transactions are typically used.

Financial Instruments Not Carried at Fair Value

Debt

The fair value of the Company's SPV Asset Facility and Revolving Credit Facility, which are categorized as Level 3 within the fair value hierarchy, as of March 31, 2015 and December 31, 2014, approximates their carrying value as the outstanding balances are callable at carrying value. The fair value of the Company's Convertible Senior Notes, which is categorized as Level 2 within the fair value hierarchy, as of March 31, 2015, was $116.2 million, based on broker quotes received by the Company.

Other Financial Assets and Liabilities

The carrying amounts of the Company's assets and liabilities, other than investments at fair value, approximate fair value due to their short maturities or their close proximity of the originations to the measurement date. Under the fair value hierarchy, cash and cash equivalents are classified as Level 1 while the Company's other assets and liabilities, other than investments at fair value and debt, are classified as Level 2.

7. Debt

In accordance with the 1940 Act, with certain limitations, the Company is allowed to borrow amounts such that its asset coverage, as defined in the 1940 Act, is at least 200% after such borrowing. As of March 31, 2015 and December 31, 2014, the Company's asset coverage was 273.4% and 311.0%, respectively.

Debt obligations consisted of the following as of March 31, 2015 and December 31, 2014:

	March 31, 2015			
	Aggregate Principal Amount Committed	Outstanding Principal	Amount Available (1)	Carrying Value
SPV Asset Facility (2)	$ 128,725	$ 128,725	$ —	$ 128,725
Revolving Credit Facility	781,250	244,437	445,318	244,437
Convertible Senior Notes	115,000	115,000	—	112,061
Total Debt	$ 1,024,975	$ 488,162	$ 445,318	$ 485,223

	December 31, 2014			
	Aggregate Principal Amount Committed	Outstanding Principal	Amount Available (1)	Carrying Value
SPV Asset Facility (3)	$ 175,000	$ 106,725	$ 45,279	$ 106,725
Revolving Credit Facility	781,250	177,216	466,189	177,216
Convertible Senior Notes	115,000	115,000	—	111,923
Total Debt	$ 1,071,250	$ 398,941	$ 511,468	$ 395,864

(1) The amount available reflects any limitations related to the respective debt facilities' borrowing bases.
(2) The reinvestment period under the SPV Asset Facility terminated on January 21, 2015 and accordingly any undrawn availability under the facility also terminated.

For the three months ended March 31, 2015 and 2014, the components of interest expense were as follows:

	Three Months Ended March 31, 2015	Three Months Ended March 31, 2014
Interest expense	$ 3,163	$ 2,996
Commitment fees	598	250
Amortization of debt issuance costs	742	578
Accretion of original issue discount	138	—
Swap settlement	(421)	—
Total Interest Expense	$ 4,220	$ 3,824
Average debt outstanding (in millions)	$ 421.5	$ 471.0
Weighted average interest rate	2.6%	2.5%

Revolving Credit Facility

On August 23, 2012, the Company entered into a senior secured revolving credit agreement with SunTrust Bank, as administrative agent, and J.P. Morgan Chase Bank, N.A., as syndication agent, and certain other lenders. On July 2, 2013, the Company entered into an agreement to amend and restate the agreement, effective on July 3, 2013. The amended and restated facility, among other things, increased the size of the facility from $200 million to $350 million. The facility included an uncommitted accordion feature that allowed the Company, under certain circumstances, to increase the size of the facility up to $550 million. On September 30, 2013, the Company exercised its right under the accordion feature and increased the size of the facility to $400 million. On January 27, 2014, the Company again exercised its right under the accordion feature and increased the size of the facility to $420 million.

On February 27, 2014, the Company further amended and restated the agreement. The second amended and restated agreement (the Revolving Credit Facility), among other things:

- increased the size of the facility to $581.3 million;
- increased the size of the uncommitted accordion feature to allow the Company, under certain circumstances to increase the size of the facility up to $956.3 million;
- increased the limit for swingline loans to $100 million;
- with respect to $545 million in commitments,
  - extended the expiration of the revolving period from June 30, 2017 to February 27, 2018, during which period the Company, subject to certain conditions, may make borrowings under the facility, and
  - extended the stated maturity date from July 2, 2018 to February 27, 2019; and
- provided that borrowings under the multicurrency tranche will be available in certain additional currencies.

On May 30, 2014, the Company entered into agreements with various financial institutions pursuant to which each of the institutions agreed to provide commitments through the accordion feature of the Revolving Credit Facility, increasing the aggregate commitments from $581.3 million to $781.3 million.

On June 27, 2014, the Company further amended the Revolving Credit Facility to extend the $36.3 million in commitments not previously extended such that the revolving period as it related to all outstanding commitments would expire on February 27, 2018 and the stated maturity date as it related to all outstanding commitments would be February 27, 2019.

On October 17, 2014, the Company entered into a third amendment to the Revolving Credit Facility:

- decreasing the applicable margin with respect to (i) any loan bearing interest at a rate determined by reference to the Alternate Base Rate from 1.25% to 1.00% and (ii) any loan bearing interest at a rate determined by reference to the Adjusted LIBO Rate from 2.25% to 2.00%;
- decreasing the aggregate commitments from $781.3 million to $766.3 million;
- extending the revolving period from February 27, 2018 to October 17, 2018;
- extending the stated maturity date from February 27, 2019 to October 17, 2019; and
- increasing the sublimit applicable to letters of credit from $20 million to $100 million.

On October 23, 2014, the Company entered into an agreement with a financial institution pursuant to which the institution agreed to provide commitments through the accordion feature, increasing the aggregate commitments from $766.3 million to $776.3 million. On November 3, 2014, an existing lender agreed to increase their commitment through the accordion feature, increasing aggregate commitments from $776.3 million to $781.3 million.

The Revolving Credit Facility continues to include the accordion feature, which would allow the Company, under certain circumstances, to increase the size to a maximum of $956.3 million.

The Company may borrow amounts in U.S. dollars or certain other permitted currencies. As of March 31, 2015, the Company had outstanding debt denominated in Swedish Krona (SEK) of 203.1 million, Euro (EUR) of 28.1 million and Pound Sterling (GBP) of 21.0 million on its Revolving Credit Facility, included in the Outstanding Principal amount in the table above.

Amounts drawn under the Revolving Credit Facility, including amounts drawn in respect of letters of credit, bear interest at either LIBOR plus a margin, or the prime rate plus a margin. The Company may elect either the LIBOR or prime rate at the time of drawdown, and loans may be converted from one rate to another at any time, subject to certain conditions. The Company also pays a fee of 0.375% on undrawn amounts and, in respect of each undrawn letter of credit, a fee and interest rate equal to the then applicable margin while the letter of credit is outstanding.

The Revolving Credit Facility is guaranteed by TC Lending, LLC and TSL MR, LLC and may be guaranteed by certain domestic subsidiaries that are formed or acquired by the Company in the future. The Revolving Credit Facility is secured by a perfected first-priority security interest in substantially all the portfolio investments held by the Company and each guarantor. Proceeds from borrowings may be used for general corporate purposes, including the funding of portfolio investments.

The Revolving Credit Facility includes customary events of default, as well as customary covenants, including restrictions on certain distributions and financial covenants requiring:

- an asset coverage ratio of no less than 2 to 1 on the last day of any fiscal quarter;
- a liquidity test under which the Company must maintain cash and liquid investments of at least 10% of the covered debt amount under circumstances where the Company’s adjusted covered debt balance is greater than 90% of the Company’s adjusted borrowing base under the facility; and
- stockholders’ equity of at least $500 million plus 25% of the net proceeds of the sale of equity interests after October 17, 2014.

Net proceeds received from the Company’s IPO, the exercise of the underwriters’ over-allotment option from the IPO, and net proceeds received from the issuance of the Convertible Senior Notes were used to pay down borrowings on the Revolving Credit Facility.

SPV Asset Facility

On May 8, 2012, the “Closing Date,” the Company’s wholly owned subsidiary TPG SL SPV, LLC, a Delaware limited liability company, referred to as TPG SL SPV, entered into a credit and security agreement with Natixis, New York Branch. Also on May 8, 2012, the Company contributed certain investments to TPG SL SPV pursuant to the terms of a Master Sale and Contribution Agreement by and between the Company and TPG SL SPV. The Company consolidates TPG SL SPV in its consolidated financial statements, and no gain or loss was recognized as a result of the contribution. Proceeds from the SPV Asset Facility were permitted to be used to finance the acquisition of eligible assets by TPG SL SPV, including the purchase of such assets from the Company. The Company retains a residual interest in assets contributed to or acquired by TPG SL SPV through its ownership of TPG SL SPV. The facility size is subject to availability under the borrowing base, which is based on the amount of TPG SL SPV’s assets from time to time, and satisfaction of certain conditions, including an asset coverage test, an asset quality test and certain concentration limits.

The credit and security agreement provided for a contribution and reinvestment period for up to 18 months after the Closing Date, or the Commitment Termination Date. The Commitment Termination Date was November 8, 2013, at which point the reinvestment period of the SPV Asset Facility expired and accordingly any undrawn availability under the facility terminated. Proceeds received by TPG SL SPV from interest, dividends or fees on assets are required to be used to pay expenses and interest on outstanding borrowings, and the excess can be returned to the Company, subject to certain conditions, on a quarterly basis. Prior to the Commitment Termination Date, proceeds received from principal on assets could be used to pay down borrowings or make additional investments. Following the Commitment Termination Date, proceeds received from principal on assets are required to be used to make payments of principal on outstanding borrowings on a quarterly basis. Proceeds received from interest and principal at the end of a reporting period that have not gone through the settlement process for these payment obligations are considered to be restricted cash.

On January 21, 2014, TPG SL SPV entered into an agreement to amend and restate the credit and security agreement. The amended and restated facility, among other things:

- increased the size of the facility from $100 million to $175 million;
- reopened the reinvestment period thereunder for an additional period of six months following the closing date of January 21, 2014, which reinvestment period was subsequently extended by the borrower for an additional six month period (pursuant to an extension right exercisable by the borrower) so that the reinvestment period would remain open until January 21, 2015;
- extended the stated maturity date from May 8, 2020 to January 21, 2021;
- modified pricing for Natixis to cost of funds + 2.25%; and
- made certain changes to the eligibility criteria and concentration limits.

The reinvestment period under the amended and restated credit and security agreement terminated on January 21, 2015 and accordingly any undrawn availability under the facility also terminated.

On March 27, 2015, TPG SL SPV further amended the amended and restated credit and security agreement (as amended, SPV Asset Facility). The second amended and restated credit and security agreement, among other things:

- reduced the applicable margin with respect to loans from LIBOR lenders from 2.75% to 2.35%; and
- syndicated a portion of the outstanding loan previously held by affiliates of Natixis to two new lenders.

Amounts drawn under the original credit and security agreement bore interest at LIBOR plus a margin or base rate plus a margin, in each case at TPG SL SPV's option. Amounts outstanding under the SPV Asset Facility bear interest at LIBOR plus a margin, base rate plus a margin or the lenders' cost of funds plus a margin. The undrawn portion of the commitment bore an unutilized commitment fee of 0.75%. This fee ceased to accrue on January 21, 2015 when the reinvestment period ended. The SPV Asset Facility contains customary covenants, including covenants relating to separateness from the Adviser and its affiliates and long-term credit ratings with respect to the underlying collateral obligations, and events of default. The SPV Asset Facility is secured by a perfected first priority security interest in the assets of TPG SL SPV and on any payments received by TPG SL SPV in respect of such assets, which accordingly are not available to pay the Company's other debt obligations

As of March 31, 2015 and December 31, 2014, TPG SL SPV had $360.8 million and $334.0 million, respectively, in investments at fair value, and $128.8 million and $108.8 million, respectively, in liabilities, including the outstanding borrowings, on its balance sheet. As of March 31, 2015 and December 31, 2014, TPG SL SPV had $10.3 million and $10.2 million, respectively, in restricted cash, a component of prepaid expenses and other assets, in the accompanying consolidated financial statements.

Borrowings of TPG SL SPV are considered the Company's borrowings for purposes of complying with the asset coverage requirements of the 1940 Act.

