



# SIXTH STREET SPECIALTY LENDING, INC

Fixed Income Presentation November 2023

# DISCLAIMER AND FORWARD-LOOKING STATEMENT

## General Disclaimer

The information contained in this presentation (the "Presentation") is preliminary, may not be complete and may be changed. By acceptance hereof, you agree that the information contained herein may not be used, reproduced or distributed to others, in whole or in part, for any other purpose without the prior written consent of Sixth Street Specialty Lending, Inc. ("TSLX"). References in this Presentation to "TSLX," "we," "us," "our," and "the Company" refer to Sixth Street Specialty Lending, Inc.

The contents hereof should not be construed as investment, legal, tax or other advice and you should consult your own advisers as to legal, business, tax and other related matters concerning an investment in TSLX. TSLX is not acting for you and does not regard you as a customer or a client. It will not be responsible to you for providing protections afforded to clients or be advising you on the relevant transaction. Unless otherwise noted, the information contained herein has been compiled as of September 30, 2023. There is no obligation to update the information.

This Presentation does not constitute a prospectus and should under no circumstances be understood as an offer to sell or the solicitation of an offer to buy securities nor will there be any sale of securities in any state or jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such state or jurisdiction. Such an offer or solicitation can only be made by way of an effective registration or otherwise in accordance with the securities laws.

No representation or warranty is given in respect of the information contained herein, and neither the delivery of this document nor any investment in TSLX securities will under any circumstances create any implication that such Company has updated the information contained herein. Information throughout the Presentation provided by sources other than TSLX has not been independently verified. Differences between past performance and actual results may be material and adverse.

Future investments may be under materially different economic conditions, including interest rates, market trends and general business conditions, in different portfolio companies and using different investment strategies. Each of these material market or economic conditions may or may not be repeated. It should not be assumed that strategies employed by TSLX in the future will be profitable or will equal the performance described in this Presentation.

The "TSLX" and "TAO" marks are marks of Sixth Street.

## Forward Looking Statements

This Presentation includes forward-looking statements about TSLX 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 and prospective portfolio investments, our investment returns, our future performance and financial condition including our future operating results, 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 difficult to predict, that could cause actual results to differ materially from those expressed or forecasted in the forward-looking statements. Such statements are also subject to a number of uncertainties and factors outside TSLX's control. Such factors include, but are not limited to the risks, uncertainties and other factors we identify in the section entitled "Risk Factors" in filings we make with the Securities and Exchange Commission. Opinions expressed are current opinions as of the date of this Presentation. Should TSLX's estimates, projections and assumptions or these other uncertainties and factors materialize in ways that TSLX did not expect, actual results could differ materially from the forward-looking statements in this Presentation, including the possibility that investors may lose a material portion of the amounts invested. No representation or warranty, express or implied, is made as to the accuracy or completeness of the information contained in this Presentation, and nothing shall be relied upon as a promise or representation as to the performance of any investment. Investors are cautioned not to place undue reliance on such forward-looking statements and should rely on their own assessment of an investment.