Convertible Senior Notes

On June 10, 2014, the Company issued in a private offering $115 million aggregate principal amount convertible senior notes due December 2019 (the "Convertible Senior Notes"). The Convertible Senior Notes were issued in a private placement only to qualified institutional buyers pursuant to Rule 144A under the Securities Act. The Convertible Senior Notes are unsecured, and bear interest at a rate of 4.50% per year, payable semiannually. The Convertible Senior Notes will mature on December 15, 2019. In certain circumstances, the Convertible Senior Notes will be convertible into cash, shares of the Company's common stock or a combination of cash and shares of the Company's common stock, at the Company's election, at an initial conversion rate of 38.7162 shares of common stock per $1,000 principal amount of Convertible Senior Notes, which is equivalent to an initial conversion price of approximately $25.83 per share of the Company's common stock, subject to customary anti-dilution adjustments. The sale of the Convertible Senior Notes generated net proceeds of approximately $110.8 million. The Company used the net proceeds of the offering to pay down debt under the Revolving Credit Facility. In connection with the offering of Convertible Senior Notes, the Company entered into interest rate swaps to continue to align the interest rates of its liabilities with its investment portfolio, which consists of predominately floating rate loans. As a result of the swaps, as of March 31, 2015, the Company's effective interest rate on the Convertible Senior Notes was three-month LIBOR plus 286 basis points. See Note 5 for further information related to the Company's interest rate swaps.

Holders may convert their Convertible Senior Notes at their option at any time prior to June 15, 2019 only under the following circumstances: (1) during any calendar quarter commencing after the calendar quarter ending on September 30, 2014 (and only during such calendar quarter), if the last reported sale price of the common stock for at least 20 trading days (whether or not consecutive) during a period of 30 consecutive trading days ending on the last trading day of the immediately preceding calendar quarter is greater than or equal to 130% of the conversion price on each applicable trading day; (2) during the five business day period after any five consecutive trading day period (the "measurement period") in which the trading price (as defined in the indenture governing the Convertible Senior Notes) per $1,000 principal amount of notes for each trading day of the measurement period was less than 98% of the product of the last reported sale price of the Company's common stock and the conversion rate on each such trading day; or (3) upon the occurrence of specified corporate events. On or after June 15, 2019 until the close of business on the scheduled trading day immediately preceding the maturity date, holders may convert their notes at any time, regardless of the occurrence or nonoccurrence of any of the foregoing circumstances.

The notes are senior unsecured obligations and rank senior in right of payment to the Company's future indebtedness that is expressly subordinated in right of payment to the notes; equal in right of payment to the Company's existing and future indebtedness that is not so subordinated; effectively junior in right of payment to any of the Company's secured indebtedness (including 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, financing vehicles or similar facilities.

For the three months ended March 31, 2015, the components of interest expense related to the Convertible Senior Notes were as follows:

	March 31, 2015
Interest expense	$ 1,294
Accretion of original issue discount	138
Amortization of debt issuance cost	193
Total Interest Expense	$ 1,625

Total interest expense in the table above does not include the effect of the interest rate swaps. During the three months ended March 31, 2015, the Company received $1.3 million and paid $0.9 million related to the quarterly settlement of its interest rate swaps.This net amount is a reduction to interest expense in the Company's consolidated statements of operations. In January 2015, the Company closed out its existing interest rate swaps and simultaneously entered into new interest rate swaps, realizing a cash payment of $2.0 million and increasing pricing to three-month LIBOR plus 286 basis points. Please see Note 5 for further information about the Company's interest rate swaps.

As of March 31, 2015, the principal amount of the Convertible Senior Notes exceeded the value of the underlying shares multiplied by the per share closing price of the Company's common stock.

As of March 31, 2015, the components of the carrying value of the Convertible Senior Notes and the stated interest rate were as follows:

	December 2019 Convertible Senior Notes
Principal amount of debt	$ 115,000
Original issue discount, net of accretion	(2,939)
Carrying value of debt	$ 112,061
Stated interest rate	4.50%

The stated interest rate in the table above does not include the effect of the interest rate swaps. The Company's swap-adjusted interest rate is 3 month LIBOR plus 286 basis points. Please see Note 5 for further information about the Company's interest rate swaps.

The Convertible Senior Notes Indenture contains certain covenants, including covenants requiring the Company to comply with the requirement under the 1940 Act that the Company's asset coverage ratio, as defined in the 1940 Act, equal at least 200% and to provide financial information to the holders of the Convertible Senior Notes under certain circumstances. These covenants are subject to important limitations and exceptions that are described in the Convertible Senior Notes Indenture. As of March 31, 2015, the Company was in compliance with the terms of the Convertible Senior Notes Indenture.

The Convertible Senior Notes are accounted for in accordance with Accounting Standards Codification ("ASC") 470-20. Upon conversion of any of the Convertible Senior Notes, the Company intends to pay the outstanding principal amount in cash and, to the extent that the conversion value exceeds the principal amount, the Company has the option to pay in cash or shares of the Company's common stock (or a combination of cash and shares) in respect of the excess amount, subject to the requirements of the Convertible Senior Notes Indenture. The Company has determined that the embedded conversion options in the Convertible Senior Notes are not required to be separately accounted for as a derivative under U.S. GAAP. In accounting for the Convertible Senior Notes, the Company estimated at the time of issuance separate debt and equity components of the Convertible Senior Notes. An original issue discount equal to the equity components of the Convertible Senior Notes was recorded in "additional paid-in capital" in the accompanying consolidated balance sheet. Additionally, the issuance costs associated with the Convertible Senior Notes were allocated to the debt and equity components in proportion to the allocation of the proceeds and accounted for as debt issuance costs and equity issuance costs, respectively.

As of March 31, 2015 and December 31, 2014, the Company was in compliance with the terms of its debt obligations.

8. Commitments and Contingencies

Portfolio Company Commitments

From time to time, the Company may enter into commitments to fund investments. As of March 31, 2015 and December 31, 2014, the Company had the following commitments to fund investments:

	March 31, 2015	December 31, 2014
Senior secured revolving loan commitments	$ 25,660	$ 34,242
Senior secured term loan commitments	8,690	13,816
Total Portfolio Company Commitments	$ 34,350	$ 48,058

Other Commitments and Contingencies

From time to time, the Company may become a party to certain legal proceedings incidental to the normal course of its business. As of March 31, 2015, management is not aware of any pending or threatened litigation.

9. Net Assets

On March 21, 2014, the Company completed its IPO, issuing 7,000,000 shares at $16.00 per share, and its concurrent private placement, issuing 3,124,984 shares at $16.00 per share. Net of underwriting fees and offering costs, the Company received total cash proceeds of $151.6 million.

In April 2014, the Company issued a total of 1,050,000 shares of stock pursuant to the exercise of the underwriters' over-allotment option in connection with the Company's IPO. Net of underwriting fees and offering costs, the Company received total cash proceeds of $15.4 million.

Prior to December 31, 2013, the Company entered into subscription agreements (collectively, the "Subscription Agreements") with several investors, including the Adviser and its affiliates, providing for the private placement of the Company's common stock. Under the terms of the Subscription Agreements, investors were required to fund drawdowns to purchase the Company's common stock up to the amount of their respective capital commitments on an as-needed basis as determined by the Company with a minimum of 10 business days' prior notice. Offering costs associated with the private placements were absorbed by the Adviser. The remaining unfunded capital commitments related to these subscription agreements terminated upon the completion of the Company's IPO.

For the three months ended March 31, 2014, the Company issued 4,234,501 shares and received proceeds of $65 million related to capital drawdowns delivered pursuant to the Subscription Agreement.

The Company has a dividend reinvestment plan, whereby the Company may buy shares of its common stock in the open market or issue new shares in order to satisfy dividend reinvestment requests. The number of shares to be issued to a stockholder is determined by dividing the total dollar amount of the cash dividend or distribution payable to a stockholder by the market price per share of the Company's common stock at the close of regular trading on the NYSE on the payment date of a distribution, or if no sale is reported for such day, the average of the reported bid and asked prices. However, if the market price per share on the payment date of a cash dividend or distribution exceeds the most recently computed net asset value per share, the Company will issue shares at the greater of (i) the most recently computed net asset value per share and (ii) 95% of the current market price per share (or such lesser discount to the current market price per share that still exceeded the most recently computed net asset value per share). 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.

Pursuant to the Company's dividend reinvestment plan, the following tables summarize the shares issued to stockholders who have not opted out of the Company's dividend reinvestment plan during the three months ended March 31, 2015 and 2014. All shares issued to stockholders in the tables below are newly issued shares.

	Three Months Ended March 31, 2015		
Date Declared	**Record Date**	**Date Shares Issued**	**Shares Issued**
November 3, 2014	December 31, 2014	February 2, 2015	162,490
Total Shares Issued			162,490

	Three Months Ended March 31, 2014		
Date Declared	**Record Date**	**Date Shares Issued**	**Shares Issued**
December 31, 2013	December 31, 2013	February 13, 2014	502,200
Total Shares Issued			502,200

Prior to the Company's IPO, the number of shares issued through the dividend reinvestment plan was determined by dividing the total dollar amount of the dividend payable to such stockholder by the net asset value per share of the common stock on the record date of the dividend. The common stock issued through the dividend reinvestment plan was rounded down to the nearest whole share to avoid the issuance of fractional shares, and fractional shares were paid in cash.

On November 3, 2014, the Company's Board approved a stock repurchase plan (the "Company 10b5-1 Plan") to acquire up to $50 million in the aggregate of the Company's common stock at prices below the Company's net asset value per share, in accordance with the guidelines specified in Rule 10b-18 and Rule 10b5-1 of the Exchange Act.

The Company 10b5-1 Plan is designed to allow the Company to repurchase its common stock at times when it otherwise might be prevented from doing so under insider trading laws. The Company 10b5-1 Plan requires an agent selected by the Company to repurchase shares of common stock on the Company's behalf when the market price per share is below the most recently reported net asset value per share (including any updates, corrections or adjustments publicly announced by the Company to any previously announced net asset value per share). Under the Company 10b5-1 Plan, the agent will increase the volume of purchases made as the price of the Company's common stock declines, subject to volume restrictions. The timing and amount of any stock repurchases will depend on the terms and conditions of the Company 10b5-1 Plan, the market price of the common stock and trading volumes, and no assurance can be given that any particular amount of common stock will be repurchased.

The purchase of shares pursuant to the Company 10b5-1 Plan is intended to satisfy the conditions of Rule 10b5-1 and Rule 10b-18 under the Exchange Act, and will otherwise be subject to applicable law, including Regulation M, which may prohibit purchases under certain circumstances.

Unless extended or terminated by the Board, the Company 10b5-1 Plan will be in effect through the earlier of June 30, 2015 or such time as the approved $50 million repurchase amount has been fully utilized, subject to certain conditions.

As of March 31, 2015, no shares had been repurchased under the Company 10b5-1 Plan.

10. Earnings per share

The following table sets forth the computation of basic and diluted earnings per common share:

	Three Months Ended	
	March 31, 2015	**March 31, 2014**
Increase in net assets resulting from operations	$ 24,468	$ 25,348
Weighted average shares of common stock outstanding—basic and diluted	53,902,074	41,539,083
Earnings per common share—basic and diluted	$ 0.45	$ 0.61

For the purpose of calculating diluted earnings per common share, the average closing price of the Company's common stock for the three months ended March 31, 2015 was less than the conversion price for the Convertible Senior Notes outstanding as of March 31, 2015. Therefore, for all periods presented in the financial statements, the underlying shares for the intrinsic value of the embedded options in the Convertible Senior Notes have no impact on the computation of diluted earnings per common share.

11. Dividends

The following tables summarize dividends declared during the three months ended March 31, 2015 and 2014:

	Three Months Ended March 31, 2015		
Date Declared	**Record Date**	**Payment Date**	**Dividend per Share**
February 24, 2015	March 31, 2015	April 30, 2015	$ 0.39
Total Dividends Declared			$ 0.39

	Three Months Ended March 31, 2014		
Date Declared	**Record Date**	**Payment Date**	**Dividend per Share**
March 26, 2014	March 31, 2014	April 30, 2014	$ 0.38
Total Dividends Declared			$ 0.38

The dividends declared during the three months ended March 31, 2015 and 2014 were derived from net investment income, determined on a tax basis.

12. Income Taxes

The tax character of shareholder distributions attributable to the three months ended March 31, 2015 and 2014 were as follows:

	Three Months Ended March 31, 2015	Three Months Ended March 31, 2014
Ordinary Income (1)	$ 21.0	$ 19.7
Capital Gains	—	—
Total	$ 21.0	$ 19.7

(1) For the three months ended March 31, 2015 and 2014, 75.9% and 84.0% of ordinary income qualified as interest related dividend which is exempt from U.S. withholding tax applicable to non U.S. shareholders.

The following reconciles increase in net assets resulting from operations for the three months ended March 31, 2015 and 2014 to taxable income at March 31, 2015 and 2014:

	Three Months Ended March 31, 2015	Three Months Ended March 31, 2014
Increase in net assets resulting from operations	$ 24,468	$ 25,348
Adjustments:		
Net unrealized gain on investments	(1,560)	(5,715)
Other income for tax purposes, not book	49	56
Deferred organization costs	(25)	(25)
Other expenses not currently deductible	329	125
Other book-tax differences	929	(1,188)
Taxable Income	$ 24,190	$ 18,601

Note: Taxable income is an estimate and is not fully determined until the Company's tax return is filed.

Taxable income generally differs from increase in net assets resulting from operations due to temporary and permanent differences in the recognition of income and expenses, and generally excludes net unrealized gains or losses, as unrealized gains or losses are generally not included in taxable income until they are realized.

The Company makes certain adjustments to the classification of stockholders' equity as a result of permanent book-to-tax differences, which include differences in the book and tax basis of certain assets and liabilities, and nondeductible federal taxes or losses among other items. To the extent these differences are permanent, they are charged or credited to additional paid in capital, undistributed net investment income or undistributed net realized gains on investments, as appropriate. In addition, due to the Company's differing fiscal, tax, and excise tax year ends, the best estimates available are recorded to the above accounts in the period that such differences arise or are identifiable.

During the three months ended March 31, 2015, permanent differences were principally related to $1.7 million of recharacterization of prepayment penalties for tax purposes between ordinary income and capital gains, $1.9 million attributable to derivative reclassifications, and $0.3 million attributable to accrued U.S. federal excise taxes. During the three months ended March 31, 2014, permanent differences of $1.6 million were principally attributable to foreign currency reclassifications, $1.0 million of recharacterization of prepayment penalties for tax purposes between ordinary income and capital gains, as well as $9 thousand attributed to accrued U.S. federal excise taxes.

The Company neither has any uncertain tax positions that met the recognition or measurement criteria of ASC 740-10-25, *Income Taxes*, nor did the Company have any unrecognized tax benefits as of the periods presented herein. Although the Company files federal and state tax returns, our major tax jurisdiction is federal. Our inception-to-date federal tax year remains subject to examination by the Internal Revenue Service.

The tax cost of the Company's investments as of March 31, 2015 and December 31, 2014, approximates their amortized cost.

13. Financial Highlights

The following per share data and ratios have been derived from information provided in the consolidated financial statements. The following are the financial highlights for one share of common stock outstanding during the three months ended March 31, 2015 and 2014.

	Three Months Ended March 31, 2015	Three Months Ended March 31, 2014
Per Share Data		
Net asset value, beginning of period	$ 15.53	$ 15.52
Net investment income (1)	0.39	0.51
Net realized and unrealized gain (1)	0.06	0.10
Total from operations	0.45	0.61
Issuance of common stock, net of offering costs (1)	—	(0.24)
Dividends declared from net investment income (2)	(0.39)	(0.38)
Total increase (decrease) in net assets	0.06	(0.01)
Net Asset Value, End of Period	$ 15.60	$ 15.51
Per share market value at end of period	$ 17.21	$ 16.60
Total return based on market value (3)	4.6%	6.1%
Total return based on net asset value (4)	3.0%	2.4%
Shares Outstanding, End of Period	53,959,848	51,887,708
Ratios / Supplemental Data		
Ratio of net expenses to average net assets (5)	7.9%	7.9%
Ratio of net investment income to average net assets (5)	9.9%	13.8%
Portfolio turnover (5)	19.9%	37.5%
Net assets, end of period	$ 841,530	$ 804,755

(1) The per share data was derived by using the weighted average shares outstanding during the period.
(2) The per share data was derived by using the actual shares outstanding at the date of the relevant transactions.
(3) Total return based on market value is calculated as the change in market value per share during the period plus declared dividends per share, divided by the beginning market value per share.

(4) Total return based on net asset value is calculated as the change in net asset value per share during the period plus declared dividends per share, divided by the beginning net asset value per share.
(5) The ratios reflect an annualized amount.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The information contained in this section should be read in conjunction with the consolidated financial statements and notes thereto appearing elsewhere in this report. This discussion also should be read in conjunction with the "Cautionary Statement Regarding Forward Looking Statements" set forth on page 3 of this Quarterly Report on Form 10-Q.

Overview

TPG Specialty Lending, Inc. is a Delaware corporation formed on July 21, 2010. The Adviser is our external manager. We have three wholly owned subsidiaries, TC Lending, LLC, a Delaware limited liability company, which holds a California finance lender and broker license, TPG SL SPV, LLC, a Delaware limited liability company, in which we hold assets to support our asset-backed credit facility, and TSL MR, LLC, a Delaware limited liability company, in which we hold certain investments. Our results reflect our ramp-up of initial investments, which is now complete, as well as the ongoing measured growth of our portfolio of investments.

We have elected to be regulated as a BDC under the 1940 Act and as a RIC under the Code. We made our BDC election on April 15, 2011. As a result, we are required to comply with various statutory and regulatory requirements, such as:

- the requirement to invest at least 70% of our assets in "qualifying assets";
- source of income limitations;
- asset diversification requirements; and
- the requirement to distribute (or be treated as distributing) in each taxable year at least 90% of our investment company taxable income and tax-exempt interest for that taxable year.

Our shares are currently listed on the NYSE under the symbol "TSLX."

On November 3, 2014, our Board approved a stock repurchase plan, the Company 10b5-1 Plan, to acquire up to $50 million in the aggregate of our common stock at prices below our net asset value over a specified period, in accordance with the guidelines specified in Rule 10b-18 and Rule 10b5-1 of the Exchange Act. Unless extended or terminated by the Board, the Company 10b5-1 Plan will be in effect through the earlier of June 30, 2015 or such time as the approved $50 million repurchase amount has been fully utilized, subject to certain conditions. As of March 31, 2015, no shares had been repurchased under the Company 10b5-1 Plan.

Our Investment Framework

We are a specialty finance company focused on lending to middle-market companies. Since we began our investment activities in July 2011, through March 31, 2015, we have originated more than $3.6 billion aggregate principal amount of investments and retained approximately $2.5 billion aggregate principal amount of these investments on our balance sheet prior to any subsequent exits and repayments. We seek to generate current income primarily in U.S.-domiciled middle-market companies through direct originations of senior secured loans and, to a lesser extent, originations of mezzanine loans and investments in corporate bonds and equity securities.

By "middle-market companies," we mean companies that have annual EBITDA, which we believe is a useful proxy for cash flow, of $10 million to $250 million, although we may invest in larger or smaller companies on occasion. As of March 31, 2015, our core portfolio companies, which excludes certain investments that fall outside of our typical borrower profile, had weighted average annual revenue of $126 million and weighted average annual EBITDA of $32 million.

We invest in first-lien debt, second-lien debt, mezzanine debt and equity and other investments. Our first-lien debt may include stand-alone first-lien loans; "last out" first-lien loans, which are loans that have a secondary priority behind super-senior "first out" first-lien loans; "unitranche" loans, which are loans that combine features of first-lien, second-lien and mezzanine debt, generally in a first-lien position; and secured corporate bonds with similar features to these categories of first-lien loans. Our second-lien debt may include secured loans, and, to a lesser extent, secured corporate bonds, with a secondary priority behind first-lien debt.

As of March 31, 2015, our average investment size in each of our portfolio companies was approximately $38.0 million.

The companies in which we invest use our capital to support organic growth, acquisitions, market or product expansion and recapitalizations. We expect that no single investment will represent more than 15% of our total investment portfolio. The debt in which we invest typically is not rated by any rating agency, but if these instruments were rated, they would likely receive a rating of below investment grade (that is, below BBB- or Baa3), which is often referred to as "junk".

Through our Adviser, we consider potential investments utilizing a four-tiered investment framework and against our existing portfolio as a whole:

Business and sector selection. We focus on companies with enterprise value between $50 million and $1 billion. When reviewing potential investments, we seek to invest in businesses with high marginal cash flow, recurring revenue streams and where we believe credit quality will improve over time. We look for portfolio companies that we think have a sustainable competitive advantage in growing industries or distressed situations. We also seek companies where our investment will have a low loan-to-value ratio.

We currently do not limit our focus to any specific industry and we may invest in larger or smaller companies on occasion. We classify the industries of our portfolio companies by end-market (such as healthcare and pharmaceuticals, and business services) and not by the products or services (such as software) directed to those end-markets.

As of March 31, 2015, no industry represented more than 16.2% of our total investment portfolio.

Investment Structuring. We focus on investing at the top of the capital structure and protecting that position. As of March 31, 2015, approximately 97.9% of our portfolio was invested in secured debt, including 90.1% in first-lien debt investments. We carefully diligence and structure investments to include strong investor covenants. As a result, we structure investments with a view to creating opportunities for early intervention in the event of non-performance or stress. In addition, we seek to retain effective voting control in investments over the loans or particular class of securities in which we invest through maintaining affirmative voting positions or negotiating consent rights that allow us to retain a blocking position. We also aim for our loans to mature on a medium term, between two to six years after origination. For the three months ended March 31, 2015, the weighted average term on new investment commitments in new portfolio companies was 5.5 years.

Deal Dynamics. We focus on, among other deal dynamics, direct origination of investments, where we identify and lead the investment transaction. A substantial majority of our portfolio investments are sourced through our direct or proprietary relationships.

Risk Mitigation. We seek to mitigate non-credit-related risk on our returns in several ways, including call protection provisions to protect future payment income. As of March 31, 2015, we had call protection on 93.9% of our debt investments, with weighted average call prices of 107.2% for the first year, 104.0% for the second year and 102.0% for the third year, in each case from the date of the initial investment. As of March 31, 2015, 96.5% of our debt investments bore interest at floating rates, subject to interest rate floors, which we believe helps act as a portfolio-wide hedge against inflation.

Relationship with our Adviser, TSSP and TPG

Our Adviser is a Delaware limited liability company. Our Adviser acts as our investment adviser and administrator and is a registered investment adviser with the SEC under the Advisers Act. Our Adviser sources and manages our portfolio through a dedicated team of investment professionals predominately focused on us. Our Investment Team is led by our Chairman and Co-Chief Executive Officer and our Adviser's Co-Chief Investment Officer Joshua Easterly, our Co-Chief Executive Officer Michael Fishman and our Adviser's Co-Chief Investment Officer Alan Waxman, all of whom have substantial experience in credit origination, underwriting and asset management. Our investment decisions are made by our Investment Review Committee, which includes senior personnel of our Adviser and TSSP.

TSSP, with over $11 billion of assets under management, encompasses TPG Specialty Lending, TPG Opportunities Partners and TSSP Adjacent Opportunities Partners, which invest in special situations and distressed investments across the credit cycle, Austin Credit Macro, which is focused on macro credit opportunities, TSL Europe, which is aimed at European middle-market loan originations, and TPG Institutional Credit Partners, which is a "public-side" credit investment platform focused on investment opportunities in broadly syndicated leveraged loan markets, is TPG's special situations and credit platform. TSSP has extensive experience with highly complex, global public and private investments executed through primary originations, secondary market purchases and restructurings, and has a team of over 100 investment and operating professionals. Twenty six (26) of these personnel are dedicated to our business, including 19 investment professionals.

Our Adviser consults with TSSP and TPG in connection with a substantial number of our investments. The TSSP and TPG platforms provide us with a breadth of large and scalable investment resources. We believe we benefit from their market expertise, insights into sector and macroeconomic trends and intensive due diligence capabilities, which help us discern market conditions that vary across industries and credit cycles, identify favorable investment opportunities and manage our portfolio of investments. TSSP and TPG will refer all middle-market loan origination activities for companies domiciled in the United States to us and conduct those activities through us. The Adviser will determine whether it would be permissible, advisable or otherwise appropriate for us to pursue a particular investment opportunity allocated to us by TSSP and TPG.

On December 16, 2014, we were granted an exemptive relief order from the SEC that, if certain conditions are met, allows us to co-invest with affiliates of TSSP and TPG in middle-market loan origination activities for companies domiciled in the United States and certain "follow-on" investments in companies in which we have already co-invested pursuant to the order and remain invested. These conditions include, among others, prior approval by a majority of our Independent Directors. The terms and conditions of the investment applicable to any affiliates of TSSP and TPG also must be the same as those applicable to us.