## **1. Overview & Organization**

---

2. Track Record of Strong Performance

---

3. Strong Liquidity and Funding Profile

---

4. Credit Highlights

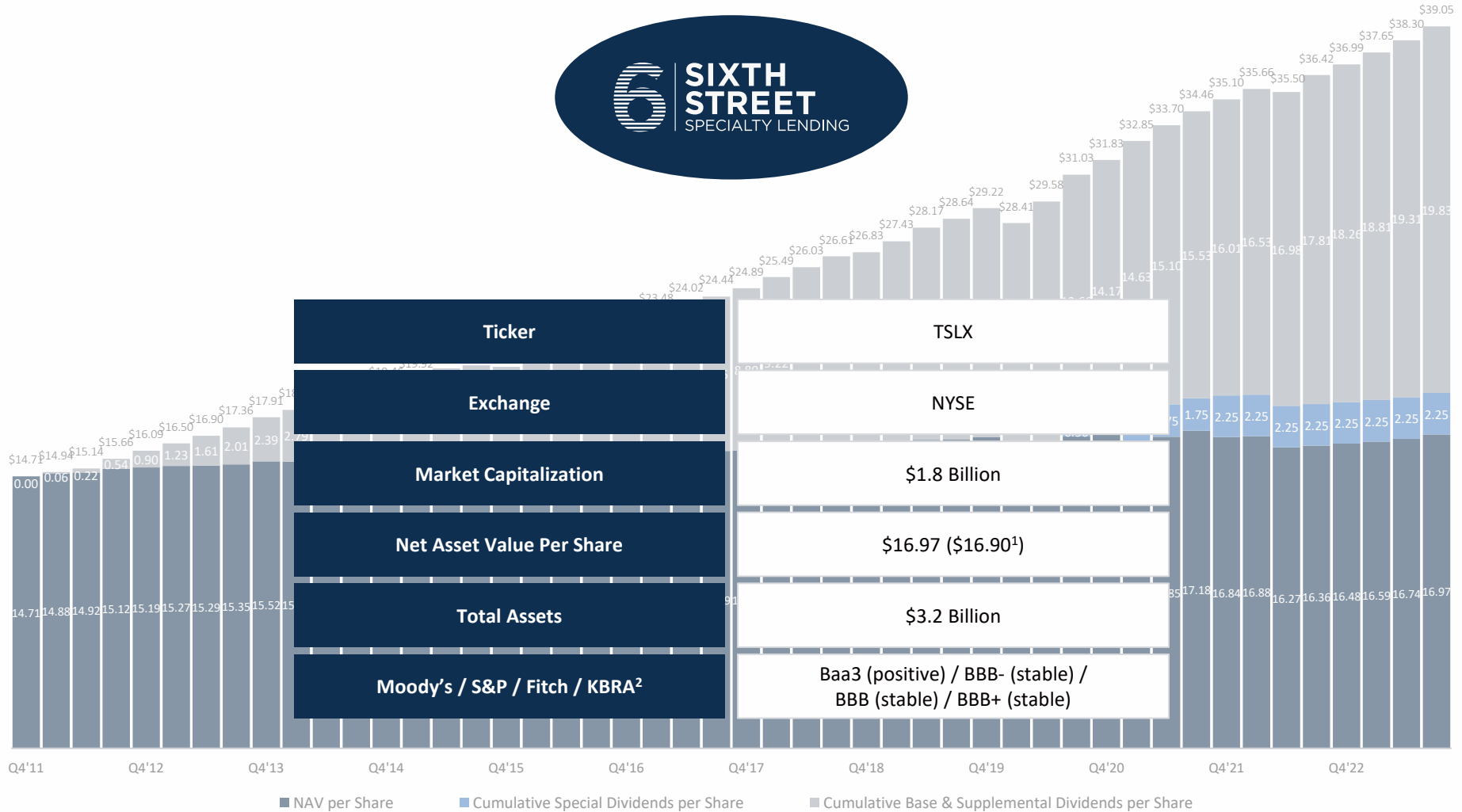
---

5. Principles and Investment Strategy

---

6. Appendix

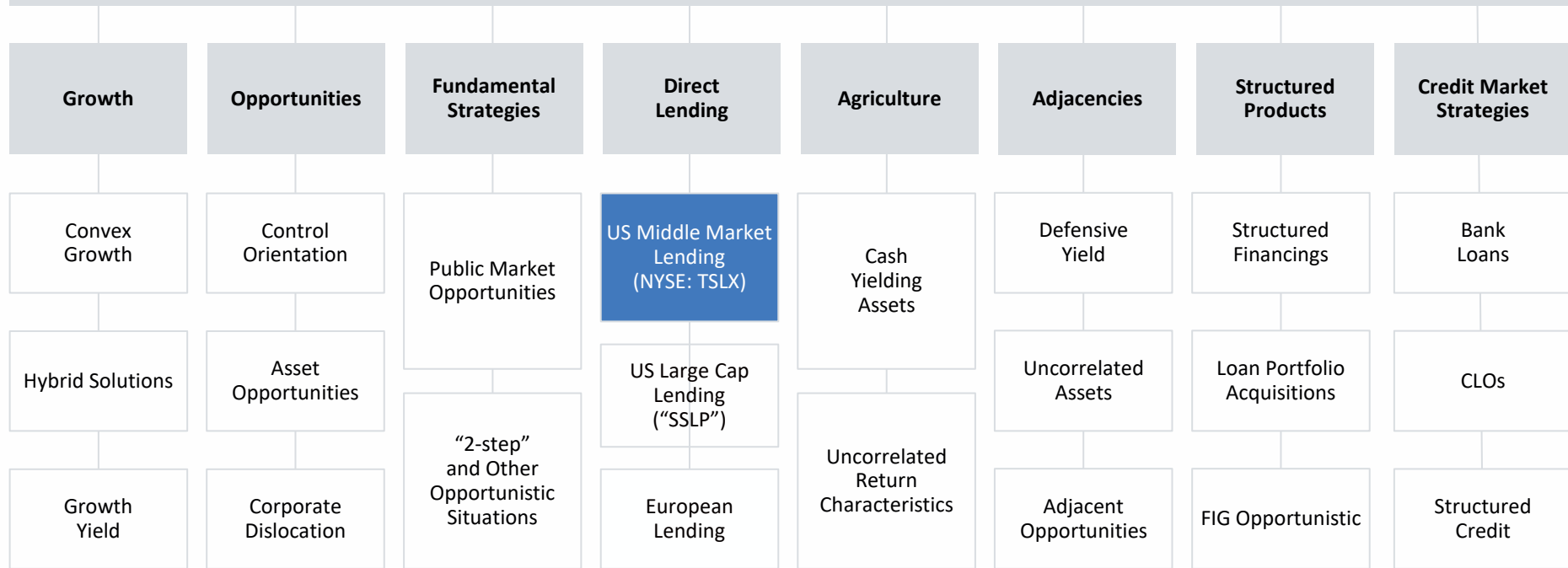
## Specialty Lending Company Focused on Providing Financing Solutions



Note: Market capitalization and financial data as of 9/30/2023. Please see notes at the end of this presentation for additional important information.



## TAO: Sixth Street Highly Flexible, Thematically Focused, Cross-Platform Investing Vehicle



Note: As of 9/30/2023.

>\$70 BILLION ACROSS 8 SIXTH STREET FUND FAMILIES

## Our Competitive Advantages



Part of a **\$70+** billion Sixth Street platform with proprietary deal flow and significant resources including **200+** investment professionals and **56** dedicated U.S. direct lending professionals as of October 2023. **99%**<sup>1</sup> of investments are directly originated



Disciplined investment and underwriting process with a focus on risk-adjusted returns, not absolute return. Effective voting control on **91%**<sup>1</sup> of debt investments



Senior, floating rate portfolio with strong yields and defensive features. **91%** first lien, **99%** floating rate<sup>2</sup>. **82%**<sup>1</sup> of debt investments have call protection



Experienced senior management team with over **250** years of collective experience as commercial dealmakers and risk managers



## Our Track Record Highlights



Approximately **\$29** billion of investments originated with a realized average gross unlevered IRR of **17%** on fully exited investments<sup>3</sup>



Increase in net asset value above base dividends of **3.3%** annualized since inception from **\$14.71** to **\$20.58** per share before the impact of supplemental and special dividends



Generated nearly **2x** higher than BDC Peers average annual ROE (on net income) of **13.4%**<sup>4</sup> and economic return of **134%**<sup>5</sup> since IPO



Minimal losses with cumulative realized and unrealized gains in excess of cumulative realized and unrealized losses since inception. Net realized gains of **12** basis points annualized since inception

Note: As of 9/30/2023. Please see notes at the end of this presentation for additional important information.



## OUR FRAMEWORK

- Commitment to investment grade ratings
- Commitment to unsecured issuance as a component of our capital stack
- Commitment to differentiated investor communication and transparency

- Four rating agencies with investment grade coverage (Moody's, S&P, Fitch, KBRA)
  - Baa3 by Moody's, with outlook upgraded to positive on September 18, 2023
  - BBB by Fitch, one of two BDCs rated above BBB-
- Most recent issuance: \$300mm 6.95% 2028 notes issued in August 2023
  - T + 295 pricing, T + 275 as of November 14, 2023<sup>1</sup>
- Deliberate and wide-reaching connectivity with unsecured investors
  - Frequent active and targeted 1x1 meetings
  - Industry conference company presentations and panels
  - Dedicated quarterly fixed income investor call
- Best-in-class credit metrics and returns



## IMPLEMENTATION

**1.15x**  
Debt to Equity<sup>2</sup>  
(0.9x - 1.25x target range)

**2.7x**  
Interest Coverage<sup>3</sup>

**56%**  
Unsecured Debt / Total Debt

**2.5x**  
Asset Coverage for Unsecured Notes<sup>4</sup>

**\$952mm**  
Revolver Capacity

**12 bps**  
Net realized gains annualized since inception

**30%**  
of Portfolio Invested in Last 5 Quarters

**0.7%**  
Portfolio on Non-Accrual

Note: As of 9/30/23, unless noted otherwise. Please see notes at the end of this presentation for additional important information.