Pursuant to the exemptive relief order, to the extent the size of an investment opportunity exceeds the amount our Adviser has independently determined is appropriate for us to invest, our affiliates may be able to co-invest with us, subject to the approval of a majority of our Independent Directors. We believe our ability to co-invest with TSSP and TPG affiliates will be particularly useful where we identify larger capital commitments than otherwise would be appropriate for us. We expect that with the ability to co-invest with TSSP and TPG affiliates we will be able to provide "one-stop" financing to a potential portfolio company in these circumstances, which may allow us to capture opportunities where we alone could not commit the full amount of required capital or would have to spend additional time to locate unaffiliated co-investors.

Under the terms of the Investment Advisory Agreement and Administration Agreement, the Adviser's services are not exclusive, and the Adviser is free to furnish similar or other services to others, so long as its services to us are not impaired. Under the terms of the Investment Advisory Agreement, we will pay the Adviser the base management fee, or the Management Fee, and may also pay certain incentive fees, or the Incentive Fees.

Under the terms of the Administration Agreement, the Adviser also provides administrative services to us. These services include providing office space, equipment and office services, maintaining financial records, preparing reports to stockholders and reports filed with the SEC, and managing the payment of expenses and the oversight of the performance of administrative and professional services rendered by others. Certain of these services are reimbursable to the Adviser under the terms of the Administration Agreement.

Key Components of Our Results of Operations

Investments

We focus primarily on the direct origination of loans to middle-market companies domiciled in the United States.

Our level of investment activity (both the number of investments and the size of each investment) can and does vary substantially from period to period depending on many factors, including the amount of debt and equity capital available to middle-market companies, the level of merger and acquisition activity for such companies, the general economic environment and the competitive environment for the types of investments we make.

In addition, as part of our risk strategy on investments, we may reduce certain levels of investments through partial sales or syndication to additional investors.

Revenues

We generate revenues primarily in the form of interest income from the investments we hold. In addition, we may generate income from dividends on direct equity investments, capital gains on the sales of loans and debt and equity securities and various loan origination and other fees. Our debt investments typically have a term of two to six years, and, as of March 31, 2015, 96.5% bear interest at a floating rate, subject to interest rate floors. Interest on debt investments is generally payable quarterly or semiannually. Some of our investments provide for deferred interest payments or PIK interest. For the three months ended March 31, 2015, less than 3.0% of our total investment income was comprised of PIK interest.

Loan origination fees, original issue discount and market discount or premium are capitalized, and we accrete or amortize such amounts as interest income using the effective yield method for term instruments and the straight-line method for revolving or delayed draw instruments. Repayments of our debt investments can reduce interest income from period to period. The frequency or volume of these repayments may fluctuate significantly. We record prepayment premiums on loans as interest income. We also may generate revenue in the form of commitment, amendment, structuring, syndication or due diligence fees, fees for providing managerial assistance and consulting fees.

Dividend income on equity investments is recorded on the record date for private portfolio companies or on the ex-dividend date for publicly traded portfolio companies.

Our portfolio activity also reflects the proceeds of sales of investments. We recognize realized gains or losses on investments based on the difference between the net proceeds from the disposition and the amortized cost basis of the investment without regard to unrealized gains or losses previously recognized. We record current period changes in fair value of investments that are measured at fair value as a component of the net change in unrealized appreciation (depreciation) on investments in the consolidated statements of operations.

Expenses

Our primary operating expenses include the payment of fees to our Adviser under the Investment Advisory Agreement, expenses reimbursable under the Administration Agreement and other operating costs described below. Additionally, we pay interest expense on our outstanding debt. We bear all other costs and expenses of our operations, administration and transactions, including those relating to:

- calculating individual asset values and our net asset value (including the cost and expenses of any independent valuation firms);
- expenses, including travel expenses, incurred by the Adviser, or members of our Investment Team, or payable to third parties, in respect of due diligence on prospective portfolio companies and, if necessary, in respect of enforcing our rights with respect to investments in existing portfolio companies;
- the costs of any public offerings of our common stock and other securities, including registration and listing fees;
- the Management Fee and any Incentive Fee;
- certain costs and expenses relating to distributions paid on our shares;
- administration fees payable under our Administration Agreement;
- debt service and other costs of borrowings or other financing arrangements;
- the Adviser’s allocable share of costs incurred in providing significant managerial assistance to those portfolio companies that request it;
- amounts payable to third parties relating to, or associated with, making or holding investments;
- transfer agent and custodial fees;
- costs of hedging;
- commissions and other compensation payable to brokers or dealers;
- taxes;
- Independent Director fees and expenses;
- costs of preparing financial statements and maintaining books and records and filing reports or other documents with the SEC (or other regulatory bodies) and other reporting and compliance costs, and the compensation of professionals responsible for the preparation of the foregoing, including the allocable portion of the compensation of our Chief Compliance Officer, Chief Financial Officer and other professionals who spend time on those related activities (based on the percentage of time those individuals devote, on an estimated basis, to our business and affairs);
- the costs of any reports, proxy statements or other notices to our stockholders (including printing and mailing costs), the costs of any stockholders’ meetings and the compensation of investor relations personnel responsible for the preparation of the foregoing and related matters;
- our fidelity bond;
- directors and officers/errors and omissions liability insurance, and any other insurance premiums;
- indemnification payments;
- direct costs and expenses of administration, including audit, accounting, consulting and legal costs; and
- all other expenses reasonably incurred by us in connection with making investments and administering our business.

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

Leverage

While as a BDC the amount of leverage that we are permitted to use is limited in significant respects, we use leverage to increase our ability to make investments. The amount of leverage we use in any period depends on a variety of factors, including cash available for investing, the cost of financing and general economic and market conditions. In any period, our interest expense will depend largely on the extent of our borrowing. In addition, we may continue to dedicate assets to financing facilities.

Market Trends

We believe trends in the middle-market lending environment, including the limited availability of capital, strong demand for debt capital and specialized lending requirements, are likely to continue to create favorable opportunities for us to invest at attractive risk-adjusted rates.

The limited number of providers of capital to middle-market companies, combined with expected increases in required capital levels for financial institutions, reduces the capacity of traditional lenders to serve middle-market companies. Further, GE Capital, the largest non-bank lender in the U.S. middle market, recently announced its intention to sell nearly all of its non-captive finance assets. We believe that the exit of one of the largest middle market non-bank lender will likely create opportunities for the remaining non-bank lenders, including BDCs. We believe that the limited availability of capital creates a large number of opportunities for us to originate direct investments in companies. We also believe that the large amount of uninvested capital held by private equity firms will continue to drive deal activity, which may in turn create additional demand for debt capital.

The limited number of providers is further exacerbated by the specialized due diligence and underwriting capabilities, as well as extensive ongoing monitoring, required for middle-market lending. We believe middle-market lending is generally more labor-intensive than lending to larger companies due to smaller investment sizes and the lack of publicly available information on these companies.

An imbalance between the supply of, and demand for, middle-market debt capital creates attractive pricing dynamics for investors such as BDCs. The negotiated nature of middle-market financings also generally provides for more favorable terms to the lenders, including stronger covenant and reporting packages, better call protection and lender-protective change of control provisions. We believe that BDCs have flexibility to develop loans that reflect each borrower’s distinct situation, provide long-term relationships and a potential source for future capital, which renders BDCs, including us, attractive lenders.

Portfolio and Investment Activity

As of March 31, 2015, our portfolio consisted of 90.1% first-lien debt investments, 7.8% second-lien debt investments, 1.0% mezzanine debt investments and 1.1% equity and other investments. As of December 31, 2014, our portfolio consisted of 89.0% first-lien debt investments, 8.8% second-lien debt investments, 1.0% mezzanine debt investments, and 1.2% equity and other investments.

As of March 31, 2015 and December 31, 2014, our weighted average total yield of debt and income producing securities at fair value (which includes interest income and amortization of fees and discounts) was 10.4% and 10.3%, respectively, and our weighted average total yield of debt and income producing securities at amortized cost (which includes interest income and amortization of fees and discounts) was 10.3% and 10.3%, respectively.

As of March 31, 2015 and December 31, 2014, we had investments in 35 and 34 portfolio companies, respectively, with an aggregate fair value of $1,331.0 million and $1,263.5 million, respectively.

For the three months ended March 31, 2015, we made new investment commitments of $137.8 million, $101.0 million in three new portfolio companies and $36.8 million in three existing portfolio companies. For this period, we had $60.8 million aggregate principal amount in exits and repayments, resulting in a net portfolio increase of $71.0 million aggregate principal amount.

For the three months ended March 31, 2014, we made new investment commitments of $314.6 million, $303.8 million in six new portfolio companies and $10.8 million in two existing portfolio companies. For this period, we had $101.2 million aggregate principal amount in exits and repayments, resulting in a net portfolio increase of $187.0 million aggregate principal amount.

Our investment activity for the three months ended March 31, 2015 and 2014 is presented below (information presented herein is at par value unless otherwise indicated).

($ in millions)	Three Months Ended March 31, 2015	Three Months Ended March 31, 2014
New investment commitments:		
Gross originations	$ 267.8	$ 369.6
Less: Syndications/sell downs	130.0	55.0
Total new investment commitments	$ 137.8	$ 314.6
Principal amount of investments funded:		
First-lien	$ 122.0	$ 218.0
Second-lien	9.8	65.0
Mezzanine	—	4.7
Equity and other	—	0.5
Total	$ 131.8	$ 288.2
Principal amount of investments sold or repaid:		
First-lien	$ 43.8	$ 101.2
Second-lien	17.0	—
Total	$ 60.8	$ 101.2
Number of new investment commitments in new portfolio companies	3	6
Average new investment commitment amount in new portfolio companies	$ 33.7	$ 50.6
Weighted average term for new investment commitments in new portfolio companies (in years)	5.5	4.7
Percentage of new debt investment commitments at floating rates	92.9%	98.5%
Percentage of new debt investment commitments at fixed rates	7.1%	1.5%
Weighted average interest rate of new investment commitments	10.2%	9.1%
Weighted average spread over LIBOR of new floating rate investment commitments	9.3%	7.8%
Weighted average interest rate on investments sold or paid down	8.6%	9.4%

As of March 31, 2015 and December 31, 2014, our investments consisted of the following:

($ in millions)	March 31, 2015		December 31, 2014	
	Fair Value	Amortized Cost	Fair Value	Amortized Cost
First-lien debt investments	$ 1,199.2	$ 1,206.4	$ 1,124.2	$ 1,127.2
Second-lien debt investments	103.2	104.7	111.4	111.1
Mezzanine debt investments	14.1	13.4	13.0	13.4
Equity and other investments	14.5	21.5	14.9	21.5
Total	$ 1,331.0	$ 1,346.0	$ 1,263.5	$ 1,273.2

The following table shows the amortized cost of our performing and non-accrual investments as of March 31, 2015 and December 31, 2014:

($ in millions)	March 31, 2015		December 31, 2014	
	Amortized Cost	Percentage	Amortized Cost	Percentage
Performing	$ 1,346.0	100.0%	$ 1,273.2	100.0%
Non-accrual (1)	—	—	—	—
Total	$ 1,346.0	100.0%	$ 1,273.2	100.0%

(1) Loans are generally placed on non-accrual status when principal or interest payments are past due 30 days or more or when there is reasonable doubt that principal or interest will be collected in full. Non-accrual loans are restored to accrual status when past due principal and interest is paid current and, in management's judgment, are likely to remain current. Management may determine to not place a loan on non-accrual status if the loan has sufficient collateral value and is in the process of collection.

The weighted average yields and interest rates of our debt investments at fair value as of March 31, 2015 and December 31, 2014 were as follows:

	March 31, 2015	December 31, 2014
Weighted average total yield of debt and income producing securities	10.4%	10.3%
Weighted average interest rate of debt and income producing securities	9.9%	9.9%
Weighted average spread over LIBOR of all floating rate investments	8.8%	8.7%

The Adviser monitors our portfolio companies on an ongoing basis. The Adviser monitors the financial trends of each portfolio company to determine if it is meeting its business plans and to assess the appropriate course of action for each company. The Adviser has a number of methods of evaluating and monitoring the performance and fair value of our investments, which may include the following:

- assessment of success of the portfolio company in adhering to its business plan and compliance with covenants;
- periodic and regular contact with portfolio company management and, if appropriate, the financial or strategic sponsor, to discuss financial position, requirements and accomplishments;
- comparisons to other companies in the industry;
- attendance at, and participation in, board meetings; and
- review of monthly and quarterly financial statements and financial projections for portfolio companies.

As part of the monitoring process, the Adviser regularly assesses the risk profile of each of our investments and, on a quarterly basis, grades each investment on a risk scale of 1 to 5. Risk assessment is not standardized in our industry and our risk assessment may not be comparable to ones used by our competitors. Our assessment is based on the following categories:

- An investment is rated 1 if, in the opinion of the Adviser, it is performing as agreed and there are no concerns about the portfolio company's performance or ability to meet covenant requirements. For these investments, the Adviser generally prepares monthly reports on loan performance and intensive quarterly asset reviews.
- An investment is rated 2 if it is performing as agreed, but, in the opinion of the Adviser, there may be concerns about the company's operating performance or trends in the industry. For these investments, in addition to monthly reports and quarterly asset reviews, the Adviser also researches any areas of concern with the objective of early intervention with the borrower.
- An investment will be assigned a rating of 3 if it is paying as agreed but a covenant violation is expected. For these investments, in addition to monthly reports and quarterly asset reviews, the Adviser also adds the company to its "watch list" and researches any areas of concern with the objective of early intervention with the borrower.
- An investment will be assigned a rating of 4 if a material covenant has been violated, but the company is making its scheduled payments. For these investments, the Adviser prepares a bi-monthly asset review email and generally has monthly meetings with senior management. For investments where there have been material defaults, including bankruptcy filings, failures to achieve financial performance requirements or failure to maintain liquidity or loan-to-value requirements, the Adviser often will take immediate action to protect its position. These remedies may include negotiating for additional collateral, modifying loan terms or structure, or payment of amendment and waiver fees.
- A rating of 5 indicates an investment is in default on its interest or principal payments. For these investments, our Adviser reviews the loans on a bi-monthly basis and, where possible, pursues workouts that achieve an early resolution to avoid further deterioration. The Adviser retains legal counsel and takes actions to preserve our rights, which may include working with the borrower to have the default cured, to have the loan restructured or to have the loan repaid through a consensual workout.

The following table shows the distribution of our investments on the 1 to 5 investment performance rating scale at fair value as of March 31, 2015 and December 31, 2014. Investment performance ratings are accurate only as of those dates and may change due to subsequent developments relating to a portfolio company's business or financial condition, market conditions or developments, and other factors.

Investment Performance Rating	March 31, 2015 Investments at Fair Value ($ in millions)	March 31, 2015 Percentage of Total Portfolio	December 31, 2014 Investments at Fair Value ($ in millions)	December 31, 2014 Percentage of Total Portfolio
1	$ 786.1	59.1%	$ 904.3	71.6%
2	470.0	35.3%	260.7	20.6%
3	—	—	98.5	7.8%
4	74.9	5.6%	—	—
5	—	—	—	—
Total	$ 1,331.0	100.0%	$ 1,263.5	100.0%

Results of Operations

Operating results for the three months ended March 31, 2015 and 2014 were as follows:

($ in millions)	Three Months Ended March 31, 2015	Three Months Ended March 31, 2014
Total investment income	$ 37.7	$ 33.5
Less: Net expenses	16.6	12.3
Net investment income before income taxes	21.1	21.2
Less: Income taxes, including excise taxes	0.3	0.0
Net investment income	20.8	21.2
Net realized gains (losses)	2.1	(1.6)
Net change in unrealized gains	1.6	5.7
Net increase in net assets resulting from operations	$ 24.5	$ 25.3

Investment Income

($ in millions)	Three Months Ended March 31, 2015	Three Months Ended March 31, 2014
Interest from investments	$ 34.3	$ 31.1
Other income	3.4	2.4
Total investment income	$ 37.7	$ 33.5

Interest from investments, which includes amortization of upfront fees and prepayment fees, increased from $31.1 million for the three months ended March 31, 2014 to $34.3 million for the three months ended March 31, 2015, primarily due to the increase in the size of our investment portfolio. The average size of our investment portfolio increased from $1.1 billion during the three months ended March 31, 2014 to $1.3 billion during the three months ended March 31, 2015. In addition, accelerated amortization of upfront fees primarily from unscheduled paydowns decreased from $1.2 million for the three months ended March 31, 2014 to $0.3 million for the three months ended March 31, 2015. In addition, prepayment fees increased from $1.0 million for the three months ended March 31, 2014 to $1.7 million for the three months ended March 31, 2015. The accelerated amortization and prepayment fees primarily resulted from full paydowns on three portfolio investments during the three months ended March 31, 2014 and full paydowns on two portfolio investments during the three months ended March 31, 2015. Other income increased from $2.4 million for the three months ended March 31, 2014 to $3.4 million for the three months ended March 31, 2015, primarily due to higher syndication, amendment and agency fees earned during 2015.

Expenses

Operating expenses for the three months ended March 31, 2015 and 2014 were as follows:

($ in millions)	Three Months Ended March 31, 2015	Three Months Ended March 31, 2014
Interest	$ 4.2	$ 3.8
Management fees (net of waivers)	5.0	1.8
Incentive fees related to pre-incentive fee net investment income	4.5	3.9
Incentive fees related to realized/unrealized capital gains	0.5	0.6
Professional fees	1.2	1.2
Directors fees	0.1	0.1
Other general and administrative	1.1	0.9
Net Expenses	$ 16.6	$ 12.3

Interest

Interest, including other debt financing expenses, increased from $3.8 million for the three months ended March 31, 2014 to $4.2 million for the three months ended March 31, 2015. This increase was primarily due to an increase in the average interest rate on our debt outstanding from 2.5% for the three months ended March 31, 2014 to 2.6% for the three months ended March 31, 2015. The increase in the average interest rate on our debt was offset by a decrease in the weighted average debt outstanding from $471 million for the three months ended March 31, 2014 to $422 million for the three months ended March 31, 2015.

Management Fees

Management Fees (net of waivers) increased from $1.8 million for the three months ended March 31, 2014 to $5.0 million for the three months ended March 31, 2015. Management Fees increased from $4.2 million for the three months ended March 31, 2014 to $5.0 million for the three months ended March 31, 2015 due to the increase in total assets, which increased from an average of $1.1 billion for the three months ended March 31, 2014 to an average of $1.3 billion for the three months ended March 31, 2015. Management Fees waived were $2.4 million for the three months ended March 31, 2014. There were no management fees waived for the three months ended March 31, 2015.

Until our IPO in March 2014, the Adviser had waived its right to receive the Management Fee in excess of the sum of (i) 0.25% of aggregate committed but undrawn capital and (ii) 0.75% of aggregate drawn capital (including capital drawn to pay our expenses) as determined as of the end of any calendar quarter. Any waived Management Fees were not subject to recoupment by the Adviser. Following our IPO, the Adviser has not waived its right to receive the full Management Fee, and accordingly, we will be required to continue to pay the full amount of the Management Fee.

Incentive Fees

Incentive Fees related to pre-Incentive Fee net investment income increased from $3.9 million for the three months ended March 31, 2014 to $4.5 million for the three months ended March 31, 2015. This increase resulted from an increase in the Incentive Fee rate from 15% through March 31, 2014 to 17.5% beginning April 1, 2014 as a result of the consummation of our IPO. Incentive Fees related to capital gains and losses decreased from $0.6 million for the three months ended March 31, 2014 to $0.5 million for the three months ended March 31, 2015 due to changes in unrealized gains and losses on our investments, realized gains on our investments and realized losses on foreign currency transactions.

Professional Fees and Other General and Administrative Expenses

Professional fees were $1.2 million for each of the three months ended March 31, 2014 and 2015, while other general and administrative fees increased from $0.9 million for the three months ended March 31, 2014 to $1.1 million for the three months ended March 31, 2015 due to an increase in costs associated with servicing a growing investment portfolio.

Income Taxes, Including Excise Taxes

We have elected to be treated as a RIC under Subchapter M of the Code, and we intend to operate in a manner so as to continue to qualify for the tax treatment applicable to RICs. To qualify as a RIC, we must, among other things, distribute to our stockholders in each taxable year generally at least 90% of our investment company taxable income, as defined by the Code, and net tax-exempt income for that taxable year. To maintain our RIC status, we, among other things, have made and intend to continue to make the requisite distributions to our stockholders, which generally relieve us from corporate-level U.S. federal income taxes.

Depending on the level of taxable income earned in a tax year, we can be expected to carry forward taxable income (including net capital gains, if any) in excess of current year dividend distributions from the current tax year into the next tax year and pay a nondeductible 4% U.S. federal excise tax on such taxable income, as required. To the extent that we determine that our estimated current year annual taxable income will be in excess of estimated current year dividend distributions from such income, we accrue excise tax on estimated excess taxable income.

For the three months ended March 31, 2015 and 2014 we recorded a net expense of $0.3 million and $9 thousand, respectively, for U.S. federal excise tax.

Net Realized and Unrealized Gains and Losses

The following table summarizes our net realized and unrealized gains (losses) for the three months ended March 31, 2015 and 2014:

($ in millions)	Three Months Ended March 31, 2015	Three Months Ended March 31, 2014
Net realized gains (losses) on investments	$ 0.3	$ (0.0)
Net realized gains on interest rate swaps	1.8	—
Net realized gains on foreign currency transactions	0.0	—
Net realized gains (losses) on foreign currency forward contracts	0.0	(1.6)
Net realized losses on foreign currency investments	(0.1)	—
Net realized gains on foreign currency borrowings	0.1	—
Net realized gains (losses)	$ 2.1	$ (1.6)
Change in unrealized gains on investments	$ 7.2	$ 8.4
Change in unrealized losses on investments	(12.5)	(4.5)
Net Change in Unrealized Gains (Losses) on Investments	$ (5.3)	$ 3.9
Unrealized appreciation on foreign currency borrowings	7.2	0.5
Unrealized appreciation on foreign currency cash and forward contracts	(0.0)	1.3
Unrealized depreciation on interest rate swaps	(0.3)	—
Net Change in Unrealized Gains on Foreign Currency Transactions and Interest Rate Swaps	$ 6.9	$ 1.8
Net Change in Unrealized Gains	$ 1.6	$ 5.7

For the three months ended March 31, 2015, we had net realized gains on investments of $0.3 million. For the three months ended March 31, 2014 we had net realized losses on investments of less than $0.1 million. For the three months ended March 31, 2015, we had net realized gains on interest rate swaps of $1.8 million. For the three months ended March 31, 2015, we had net realized gains on foreign currency transactions and foreign currency forward contracts of less than $0.1 million, primarily as a result of translating foreign currency related to our non-USD denominated investments. For the three months ended March 31, 2014 we had net realized losses on foreign currency forward contracts of $1.6 million primarily as a result of settling our foreign currency forward contracts. For the three months ended March 31, 2015, we had net realized losses of $0.1 million on foreign currency investments and net realized gains of $0.1 million on foreign currency borrowings. We did not have realized gains or losses on foreign currency investments or foreign currency borrowings for the three months ended March 31, 2014.

For the three months ended March 31, 2015 we had $7.2 million in unrealized appreciation on 22 portfolio company investments, which was offset by $12.5 million in unrealized depreciation on 15 portfolio company investments. Unrealized appreciation resulted from an increase in fair market value, primarily due to a tightening spread environment and positive credit-related adjustments.

Unrealized depreciation resulted from the reversal of prior period unrealized appreciation and in some instances negative credit-related adjustments.

For the three months ended March 31, 2014, we had $8.4 million in unrealized appreciation on 20 portfolio company investments which was partially offset by $4.5 million in unrealized depreciation on 13 portfolio company investments. Unrealized appreciation resulted from an increase in fair market value, primarily due to a tightening spread environment and positive credit-related adjustments. Unrealized depreciation primarily resulted from the reversal of prior period unrealized appreciation and in some instances negative credit-related adjustments.

For the three months ended March 31, 2015, we had unrealized appreciation on foreign currency borrowings of $7.2 million, primarily as a result of fluctuations in the GBP, SEK and EUR exchange rates. For the three months ended March 31, 2014, we had unrealized appreciation on foreign currency borrowings of $0.5 million, primarily as a result of fluctuations in the GBP and SEK exchange rates. For the three months ended March 31, 2015, we had unrealized depreciation on foreign currency cash and forward contracts of less than $0.1 million. For the three months ended March 31, 2014, we had unrealized appreciation on foreign currency forward contracts of $1.3 million. For the three months ended March 31, 2015, we had unrealized depreciation on interest rate swaps of $0.3 million due to fluctuations in interest rates. For the three months ended March 31, 2014, we did not have unrealized appreciation or depreciation on interest rate swaps.