1. Overview & Organization

---

**2. Track Record of Strong Performance**

---

3. Strong Liquidity and Funding Profile

---

4. Credit Highlights

---

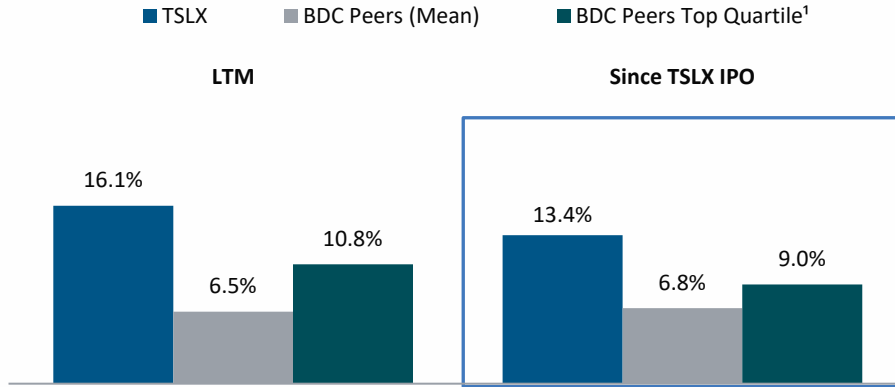
5. Principles and Investment Strategy

---

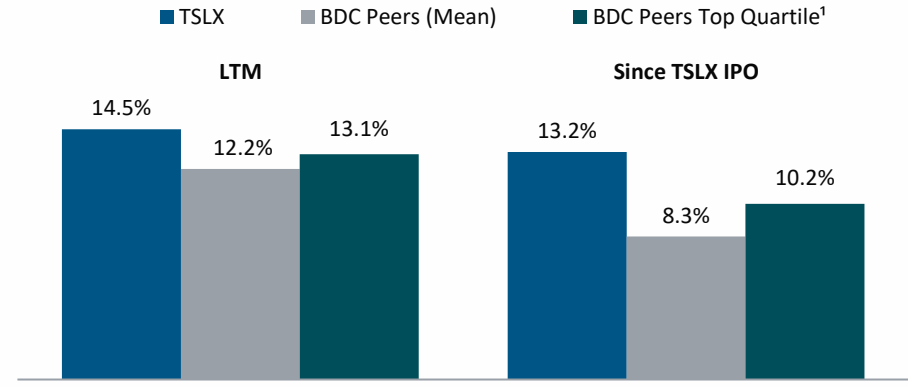
6. Appendix



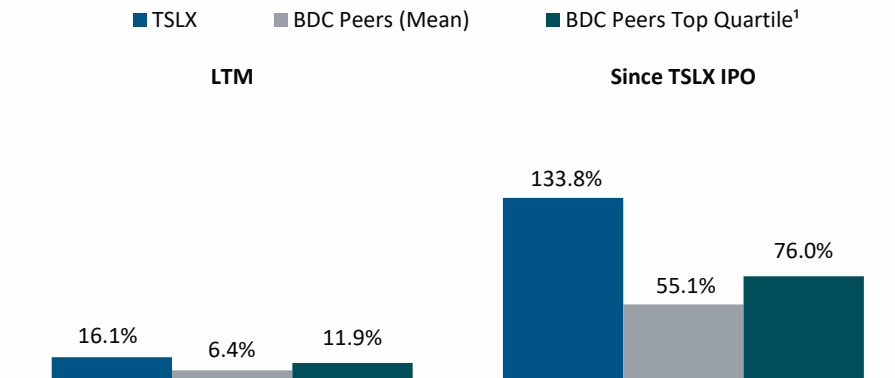
## NI RETURN ON EQUITY<sup>2</sup>



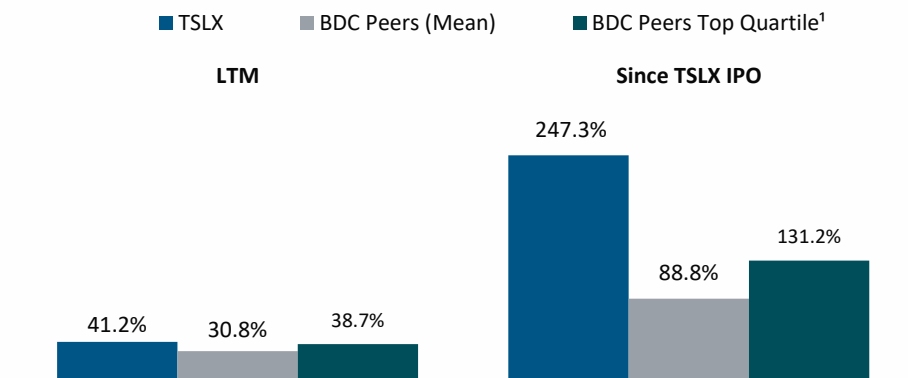
## NII RETURN ON EQUITY<sup>2</sup>



## TOTAL ECONOMIC RETURN (CHANGE IN NAV PLUS DIVIDENDS)<sup>3</sup>



## TOTAL RETURNS (STOCK PRICE PLUS DIVIDENDS)<sup>4</sup>



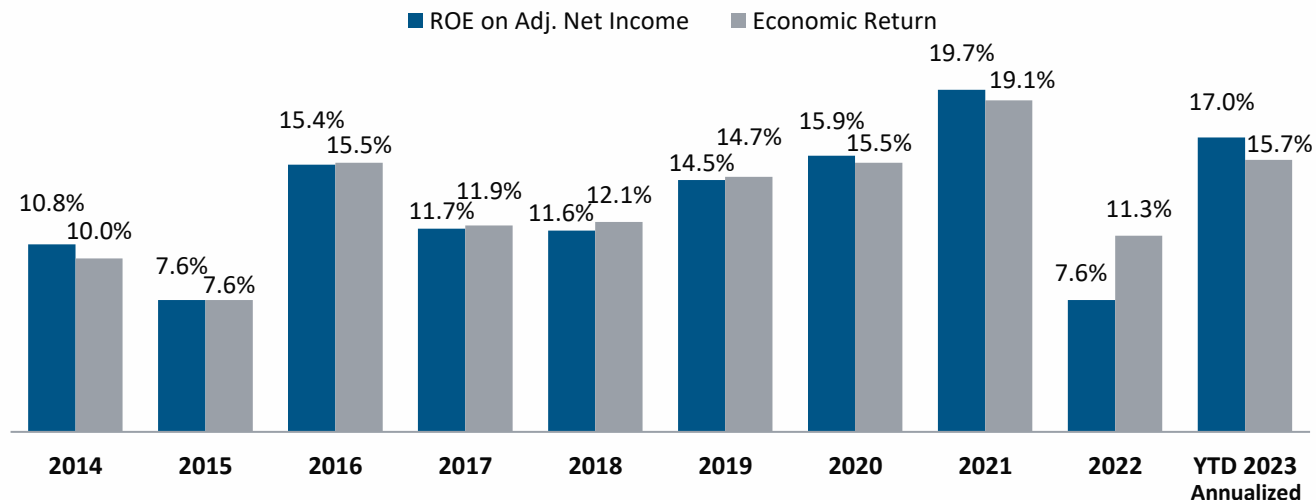
Source: SNL Financial and company filings, data as of quarter ended 9/30/2023 or latest available. Please see notes at the end of this presentation for additional important information.

## Unit Economics (Since TSLX IPO)

	BDC Peers	TSLX Q3'23	
<b>Return on Assets:</b>			
<b>All-in Yield (on Assets)</b>	<b>9.9%</b>	<b>12.9%</b>	← <b>Higher return on assets</b>
Cost of Funds <sup>2</sup>	(4.8%)	(5.0%)	
Debt/Equity	0.95x	0.83x	← <b>Lower leverage</b>
<b>Net Interest Income Return (on Equity)<sup>1</sup></b>	<b>14.7%</b>	<b>19.5%</b>	
Management Fees <sup>3</sup>	(2.9%)	(2.6%)	← <b>Lower structural fees</b>
Operating Expenses	(1.1%)	(1.1%)	
<b>ROE Before Incentive Fee</b>	<b>10.6%</b>	<b>15.8%</b>	
Incentive Fees <sup>3</sup>	(2.0%)	(2.8%)	
Management & Incentive Fee Waivers <sup>4</sup>	0.2%	0.0%	
Net Realized & Unrealized Gains (Losses)	(2.1%)	0.4%	← <b>Cumulative Net <u>Gains</u></b>
<b>ROE on NI</b>	<b>6.8%</b>	<b>13.4%</b>	
<b>ROE Range</b>	<b>1.9% - 13.8%</b>		

Source: SNL Financial and company filings, data as of quarter ended 9/30/2023. Please see notes at the end of this presentation for additional important information.

## TSLX Annual Returns Since IPO



<b>Net Income / Share</b>	<b>\$1.68</b>	<b>\$1.18</b>	<b>\$2.34</b>	<b>\$1.86</b>	<b>\$1.86</b>	<b>\$2.34</b>	<b>\$2.65</b>	<b>\$2.93</b>	<b>\$1.38</b>	<b>\$2.70</b>
(+) Accrued Capital Gains Incentive Fee Expense	0.00	0.00	0.00	0.00	0.00	0.00	0.02	0.19	(\$0.11)	\$0.08
<b>Adj. Net Income / Share<sup>1</sup></b>	<b>\$1.68</b>	<b>\$1.18</b>	<b>\$2.34</b>	<b>\$1.86</b>	<b>\$1.86</b>	<b>\$2.34</b>	<b>\$2.67</b>	<b>\$3.12</b>	<b>\$1.27</b>	<b>\$2.78</b>
(+) Adjusted Beginning NAV / Share <sup>2</sup>	\$15.52	\$15.53	\$15.15	\$15.95	\$16.09	\$16.13	\$16.77	\$15.86	\$16.73	\$16.39
<b>ROE on Net Income</b>	<b>10.8%</b>	<b>7.6%</b>	<b>15.4%</b>	<b>11.7%</b>	<b>11.6%</b>	<b>14.5%</b>	<b>15.8%</b>	<b>18.5%</b>	<b>8.3%</b>	<b>16.5%</b>
<b>ROE on Adj. Net Income</b>	<b>10.8%</b>	<b>7.6%</b>	<b>15.4%</b>	<b>11.7%</b>	<b>11.6%</b>	<b>14.5%</b>	<b>15.9%</b>	<b>19.7%</b>	<b>7.6%</b>	<b>17.0%</b>
Ending NAV / Share	\$15.53	\$15.15	\$15.95	\$16.09	\$16.25	\$16.83	\$17.16	\$16.84	\$16.48	\$16.97
(+) Dividends Paid <sup>3</sup>	\$1.54	\$1.56	\$1.56	\$1.75	\$1.78	\$1.81	\$2.28	\$3.59	\$2.25	\$2.09
(+) Beginning NAV / Share	\$15.52	\$15.53	\$15.15	\$15.95	\$16.09	\$16.25	\$16.83	\$17.16	\$16.84	\$16.48
<b>Economic Return<sup>4</sup></b>	<b>10.0%</b>	<b>7.6%</b>	<b>15.5%</b>	<b>11.9%</b>	<b>12.1%</b>	<b>14.7%</b>	<b>15.5%</b>	<b>19.1%</b>	<b>11.3%</b>	<b>15.7%</b>
Avg. Daily 3 Month Reference Rate	0.2%	0.3%	0.7%	1.3%	2.3%	2.3%	0.6%	0.2%	2.2%	5.4%
ROE on Adj. NI Spread to Reference Rate	10.6%	7.3%	14.7%	10.4%	9.3%	12.2%	15.3%	19.5%	5.4%	11.6%

Please see notes at the end of this presentation for additional important information.

1. Overview & Organization

---

2. Track Record of Strong Performance

---

**3. Strong Liquidity and Funding Profile**

---

4. Credit Highlights

---

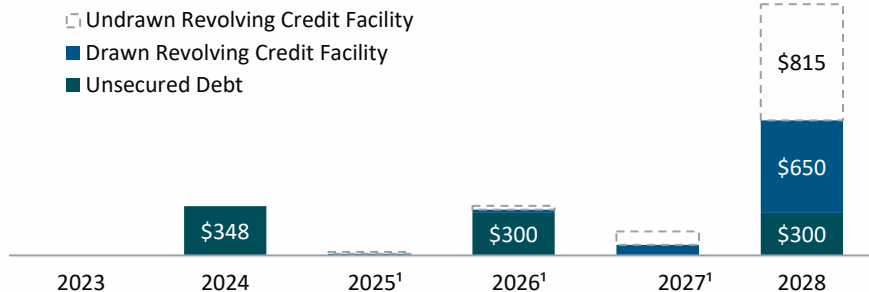
5. Principles and Investment Strategy

---

6. Appendix

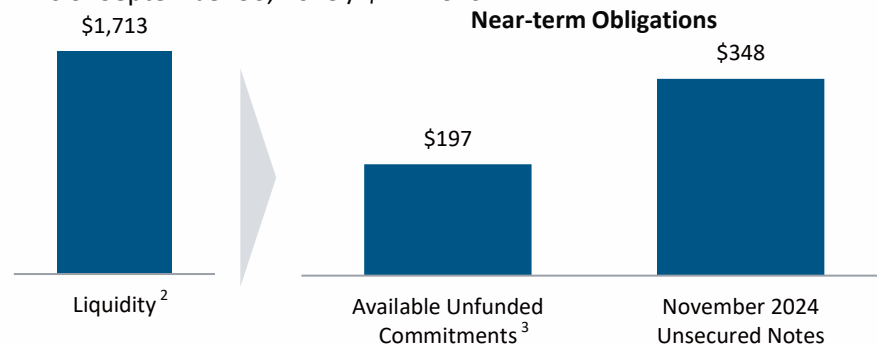
## STAGGERED, LONG-TERM DEBT MATURITIES<sup>1</sup>

As of September 30, 2023 / \$ Millions

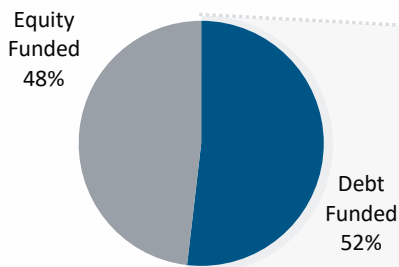


## ROBUST LIQUIDITY VS. NEAR-TERM OBLIGATIONS

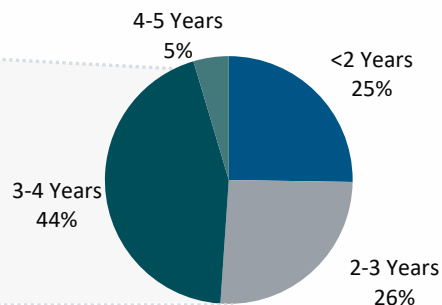
As of September 30, 2023 / \$ Millions



## PORTFOLIO FUNDING PROFILE<sup>4</sup>

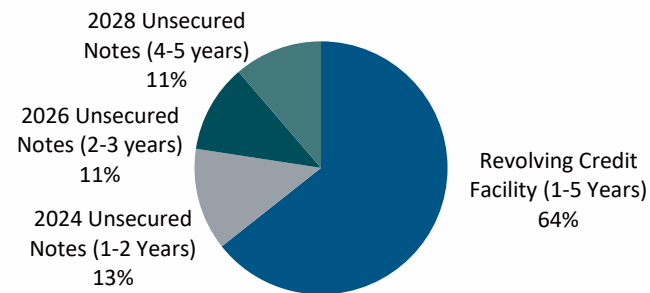


## INVESTMENTS FUNDED WITH DEBT



Weighted average remaining life of investments funded by debt of ~2.7 years<sup>5</sup>