Aggregate Cash Flow Realized Gross Internal Rate of Return

Since we began investing in 2011 through March 31, 2015, our exited investments have resulted in an aggregate cash flow realized gross internal rate of return to us of 16.3% (based on cash invested of $904.0 million and total proceeds from these exited investments of $1,073.4 million). Eighty seven percent of these exited investments resulted in an aggregate cash flow realized gross internal rate of return to us of 10% or greater.

Internal rate of return, or IRR, is a measure of our discounted cash flows (inflows and outflows). Specifically, IRR is the discount rate at which the net present value of all cash flows is equal to zero. That is, IRR is the discount rate at which the present value of total capital invested in our investments is equal to the present value of all realized returns from the investments. Our IRR calculations are unaudited.

Capital invested, with respect to an investment, represents the aggregate cost basis allocable to the realized or unrealized portion of the investment, net of any upfront fees paid at closing for the term loan portion of the investment. Capital invested also includes realized losses on hedging activity, with respect to an investment, which represents any inception-to-date realized losses on foreign currency forward contracts allocable to the investment, if any.

Realized returns, with respect to an investment, represents the total cash received with respect to each investment, including all amortization payments, interest, dividends, prepayment fees, upfront fees (except upfront fees paid at closing for the term loan portion of an investment), administrative fees, agent fees, amendment fees, accrued interest, and other fees and proceeds. Realized returns also include realized gains on hedging activity, with respect to an investment, which represents any inception-to-date realized gains on foreign currency forward contracts allocable to the investment, if any.

Gross IRR, with respect to an investment, is calculated based on the dates that we invested capital and dates we received distributions, regardless of when we made distributions to our stockholders. Initial investments are assumed to occur at time zero, and all cash flows are deemed to occur on the fifteenth of each month in which they occur.

Gross IRR reflects historical results relating to our past performance and is not necessarily indicative of our future results. In addition, gross IRR does not reflect the effect of management fees, expenses, incentive fees or taxes borne, or to be borne, by us or our stockholders, and would be lower if it did.

Aggregate cash flow realized gross IRR on our exited investments reflects only invested and realized cash amounts as described above, and does not reflect any unrealized gains or losses in our portfolio.

Hedging

Our current approach to hedging the foreign currency exposure in our non-U.S. dollar denominated investments is primarily to borrow the necessary local currency under our Revolving Credit Facility to fund these investments. For the three months ended March 31, 2015, we had $7.2 million of unrealized gains on the translation of our non-U.S. dollar denominated debt into U.S. dollars; such amount approximates the corresponding unrealized losses on the translation of our non-U.S. dollar denominated investments into U.S. dollars for the three months ended March 31, 2015. See Note 2 for additional disclosure regarding our accounting for foreign currency. See Note 7 for additional disclosure regarding the amounts of outstanding debt denominated in each foreign currency at March 31, 2015.

During the three months ended March 31, 2015, we entered into foreign currency forward contracts related to our non-USD denominated investments, which in total generated a realized gain of less than $0.1 million. As of March 31, 2015, we did not have any open foreign currency forward contracts. During the three months ended March 31, 2014, we settled our foreign currency forward contracts related to our investments in Jeeves Information Systems AB and Soho House Bond Ltd., which in total generated a realized loss of $1.6 million. We bear the costs incurred in connection with entering into, administering and settling derivative contracts. There can be no assurance any hedging strategy we employ will be successful.

Financial Condition, Liquidity and Capital Resources

Our liquidity and capital resources are derived primarily from proceeds from equity issuances, advances from our credit facilities, and cash flows from operations. The primary uses of our cash and cash equivalents are:

- investments in portfolio companies and other investments and to comply with certain portfolio diversification requirements;
- the cost of operations (including paying our Adviser);
- debt service, repayment, and other financing costs; and
- cash distributions to the holders of our shares.

The capital commitments of our private phase investors terminated upon the completion of our IPO. We intend to continue to generate cash primarily from cash flows from operations, future borrowings and future offerings of securities. We may from time to time enter into additional debt facilities, increase the size of existing facilities or issue debt securities. Any such incurrence or issuance would be subject to prevailing market conditions, our liquidity requirements, contractual and regulatory restrictions and other factors. In accordance with the 1940 Act, with certain limited exceptions, we are only allowed to incur borrowings, issue debt securities or issue preferred stock if immediately after the borrowing or issuance the ratio of total assets (less total liabilities other than indebtedness) to total indebtedness plus preferred stock, is at least 200%. As of March 31, 2015 and December 31, 2014, our asset coverage ratio was 273.4% and 311.0%, respectively.

Cash and cash equivalents as of March 31, 2015, taken together with cash available under our credit facilities, is expected to be sufficient for our investing activities and to conduct our operations in the near term. As of March 31, 2015, we had approximately $445.3 million of availability on our Revolving Credit Facility.

As of March 31, 2015, we had $3.3 million in cash and cash equivalents, an increase of $0.9 million from December 31, 2014. During the three months ended March 31, 2015, we used $77.3 million in cash for operating activities, primarily as a result of funding portfolio investments of $139.3 million and other operating activity of $31.9 million, which was partially offset by proceeds from investments of $5.0 million, repayments on investments of $64.4 million, and an increase in net assets resulting from operations of $24.5 million. Lastly, cash provided by financing activities was $78.2 million during the period, primarily due to net borrowings of $244.4 million, partially offset by net repayments on debt of $147.8 million, debt issuance costs of $0.1 million and dividends paid of $18.3 million.

As of March 31, 2015, we had $2.4 million of restricted cash pledged as collateral under our interest rate swap agreements, an increase of $0.1 million from December 31, 2014. As of March 31, 2015, we had $10.3 million of restricted cash in our wholly owned subsidiary TPG SL SPV, an increase of less than $0.1 million from December 31, 2014. The increase was primarily attributable to increased interest payments from additional investments contributed to TPG SL SPV. Proceeds received by TPG SL SPV from interest and principal at the end of a quarterly reporting period that have not gone through a settlement process are considered to be restricted cash. The settlement process involves the payment of certain required amounts under the SPV Asset Facility, following which excess cash generated in TPG SL SPV may be distributed to us. Restricted cash is a component of prepaid expenses and other assets in our consolidated financial statements.

Equity

On March 26, 2014, we closed our IPO and issued 7,000,000 shares at $16.00 per share, and closed our concurrent private placement and issued 3,124,984 shares at $16.00 per share. Net of underwriting fees and offering costs, we received total cash proceeds of $151.6 million.

In April 2014, we issued an additional 1,050,000 shares of stock pursuant to the exercise of the underwriters' over-allotment option. Net of underwriting fees and offering costs, we received additional total cash proceeds of $15.4 million.

Prior to December 31, 2013, we entered into subscription agreements with our private phase investors, including our Adviser and its affiliates, providing for the private placement of our common stock, which brought our total capital commitments to $1.5 billion (including $117.1 million from our Adviser and its affiliates).

During the three months ended March 31, 2014, we did not deliver any drawdown notices to our private phase investors. On December 31, 2013, we delivered a capital drawdown notice to our private phase investors relating to the sale of 4,234,501 shares of our common stock for an aggregate offering price of $65.0 million. The sale closed on January 15, 2014. This capital drawdown notice is reflected in the number of shares issued for the three months ended March 31, 2014 below and in the consolidated financial statements for the three months ended March 31, 2014.

From inception through March 26, 2014, we had drawn down a total of $0.6 billion of capital and issued 38.9 million shares, excluding equity and shares issued through our dividend reinvestment plan. The remaining unfunded commitments under the subscription agreements terminated upon the completion of our IPO in March 2014, and hence as of March 31, 2015 no longer remain in effect.

During the three months ended March 31, 2015 and 2014, we issued 162,490 and 502,200 shares of our common stock, respectively, to investors who have not opted out of our dividend reinvestment plan for proceeds of $2.7 million and $7.8 million, respectively. On May 1, 2015, we issued 41,441 shares of our common stock through our dividend reinvestment plan for proceeds of $0.7 million, which is not reflected in the number of shares issued for the three months ended March 31, 2015 in this section or the consolidated financial statements for the three months ended March 31, 2015.

On November 3, 2014, the Board approved the Company 10b5-1 Plan to acquire up to $50 million in the aggregate of our common stock at prices below our net asset value over a specified period, in accordance with the guidelines specified in Rule 10b-18 and Rule 10b5-1 of the Exchange Act.

The Company 10b5-1 Plan is designed to allow us to repurchase our common stock at times when we otherwise might be prevented from doing so under insider trading laws. The Company 10b5-1 Plan requires an agent selected by us to repurchase shares of common stock on our behalf when the market price per share is below the most recently reported net asset value per share (including any updates, corrections or adjustments publicly announced by us to any previously announced net asset value per share). Under the Company 10b5-1 Plan, the agent will increase the volume of purchases made as the price of our common stock declines, subject to volume restrictions. The timing and amount of any stock repurchases will depend on the terms and conditions of the Company 10b5-1 Plan, the market price of our common stock and trading volumes, and no assurance can be given that any particular amount of common stock will be repurchased.

The purchase of shares pursuant to the Company 10b5-1 Plan is intended to satisfy the conditions of Rule 10b5-1 and Rule 10b-18 under the Exchange Act, and will otherwise be subject to applicable law, including Regulation M, which may prohibit purchases under certain circumstances.

Unless extended or terminated by the Board, the Company 10b5-1 Plan will be in effect through the earlier of June 30, 2015 or such time as the approved $50 million repurchase amount has been fully utilized, subject to certain conditions. As of March 31, 2015, no shares had been repurchased under the Company 10b5-1 Plan.

Debt

Debt consisted of the following as of March 31, 2015 and December 31, 2014:

	March 31, 2015			
	Aggregate Principal Amount Committed	Outstanding Principal	Amount Available (1)	Carrying Value
SPV Asset Facility (2)	$ 128,725	$ 128,725	$ —	$ 128,725
Revolving Credit Facility	781,250	244,437	445,318	244,437
Convertible Senior Notes	115,000	115,000	—	112,061
Total Debt	$ 1,024,975	$ 488,162	$ 445,318	$ 485,223

	December 31, 2014			
	Aggregate Principal Amount Committed	Outstanding Principal	Amount Available (1)	Carrying Value
SPV Asset Facility	$ 175,000	$ 106,725	$ 45,279	$ 106,725
Revolving Credit Facility	781,250	177,216	466,189	177,216
Convertible Senior Notes	115,000	115,000	—	111,923
Total Debt	$ 1,071,250	$ 398,941	$ 511,468	$ 395,864

(1) The amount available reflects any limitations related to the respective debt facilities' borrowing bases.
(2) The reinvestment period under the SPV Asset Facility terminated on January 21, 2015 and accordingly any undrawn availability under the facility also terminated.

As of March 31, 2015 and December 31, 2014, we were in compliance with the terms of our debt arrangements. We intend to continue to utilize our credit facilities to fund investments and for other general corporate purposes.

Revolving Credit Facility

On August 23, 2012, we entered into a senior secured revolving credit agreement with SunTrust Bank, as administrative agent, and J.P. Morgan Chase Bank, N.A., as syndication agent, and certain other lenders. On July 2, 2013, we entered into an agreement to amend and restate the agreement, effective on July 3, 2013. The amended and restated facility, among other things, increased the size of the facility from $200 million to $350 million. The facility included an uncommitted accordion feature that allowed us, under certain circumstances, to increase the size of the facility up to $550 million. On September 30, 2013, we exercised our right under the accordion feature and increased the size of the facility to $400 million. On January 27, 2014, we again exercised our right under the accordion feature and increased the size of the facility to $420 million.

On February 27, 2014, we further amended and restated the agreement. The second amended and restated agreement (the Revolving Credit Facility), among other things:

- increased the size of the facility to $581.3 million;
- increased the size of the uncommitted accordion feature to allow us, under certain circumstances, to increase the size of the facility up to $956.3 million;
- increased the limit for swingline loans to $100 million;
- with respect to $545 million in commitments;
  - extended the expiration of the revolving period from June 30, 2017 to February 27, 2018, during which period we, subject to certain conditions, may make borrowings under the facility; and
  - extended the stated maturity date from July 2, 2018 to February 27, 2019; and
- provided that borrowings under the multicurrency tranche will be available in certain additional currencies.

On May 30, 2014, we entered into agreements with various financial institutions pursuant to which each of the institutions agreed to provide commitments through the accordion feature of our Revolving Credit Facility, increasing the aggregate commitments from $581.3 million to $781.3 million.

On June 27, 2014, we further amended the Revolving Credit Facility to extend the $36.3 million in commitments not previously extended such that the revolving period as it related to all outstanding commitments would expire on February 27, 2018 and the stated maturity date as it related to all outstanding commitments would be February 27, 2019.