## REMAINING TIME TO MATURITY OF DEBT<sup>1</sup>

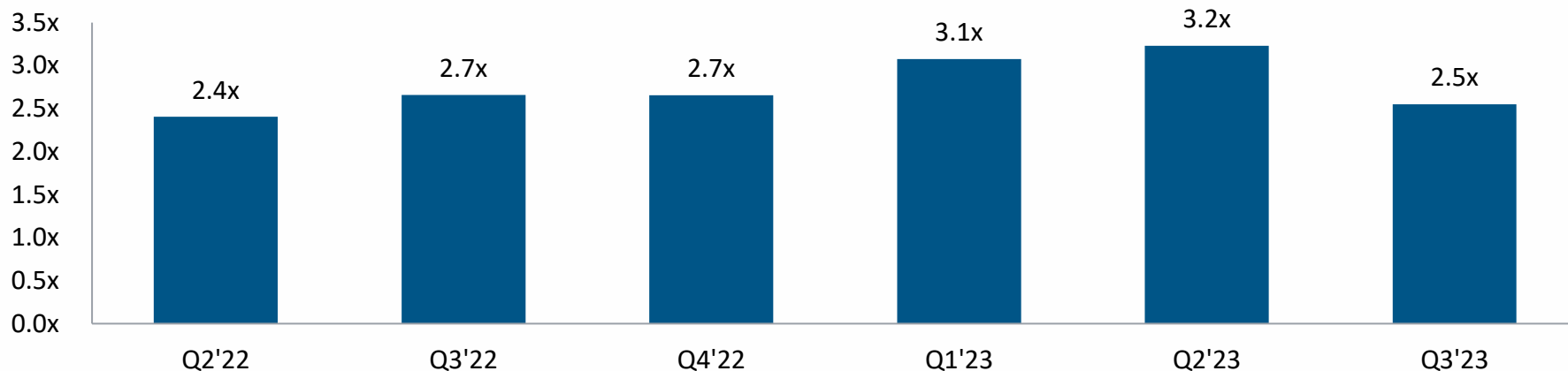


Weighted average remaining time to maturity of debt of ~3.9 years<sup>6</sup>

Note: As of 9/30/23, unless noted otherwise. Numbers may not sum to 100% due to rounding. Please see notes at the end of this presentation for additional important information.

# WELL CONSTRUCTED BALANCE SHEET AND ABILITY TO REINVEST IN A WIDER SPREAD ENVIRONMENT

## TSLX Asset Coverage for Unsecured Notes <sup>1</sup>



### TSLX Unsecured Notes

<b>Size:</b>	\$348 Million	\$300 Million	\$300 Million
<b>Maturity:</b>	November 1, 2024	August 1, 2026	August 14, 2028
<b>Coupon:</b>	3.875%	2.500%	6.950%
<b>Coupon Swap Pricing<sup>2</sup>:</b>	SOFR + 2.54%	SOFR + 2.17%	SOFR + 2.99%
<b>Implied Spread over Treasury<sup>3</sup>:</b>	245 bps / 195 bps	225 bps	295 bps

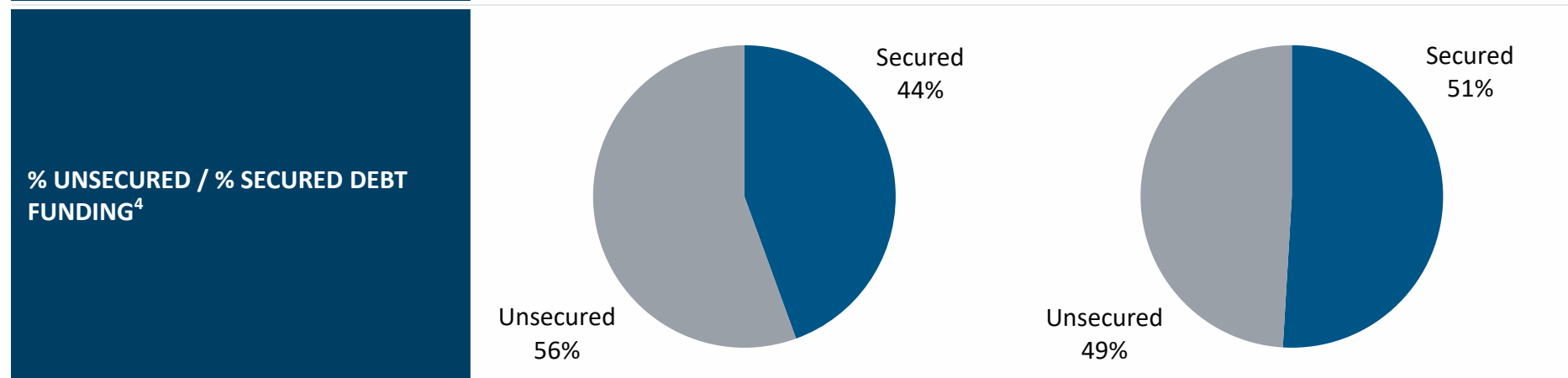
### TSLX Truist Revolving Credit Facility Collateral Coverage

(\$ in millions)	9/30/2023	6/30/2023	3/31/2023	12/31/2022
<b>Total Assets</b>	\$3,174	\$3,141	\$2,973	\$2,837
<b>Investments at Fair Value</b>	\$3,113	\$3,089	\$2,919	\$2,788
<b>Revolving Credit Facility Size</b>	\$1,710	\$1,710	\$1,585	\$1,585
<b>Revolving Credit Facility Drawn</b>	\$758	\$1,051	\$982	\$719
<b>Collateral Coverage<sup>5</sup></b>	4.2x	3.0x	3.0x	3.9x

Note: As of 9/30/23. Please see notes at the end of this presentation for additional important information.

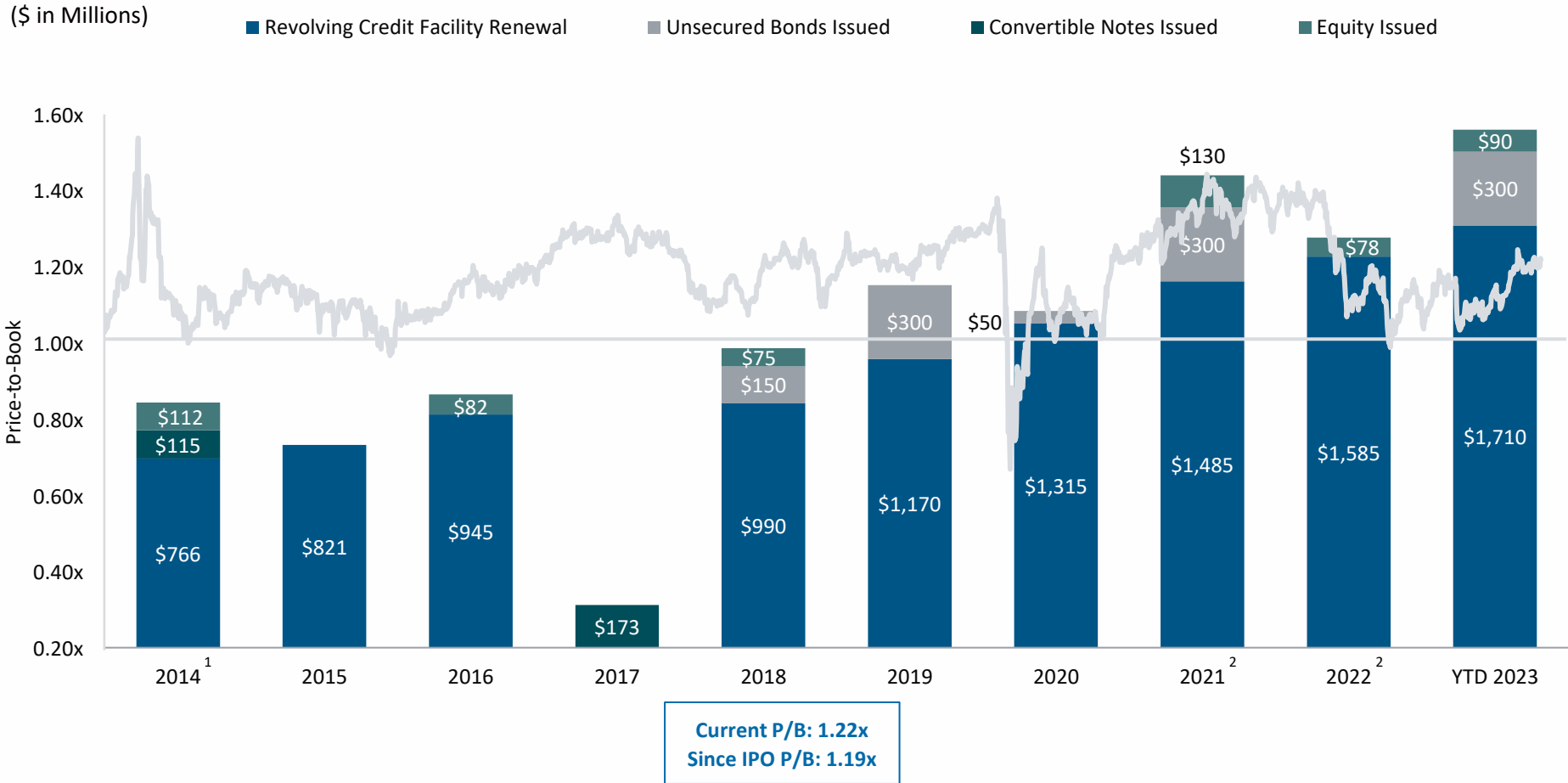
# TSLX LIQUIDITY AND FUNDING PROFILE VS BDC PEERS

	TSLX LTM Q3'23	BDC Peers Median LTM Q3'23
<b>LIQUIDITY AS % OF TOTAL ASSETS<sup>1</sup></b>	30%	21%
<b>LIQUIDITY AS A MULTIPLE OF UNFUNDED COMMITMENTS<sup>2</sup></b>	4.8x	2.4x
<b>REGULATORY LEVERAGE (NET)</b>	1.15x	1.17x
<b>Attach Point<sup>3</sup></b>	24%	25%
<b>Detach Point<sup>3</sup></b>	54%	53%



Source: SNL Financial and company filings, data as of quarter ended 9/30/2023 or latest available. Please see notes at the end of this presentation for additional important information.

# A DISCIPLINED APPROACH TO LIQUIDITY & CAPITAL MANAGEMENT



Note: P/B is based on closing stock price as of 09/30/23. Please see notes at the end of this presentation for additional important information.

**TSLX HAS STRONG RELATIONSHIPS WITH KEY CAPITAL MARKETS PLAYERS WITH 22 BANKS PARTICIPATING IN ITS CREDIT FACILITY AND MORE THAN 160 NEW ISSUE INVESTORS ACROSS SENIOR UNSECURED AND CONVERTIBLE BUYERS**



# AGENDA

---

1. Overview & Organization

---

2. Track Record of Strong Performance

---

3. Strong Liquidity and Funding Profile

---

**4. Credit Highlights**

---

5. Principles and Investment Strategy

---

6. Appendix

# CREDIT HIGHLIGHTS – TSLX VS BDC PEERS

(\$ in millions)	Ticker	Long Term Credit Ratings				Assets	Debt <sup>1</sup>	Equity	% 1st Lien <sup>2</sup>	% Debt Unsecured	ROE (NI)	
		Moody's	S&P	Fitch	KBRA						LTM <sup>3</sup>	Since TSLX IPO <sup>4</sup>
Sixth Street Specialty Lending	TSLX	Baa3 (positive)	BBB- (stable)	BBB (stable)	BBB+ (stable)	\$3,174	\$1,706	\$1,486	91%	56%	16.1%	13.4%
Ares Capital Corp	ARCC	Baa3 (positive)	BBB- (stable)	BBB (stable)		\$22,920	\$11,571	\$10,815	43%	72%	12.5%	11.2%
FS KKR Capital	FSK	Baa3 (stable)		BBB- (stable)	BBB (stable)	15,384	8,016	6,970	60%	59%	9.5%	1.9%
Blue Owl Capital Corporation	OBDC	Baa3 (stable)	BBB- (stable)	BBB- (positive)	BBB (positive)	13,462	7,062	6,000	69%	57%	13.7%	9.7%
Blackstone Secured Lending Fund	BXSL	Baa3 (positive)	BBB- (stable)	BBB- (positive)		9,802	4,962	4,603	98%	56%	13.5%	9.4%
Prospect Capital	PSEC	Baa3 (stable)	BBB- (stable)		BBB- (stable)	7,854	2,487	3,781	57%	63%	2.6%	7.3%
Golub Capital	GBDC	Baa3 (positive)	BBB- (stable)	BBB- (positive)		5,737	3,169	2,516	94%	46%	6.4%	8.1%
Main Street Capital	MAIN		BBB- (stable)	BBB- (stable)		4,468	1,935	2,371	73%	56%	18.9%	13.6%
Goldman Sachs BDC	GSBD	Baa3 (stable)		BBB- (stable)		3,558	1,878	1,601	95%	45%	9.1%	6.7%
Hercules Capital	HTGC	Baa3 (stable)		BBB- (stable)	BBB+ (stable)	3,336	1,638	1,652	87%	66%	19.0%	11.4%
New Mountain Finance Corp	NMFC	Baa3 (stable)		BBB- (stable)	BBB- (stable)	3,280	1,889	1,337	54%	34%	9.3%	8.0%
Oaktree Specialty Lending	OCSL	Baa3 (stable)		BBB- (stable)		3,218	1,601	1,516	76%	56%	7.7%	2.3%
Barings BDC Inc	BBDC	Baa3 (stable)		BBB- (stable)		2,742	1,516	1,198	68%	47%	8.0%	4.3%
Bain Capital Specialty Finance	BCSF	Baa3 (stable)		BBB- (stable)		2,566	1,370	1,133	64%	44%	12.4%	6.0%
SLR Investment Corp	SLRC	Baa3 (stable)		BBB- (stable)		2,539	1,192	985	99%	39%	7.2%	5.3%
Apollo Investment	MFIC				BBB- (stable)	2,455	1,434	997	95%	33%	8.6%	2.3%
BlackRock TCP Capital	TCPC	Baa3 (stable)		BBB- (stable)		1,719	970	735	76%	59%	0.5%	6.8%
Crescent Capital BDC	CCAP				BBB- (stable)	1,624	857	730	89%	34%	7.5%	7.3%
PennantPark Floating Rate Capital	PFLT				BBB (stable)	1,183	553	608	86%	47%	-0.6%	5.3%
PennantPark Investment	PNNT				BBB (stable)	1,156	617	504	55%	49%	-12.9%	3.4%
Carlyle Secured Lending Inc	CGBD					1,957	1,003	906	68%	19%	8.6%	6.4%
CION Investment Corporation	CION					1,896	1,000	861	86%	28%	6.1%	4.3%
Saratoga Investment Corp	SAR					1,156	777	362	85%	71%	9.6%	12.5%
Runway Growth Finance Corp	RWAY					1,034	441	570	94%	54%	11.8%	4.5%
Fidus Investment Corporation	FDUS					1,023	445	549	56%	58%	10.8%	13.8%
TriplePoint Venture Growth BDC Corp	TPVG					998	603	374	90%	65%	-5.1%	7.1%
Stellus Capital Investment Corp	SCM					912	580	318	89%	16%	3.5%	8.2%
WhiteHorse Finance	WHF					747	398	322	80%	48%	4.6%	9.0%
<b>Median</b>									<b>80%</b>	<b>49%</b>	<b>8.6%</b>	<b>7.1%</b>
<b>Mean</b>									<b>77%</b>	<b>49%</b>	<b>7.5%</b>	<b>7.3%</b>
<b>High</b>									<b>99%</b>	<b>72%</b>	<b>19.0%</b>	<b>13.8%</b>
<b>Low</b>									<b>43%</b>	<b>16%</b>	<b>-12.9%</b>	<b>1.9%</b>