On October 17, 2014, we entered into a third amendment to the Revolving Credit Facility:

- decreasing the applicable margin with respect to (i) any loan bearing interest at a rate determined by reference to the Alternate Base Rate from 1.25% to 1.00% and (ii) any loan bearing interest at a rate determined by reference to the Adjusted LIBO Rate from 2.25% to 2.00%;
- decreasing the aggregate commitments from $781.3 million to $766.3 million;
- extending the revolving period from February 27, 2018 to October 17, 2018;
- extending the stated maturity date from February 27, 2019 to October 17, 2019; and

- increasing the sublimit applicable to letters of credit from $20 million to $100 million.

On October 23, 2014, we entered into an agreement with a financial institution pursuant to which the institution agreed to provide commitments through the accordion feature, increasing the aggregate commitments from $766.3 million to $776.3 million. On November 3, 2014, an existing lender agreed to increase their commitment through the accordion feature, increasing aggregate commitments from $776.3 million to $781.3 million.

The Revolving Credit Facility continues to include the accordion feature, which would allow us, under certain circumstances, to increase the size to a maximum of $956.3 million.

We may borrow amounts in U.S. dollars or certain other permitted currencies. As of March 31, 2015, we had outstanding debt denominated in Swedish Krona (SEK) of 203.1 million, Euro (EUR) of 28.1 million and Pound Sterling (GBP) of 21.0 million on our Revolving Credit Facility, included in the Outstanding Principal amount in the table above.

Amounts drawn under the Revolving Credit Facility, including amounts drawn in respect of letters of credit, bear interest at either LIBOR plus a margin, or the prime rate plus a margin. We may elect either the LIBOR or prime rate at the time of drawdown, and loans may be converted from one rate to another at any time, subject to certain conditions. We also pay a fee of 0.375% on undrawn amounts and, in respect of each undrawn letter of credit, a fee and interest rate equal to the then-applicable margin while the letter of credit is outstanding.

The Revolving Credit Facility is guaranteed by TC Lending, LLC and TSL MR, LLC and may be guaranteed by certain domestic subsidiaries that are formed or acquired by us in the future. The Revolving Credit Facility is secured by a perfected first-priority security interest in substantially all the portfolio investments held by us and each guarantor. Proceeds from borrowings may be used for general corporate purposes, including the funding of portfolio investments.

The Revolving Credit Facility includes customary events of default, as well as customary covenants, including restrictions on certain distributions and financial covenants requiring:

- an asset coverage ratio of no less than 2 to 1 on the last day of any fiscal quarter;
- a liquidity test under which we must maintain cash and liquid investments of at least 10% of the covered debt amount under circumstances where our adjusted covered debt balance is greater than 90% of our adjusted borrowing base under the facility; and
- stockholders' equity of at least $500 million plus 25% of the net proceeds of the sale of equity interests after October 17, 2014.

Net proceeds received from our IPO, the exercise of the underwriters' over-allotment option from the IPO, and net proceeds received from the issuance of the Convertible Senior Notes were used to pay down borrowings on the Revolving Credit Facility.

SPV Asset Facility

On May 8, 2012, the Closing Date, our wholly owned subsidiary TPG SL SPV, LLC, a Delaware limited liability company, which we refer to as TPG SL SPV, entered into a credit and security agreement with Natixis, New York Branch. Also on May 8, 2012, we contributed certain investments to TPG SL SPV pursuant to the terms of a Master Sale and Contribution Agreement by and between us and TPG SL SPV. We consolidate TPG SL SPV in our consolidated financial statements, and no gain or loss was recognized as a result of the contribution. Proceeds from the SPV Asset Facility were permitted to be used to finance the acquisition of eligible assets by TPG SL SPV, including the purchase of such assets from us. We retain a residual interest in assets contributed to or acquired by TPG SL SPV through our ownership of TPG SL SPV. The facility size is subject to availability under the borrowing base, which is based on the amount of TPG SL SPV's assets from time to time, and satisfaction of certain conditions, including an asset coverage test, an asset quality test and certain concentration limits.

The credit and security agreement provided for a contribution and reinvestment period for up to 18 months after the Closing Date, or the Commitment Termination Date. The Commitment Termination Date was November 8, 2013, at which point the reinvestment period of the SPV Asset Facility expired and accordingly any undrawn availability under the facility terminated. Proceeds received by TPG SL SPV from interest, dividends or fees on assets are required to be used to pay expenses and interest on outstanding borrowings, and the excess can be returned to us, subject to certain conditions, on a quarterly basis. Prior to the Commitment Termination Date, proceeds received from principal on assets could be used to pay down borrowings or make additional investments. Following the Commitment Termination Date, proceeds received from principal on assets are required to be used to make payments of principal on outstanding borrowings on a quarterly basis. Proceeds received from interest and principal at the end of a reporting period that have not gone through the settlement process for these payment obligations are considered to be restricted cash.

On January 21, 2014, TPG SL SPV entered into an agreement to amend and restate the credit and security agreement. The amended and restated facility, among other things:

- increased the size of the facility from $100 million to $175 million;
- reopened the reinvestment period thereunder for an additional period of six months following the closing date of January 21, 2014, which reinvestment period was subsequently extended by the borrower for an additional six month period (pursuant to an extension right exercisable by the borrower) so that the reinvestment period would remain open until January 21, 2015;
- extended the stated maturity date from May 8, 2020 to January 21, 2021;
- modified pricing for Natixis to cost of funds + 2.25%; and
- made certain changes to the eligibility criteria and concentration limits.

The reinvestment period under the amended and restated credit and security agreement terminated on January 21, 2015 and accordingly any undrawn availability under the facility also terminated.

On March 27, 2015, TPG SL SPV further amended the amended and restated credit and security agreement, which we refer to as the SPV Asset Facility. The second amended and restated credit and security agreement, among other things, reduced the applicable margin with respect to loans from LIBOR lenders from 2.75% to 2.35% and syndicated a portion of the outstanding loan previously held by affiliates of Natixis to two new lenders.

Amounts drawn under the original credit and security agreement bore interest at LIBOR plus a margin or base rate plus a margin, in each case at TPG SL SPV's option. Amounts outstanding under the SPV Asset Facility bear interest at LIBOR plus a margin, base rate plus a margin or the lenders' cost of funds plus a margin. The undrawn portion of the commitment bore an unutilized commitment fee of 0.75%. This fee ceased to accrue on January 21, 2015 when the reinvestment period ended. The SPV Asset Facility contains customary covenants, including covenants relating to separateness from the Adviser and its affiliates and long-term credit ratings with respect to the underlying collateral obligations, and events of default. The SPV Asset Facility is secured by a perfected first priority security interest in the assets of TPG SL SPV and on any payments received by TPG SL SPV in respect of such assets, which accordingly are not available to pay our other debt obligations.

As of March 31, 2015 and December 31, 2014, TPG SL SPV had $360.8 million and $334.0 million, respectively, in investments at fair value, and $128.8 million and $108.8 million, respectively, in liabilities, including the outstanding borrowings, on its balance sheet. As of March 31, 2015 and December 31, 2014, TPG SL SPV had $10.3 million and $10.2 million, respectively, in restricted cash, a component of prepaid expenses and other assets, in the accompanying consolidated financial statements.

Borrowings of TPG SL SPV are considered our borrowings for purposes of complying with the asset coverage requirements of the 1940 Act.

Convertible Senior Notes

On June 10, 2014, we issued in a private offering $115 million aggregate principal amount convertible senior notes due December 2019, or the Convertible Senior Notes. The Convertible Senior Notes were issued in a private placement only to qualified institutional buyers pursuant to Rule 144A under the Securities Act. The Convertible Senior Notes are unsecured and bear interest at a rate of 4.50% per year, payable semiannually. The Convertible Senior Notes will mature on December 15, 2019. In certain circumstances, the Convertible Senior Notes will be convertible into cash, shares of our common stock or a combination of cash and shares of our common stock, at our election, at an initial conversion rate of 38.7162 shares of common stock per $1,000 principal amount of Convertible Senior Notes, which is equivalent to an initial conversion price of approximately $25.83 per share of our common stock, subject to customary anti-dilution adjustments. The sale of the Convertible Senior Notes generated net proceeds of approximately $110.8 million. We used the net proceeds of the offering to pay down debt under the Revolving Credit Facility. In connection with the offering of Convertible Senior Notes, we entered into two interest rate swaps, each with a $57.5 million notional amount to continue to align the interest rates of our liabilities with our investment portfolio, which consists of predominately floating rate loans. As a result of the swaps, our effective interest rate on the Convertible Senior Notes was three-month LIBOR plus 252.9 basis points. In January 2015, we closed out our existing interest rate swaps and simultaneously entered into new interest rate swaps, realizing a cash payment of $2.0 million and increasing pricing to three-month LIBOR plus 286 basis points.

Holders may convert their Convertible Senior Notes at their option at any time prior to June 15, 2019 only under the following circumstances: (1) during any calendar quarter commencing after the calendar quarter ending on September 30, 2014 (and only during such calendar quarter), if the last reported sale price of the common stock for at least 20 trading days (whether or not consecutive) during a period of 30 consecutive trading days ending on the last trading day of the immediately preceding calendar quarter is greater than or equal to 130% of the conversion price on each applicable trading day; (2) during the five business day period after any five consecutive trading day period, or the measurement period, in which the trading price (as defined in the indenture governing the Convertible Senior Notes) per $1,000 principal amount of notes for each trading day of the measurement period was less than 98% of the product of the last reported sale price of our common stock and the conversion rate on each such trading day; or (3) upon the occurrence of specified corporate events. On or after June 15, 2019 until the close of business on the scheduled trading day immediately preceding the maturity date, holders may convert their notes at any time, regardless of the occurrence or nonoccurrence of any of the foregoing circumstances.

The notes are senior unsecured obligations and rank senior in right of payment to our future indebtedness that is expressly subordinated in right of payment to the notes; equal in right of payment to our existing and future indebtedness that is not so subordinated; effectively junior in right of payment to any of our secured indebtedness (including 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, financing vehicles or similar facilities.

As of March 31, 2015, the principal amount of the Convertible Senior Notes exceeded the value of the underlying shares multiplied by the per share closing price of our common stock.

The Convertible Senior Notes Indenture contains certain covenants, including covenants requiring us to comply with the requirement under the 1940 Act that our asset coverage ratio, as defined in the 1940 Act, equal at least 200% and to provide financial information to the holders of the Convertible Senior Notes under certain circumstances. These covenants are subject to important limitations and exceptions that are described in the Convertible Senior Notes Indenture. As of March 31, 2015, we were in compliance with the terms of the Convertible Senior Notes Indenture.

The Convertible Senior Notes are accounted for in accordance with Accounting Standards Codification (“ASC” 470-20). Upon conversion of any of the Convertible Senior Notes, we intend to pay the outstanding principal amount in cash and, to the extent that the conversion value exceeds the principal amount, we have the option to pay in cash or shares of our common stock (or a combination of cash and shares) in respect of the excess amount, subject to the requirements of the Convertible Senior Notes Indenture. We have determined that the embedded conversion options in the Convertible Senior Notes are not required to be separately accounted for as a derivative under U.S. GAAP. In accounting for the Convertible Senior Notes, we estimated at the time of issuance separate debt and equity components of the Convertible Senior Notes. An original issue discount equal to the equity components of the Convertible Senior Notes was recorded in “additional paid-in capital” in the accompanying consolidated balance sheet. Additionally, the issuance costs associated with the Convertible Senior Notes were allocated to the debt and equity components in proportion to the allocation of the proceeds and accounted for as debt issuance costs and equity issuance costs, respectively.

Off-Balance Sheet Arrangements

Portfolio Company Commitments

From time to time, we may enter into commitments to fund investments. Our senior secured revolving loan commitments are generally available on a borrower’s demand and may remain outstanding until the maturity date of the applicable loan. Our senior secured term loan commitments are generally available on a borrower’s demand and, once drawn, generally have the same remaining term as the associated loan agreement. Undrawn senior secured term loan commitments generally have a shorter availability period than the term of the associated loan agreement. As of March 31, 2015 and December 31, 2014, we had the following commitments to fund investments:

($ in millions)	March 31, 2015	December 31, 2014
Senior secured revolving loan commitments	$ 25.7	$ 34.2
Senior secured term loan commitments	8.7	13.8
Total Portfolio Company Commitments	$ 34.4	$ 48.0

Other Commitments and Contingencies

We may become a party to financial instruments with off-balance sheet risk in the normal course of our business to meet the financial needs of our portfolio companies. These instruments may include commitments to extend credit and involve, to varying degrees, elements of liquidity and credit risk in excess of the amount recognized in the balance sheet. As of March 31, 2015 and December 31, 2014, we had outstanding commitments to fund investments totaling $34.4 million and $48.0 million, respectively.