Source: SNL Financial and company filings, data as of quarter ended 9/30/2023 or latest available. Please see notes at the end of this presentation for additional important information.

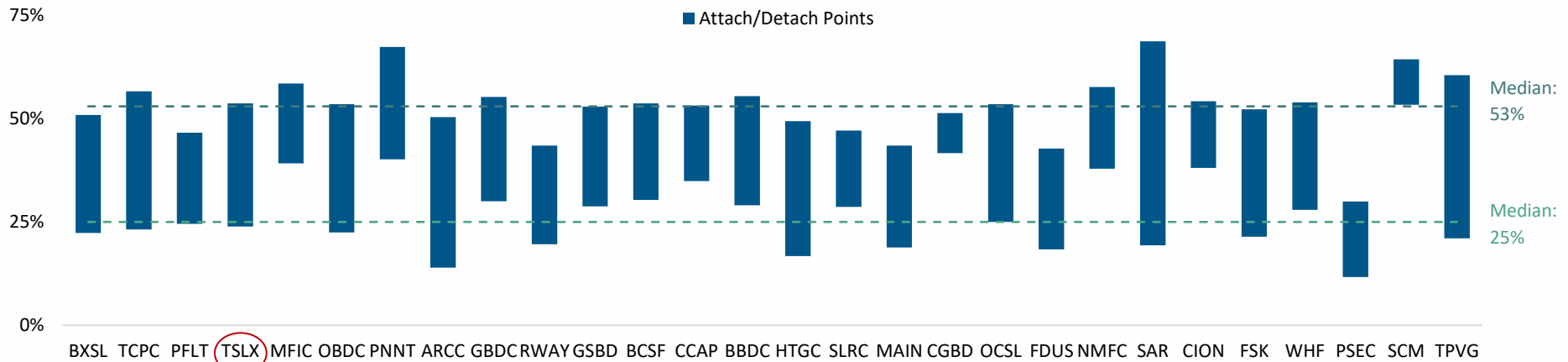
# CREDIT HIGHLIGHTS – TSLX VS BDC PEERS

(\$ in millions)	Ticker	Long Term Credit Ratings				Key Credit Metrics				
		Moody's	S&P	Fitch	KBRA	Debt / Equity <sup>1</sup>	Debt / Assets <sup>1</sup>	Interest Coverage <sup>2</sup>	Interest & Dividend Coverage <sup>3</sup>	
Sixth Street Specialty Lending	TSLX	Baa3 (positive)	BBB- (stable)	BBB (stable)	BBB+ (stable)	1.15x	54%	2.7x	1.3x	
Ares Capital Corp	ARCC	Baa3 (positive)	BBB- (stable)	BBB (stable)		1.07x	50%	3.3x	1.2x	
FS KKR Capital	FSK	Baa3 (stable)		BBB- (stable)	BBB (stable)	1.15x	52%	3.0x	1.2x	
Blue Owl Capital Corporation	OBDC	Baa3 (stable)	BBB- (stable)	BBB- (positive)	BBB (positive)	1.18x	52%	2.7x	1.2x	
Blackstone Secured Lending Fund	BXSL	Baa3 (positive)	BBB- (stable)	BBB- (positive)		1.08x	51%	3.4x	1.3x	
Prospect Capital	PSEC	Baa3 (stable)	BBB- (stable)		BBB- (stable)	0.66x	32%	4.0x	1.6x	
Golub Capital	GBDC	Baa3 (positive)	BBB- (stable)	BBB- (positive)		1.26x	55%	2.9x	1.3x	
Main Street Capital	MAIN		BBB- (stable)	BBB- (stable)		0.82x	43%	4.2x	1.5x	
Goldman Sachs BDC	GSBD	Baa3 (stable)		BBB- (stable)		1.17x	53%	3.4x	1.2x	
Hercules Capital	HTGC	Baa3 (stable)		BBB- (stable)	BBB+ (stable)	0.99x	49%	4.7x	1.2x	
New Mountain Finance Corp	NMFC	Baa3 (stable)		BBB- (stable)	BBB- (stable)	1.41x	58%	2.2x	1.1x	
Oaktree Specialty Lending	OCSL	Baa3 (stable)		BBB- (stable)		1.06x	50%	2.6x	1.0x	
Barings BDC Inc	BBDC	Baa3 (stable)		BBB- (stable)		1.27x	55%	2.7x	1.1x	
Bain Capital Specialty Finance	BCSF	Baa3 (stable)		BBB- (stable)		1.21x	53%	2.8x	1.2x	
SLR Investment Corp	SLRC	Baa3 (stable)		BBB- (stable)		1.21x	47%	2.3x	1.0x	
Apollo Investment	MFIC				BBB- (stable)	1.44x	58%	2.2x	0.9x	
BlackRock TCP Capital	TCPC	Baa3 (stable)		BBB- (stable)		1.32x	56%	3.3x	1.2x	
Crescent Capital BDC	CCAP				BBB- (stable)	1.17x	53%	2.5x	1.2x	
PennantPark Floating Rate Capital	PFLT				BBB (stable)	0.91x	47%	2.6x	1.1x	
PennantPark Investment	PNNT				BBB (stable)	1.23x	53%	2.5x	1.2x	
Carlyle Secured Lending Inc	CGBD					1.11x	51%	2.6x	1.2x	
CION Investment Corporation	CION					1.16x	53%	2.4x	1.0x	
Saratoga Investment Corp	SAR					2.15x	67%	2.2x	1.3x	
Runway Growth Finance Corp	RWAY					0.77x	43%	3.1x	2.2x	
Fidus Investment Corporation	FDUS					0.81x	44%	3.8x	1.3x	
TriplePoint Venture Growth BDC Corp	TPVG					1.61x	60%	3.1x	1.3x	
Stellus Capital Investment Corp	SCM					1.82x	64%	2.3x	1.8x	
WhiteHorse Finance	WHF					1.24x	53%	2.5x	1.2x	
<b>Median</b>						<b>1.17x</b>	<b>53%</b>	<b>2.7x</b>	<b>1.2x</b>	
<b>Mean</b>						<b>1.19x</b>	<b>52%</b>	<b>2.9x</b>	<b>1.3x</b>	
<b>High</b>						<b>2.15x</b>	<b>67%</b>	<b>4.7x</b>	<b>2.2x</b>	
<b>Low</b>						<b>0.66x</b>	<b>32%</b>	<b>2.2x</b>	<b>0.9x</b>	

Source: SNL Financial and company filings, data as of quarter ended 9/30/2023 or latest available. Please see notes at the end of this presentation for additional important information.