We have certain contracts under which we have material future commitments. Under the Investment Advisory Agreement, our Adviser provides us with investment advisory and management services. For these services, we pay the Management Fee and the Incentive Fee.

Under the Administration Agreement, our Adviser furnishes us with office facilities and equipment, provides us clerical, bookkeeping and record keeping services at such facilities and provides us with other administrative services necessary to conduct our day-to-day operations. We reimburse our Adviser for the allocable portion (subject to the review and approval of our Board) of expenses incurred by it in performing its obligations under the Administration Agreement, including rent, the fees and expenses associated with performing compliance functions and our allocable portion of the compensation of our Chief Compliance Officer, Chief Financial Officer and other professionals who spend time on those related activities (based on a percentage of time those individuals devote, on an estimated basis, to our business and affairs). Our Adviser also offers on our behalf significant managerial assistance to those portfolio companies to which we are required to offer to provide such assistance.

Contractual Obligations

A summary of our contractual payment obligations as of March 31, 2015 is as follows:

($ in millions)	Payments Due by Period Total	Less than 1 year	1-3 years	3-5 years	After 5 years
SPV Asset Facility	$ 128.7	$ —	$ —	$ —	$ 128.7
Revolving Credit Facility	244.5	—	—	244.5	—
Convertible Senior Notes	115.0	—	—	115.0	—
Total Contractual Obligations	$ 488.2	$ —	$ —	$ 359.5	$ 128.7

In addition to the contractual payment obligations in the tables above, we also have commitments to fund investments and to pledge assets as collateral under the terms of our derivatives agreements.

Distributions

We have elected and qualified to be treated for U.S. federal income tax purposes as a RIC under subchapter M of the Code. To maintain our RIC status, we must distribute (or be treated as distributing) in each taxable year dividends for tax purposes equal to at least 90 percent of the sum of our:

- investment company taxable income (which is generally our ordinary income plus the excess of realized net short-term capital gains over realized net long-term capital losses), determined without regard to the deduction for dividends paid, for such taxable year; and
- net tax-exempt interest income (which is the excess of our gross tax exempt interest income over certain disallowed deductions) for such taxable year.

As a RIC, we (but not our stockholders) generally will not be subject to U.S. federal income tax on investment company taxable income and net capital gains that we distribute to our stockholders.

We intend to distribute annually all or substantially all of such income. To the extent that we retain our net capital gains or any investment company taxable income, we generally will be subject to corporate-level U.S. federal income tax. We may choose to retain our net capital gains or any investment company taxable income, and pay the U.S. federal excise tax described below.

Amounts not distributed on a timely basis in accordance with a calendar year distribution requirement are subject to a nondeductible 4% U.S. federal excise tax payable by us. To avoid this tax, we must distribute (or be treated as distributing) during each calendar year an amount at least equal to the sum of:

- 98% of our net ordinary income excluding certain ordinary gains or losses for that calendar year;
- 98.2% of our capital gain net income, adjusted for certain ordinary gains and losses, recognized for the twelve-month period ending on October 31 of that calendar year; and
- 100% of any income or gains recognized, but not distributed, in preceding years.

While we intend to distribute any income and capital gains in the manner necessary to minimize imposition of the 4% U.S. federal excise tax, sufficient amounts of our taxable income and capital gains may not be distributed to avoid entirely the imposition of this tax. In that event, we will be liable for this tax only on the amount by which we do not meet the foregoing distribution requirement.

We intend to pay quarterly dividends to our stockholders out of assets legally available for distribution. All dividends will be paid at the discretion of our Board and will depend on our earnings, financial condition, maintenance of our RIC status, compliance with applicable BDC regulations and such other factors as our Board may deem relevant from time to time.

To the extent our current taxable earnings for a year fall below the total amount of our distributions for that year, a portion of those distributions may be deemed a return of capital to our stockholders for U.S. federal income tax purposes. Thus, the source of a distribution to our stockholders may be the original capital invested by the stockholder rather than our income or gains. Stockholders should read any written disclosure carefully and should not assume that the source of any distribution is our ordinary income or gains.

We have adopted an "opt out" dividend reinvestment plan for our common stockholders. As a result, if we declare a cash dividend or other distribution, each stockholder that has not "opted out" of our dividend reinvestment plan will have their dividends or distributions automatically reinvested in additional shares of our common stock rather than receiving cash dividends. Stockholders who receive distributions in the form of shares of common stock will be subject to the same U.S. federal, state and local tax consequences as if they received cash distributions.

Related-Party Transactions

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

- the Investment Advisory Agreement;
- the Administration Agreement; and
- a license agreement with an affiliate of TPG under which the affiliate granted us a non-exclusive license to use the TPG name and logo, for a nominal fee, for so long as the Adviser or one of its affiliates remains our investment adviser. Other than with respect to this limited license, we have no legal right to the "TPG" name or logo.

Critical Accounting Policies

The preparation of our consolidated financial statements requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses. Changes in the economic environment, financial markets, and any other parameters used in determining such estimates could cause actual results to differ. Our critical accounting policies, including those relating to the valuation of our investment portfolio, are described in our Annual Report on Form 10-K for the year ended December 31, 2014, filed with the SEC on February 24, 2015, and elsewhere in our filings with the SEC.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are subject to financial market risks, including valuation risk, interest rate risk and currency risk.

Valuation Risk

We have invested, and plan to continue to invest, primarily in illiquid debt and equity securities of private companies. Most of our investments will not have a readily available market price, and we value these investments at fair value as determined in good faith by our Board in accordance with our valuation policy. There is no single standard for determining fair value. As a result, determining fair value requires that judgment be applied to the specific facts and circumstances of each portfolio investment while employing a consistently applied valuation process for the types of investments we make. If we were required to liquidate a portfolio investment in a forced or liquidation sale, we may realize amounts that are different from the amounts presented and such differences could be material.

Interest Rate Risk

Interest rate sensitivity refers to the change in earnings that may result from changes in the level of interest rates. We also fund portions 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. Accordingly, we cannot assure you that a significant change in market interest rates will not have a material adverse effect on our net investment income.

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

As of March 31, 2015, 96.5% of our debt investments in our portfolio bore interest at floating rates, subject to interest rate floors. Our credit facilities also bear interest at floating rates, and in connection with our Convertible Senior Notes, which bear interest at a fixed rate, we entered into fixed-to-floating interest rate swaps in order to continue to align the interest rates of our liabilities with our investment portfolio.

Assuming that our consolidated balance sheet as of March 31, 2015 were to remain constant and that we took no actions to alter our existing interest rate sensitivity, the following table shows the annualized impact of hypothetical base rate changes in interest rates (considering interest rate floors for floating rate instruments):

($ in millions)

Basis Point Change	Interest Income	Interest Expense	Net Income
Up 300 basis points	$ 27.9	$ 14.6	$ 13.3
Up 200 basis points	$ 14.9	$ 9.8	$ 5.1
Up 100 basis points	$ 2.6	$ 4.9	$ (2.3)
Down 25 basis points	$ 0.0	$ (0.9)	$ 0.9

Although we believe that this analysis is indicative of our existing sensitivity to interest rate changes, it does not adjust for changes in the credit market, credit quality, the size and composition of the assets in our portfolio and other business developments that could affect our net income. Accordingly, we cannot assure you that actual results would not differ materially from the analysis above.

We may in the future hedge against interest rate fluctuations by using hedging instruments such as additional interest rate swaps, futures, options and forward contracts. While hedging activities may mitigate our exposure to adverse fluctuations in interest rates, certain hedging transactions that we may enter into in the future, such as interest rate swap agreements, may also limit our ability to participate in the benefits of lower interest rates with respect to our portfolio investments.

Currency Risk

From time to time, we may make investments that are denominated in a foreign currency. These investments are translated into U.S. dollars at each balance sheet date, exposing us to movements in foreign exchange rates. We may employ hedging techniques to minimize these risks, but we cannot assure you that such strategies will be effective or without risk to us. We may seek to utilize instruments such as, but not limited to, forward contracts to seek to hedge against fluctuations in the relative values of our portfolio positions from changes in currency exchange rates. We also have the ability to borrow in certain foreign currencies under our Revolving Credit Facility. Instead of entering into a foreign exchange forward contract in connection with loans or other investments we have made that are denominated in a foreign currency, we may borrow in that currency to establish a natural hedge against our loan or investment. To the extent the loan or investment is based on a floating rate other than a rate under which we can borrow under our Revolving Credit Facility, we may seek to utilize interest rate derivatives to hedge our exposure to changes in the associated rate.

ITEM 4. CONTROLS AND PROCEDURES

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

Changes in Internal Control over Financial Reporting. There have been no changes in our internal control over financial reporting that occurred during our most recently completed fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

None.

ITEM 1. Legal Proceedings

From time to time, we may be a party to certain legal proceedings in the ordinary course of business, including proceedings relating to the enforcement of our rights under loans to or other contracts with our portfolio companies. We are not currently subject to any material legal proceedings, nor, to our knowledge, is any material legal proceeding threatened against us.

Item 1A. Risk Factors.

In addition to the other information set forth in this report, you should carefully consider the risk factors discussed in Part I, "Item 1A. Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended December 31, 2014, which could materially affect our business, financial condition and/or operating results. These risks are not the only risks facing our Company. 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.

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

None.

Item 3. Defaults Upon Senior Securities.

Not applicable.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

Not applicable.

Item 6. Exhibits.

(a) Exhibits.

10.1	Second Amended and Restated Credit and Security Agreement, dated as of March 27, 2015, among TPG SL SPV, LLC, as Borrower, the Lenders from time to time parties thereto, Natixis, New York Branch, as Facility Agent and State Street Bank and Trust Company, as Collateral Agent (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on March 30, 2015)
31.1	Certification of Co-Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification of Co-Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.3	Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32	Certification of Co-CEOs and CFO Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

SIGNATURES

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

	TPG SPECIALTY LENDING, INC.
Date: May 7, 2015	By: /s/ Joshua Easterly Joshua Easterly Co-Chief Executive Officer
Date: May 7, 2015	By: /s/ Michael Fishman Michael Fishman Co-Chief Executive Officer
Date: May 7, 2015	By: /s/ Alan Kirshenbaum Alan Kirshenbaum Chief Financial Officer

Exhibit 31.1

CEO CERTIFICATION

I, Joshua Easterly, certify that:

(1) I have reviewed this quarterly report on Form 10-Q of TPG Specialty Lending, Inc.;

(2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

(3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

(4) The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its 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; and

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 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 officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 7, 2015

By: /s/ Joshua Easterly
Joshua Easterly
Co-Chief Executive Officer

Exhibit 31.2

CEO CERTIFICATION

I, Michael Fishman, certify that:

(1) I have reviewed this quarterly report on Form 10-Q of TPG Specialty Lending, Inc.;

(2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

(3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

(4) The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its 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; and

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 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 officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 7, 2015

By: /s/ Michael Fishman
Michael Fishman
Co-Chief Executive Officer

Exhibit 31.3

CFO CERTIFICATION

I, Alan Kirshenbaum, certify that:

(1) I have reviewed this quarterly report on Form 10-Q of TPG Specialty Lending, Inc.;

(2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

(3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

(4) The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its 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; and

(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 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 officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 7, 2015

By: /s/ ALAN KIRSHENBAUM
Alan Kirshenbaum
Chief Financial Officer

Exhibit 32

Certification of CEO and CFO Pursuant to
18 U.S.C. Section 1350,
as Adopted Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the quarterly report on Form 10-Q of TPG Specialty Lending, Inc. (the "Company") for the quarterly period ended March 31, 2015, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Joshua Easterly and Michael Fishman, as Co-Chief Executive Officers of the Company, and Alan Kirshenbaum, as Chief Financial Officer of the Company, each hereby certifies, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to such officer's knowledge:

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

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

/s/ Joshua Easterly
Name: Joshua Easterly
Title: Co-Chief Executive Officer
Date: May 7, 2015

/s/ Michael Fishman
Name: Michael Fishman
Title: Co-Chief Executive Officer
Date: May 7, 2015

/s/ Alan Kirshenbaum
Name: Alan Kirshenbaum
Title: Chief Financial Officer
Date: May 7, 2015

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