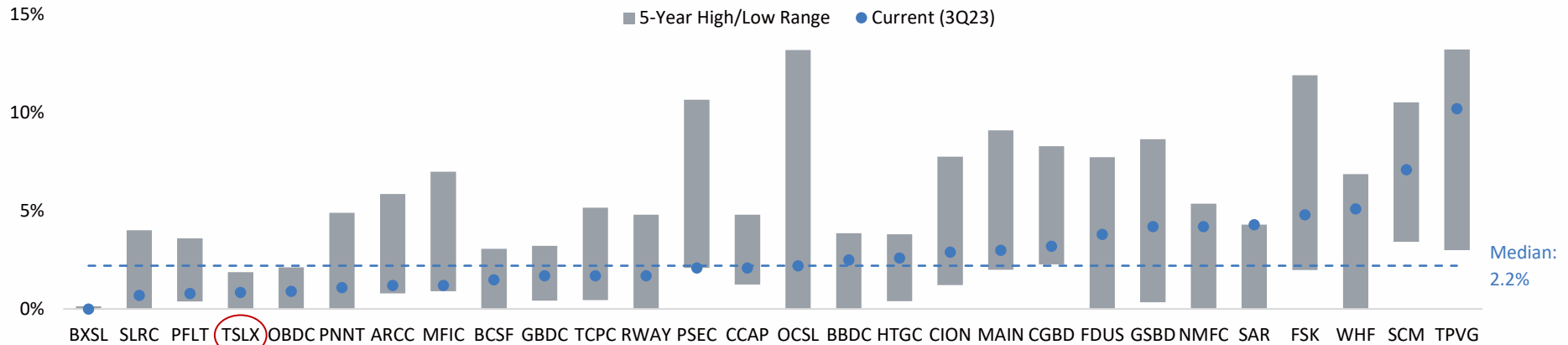
## UNSECURED DEBT ATTACH & DETACH POINTS<sup>1</sup>

Percentage of Assets



## CURRENT NON-ACCRUALS AND 5-YEAR RANGE

Non-Accruals by Amortized Cost



Source: SNL Financial and company filings, data as of quarter ended 9/30/2023 or latest available. Please see notes at the end of this presentation for additional important information.

**WHILE THE SECTOR TRADES IN A NARROW RANGE FROM AN ATTACHMENT AND DETACHMENT STANDPOINT, UNDERLYING ASSET QUALITY MATTERS**

1. Overview & Organization

---

2. Track Record of Strong Performance

---

3. Strong Liquidity and Funding Profile

---

4. Credit Highlights

---

**5. Principles and Investment Strategy**

---

6. Appendix



## DIFFERENTIATED PLATFORM EXPERTISE AND CAPABILITIES

- Source away from Wall Street
- Create our own transactions, pursue and use control



## DISCIPLINED SECTOR APPROACH

- Late cycle-minded sector selection
- Focus on resource-intensive situations that require originations and underwriting capabilities



## MAINTAIN A LOW VOLATILITY PORTFOLIO

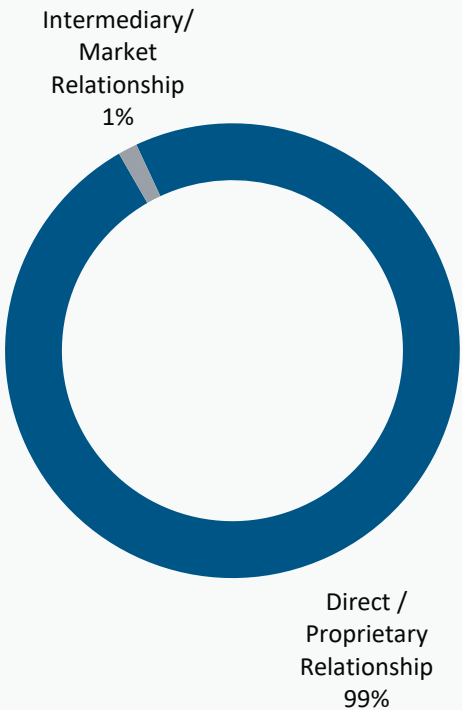
- Cover the downside
- Late cycle-minded capital structure selection



## FOCUSED RISK MANAGEMENT

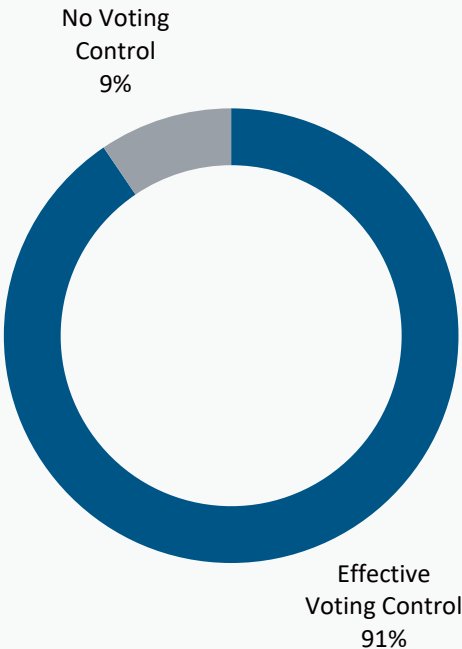
- Avoid risks that are asymmetrical to the downside (credit and non-credit risk)
- Match-funded from duration and interest rate perspective

## Sourcing



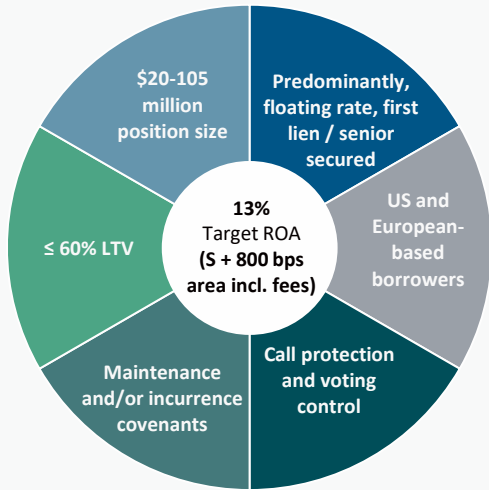
**99% sourced away from Wall Street**

## Voting Control



**Effective voting control in 91% of portfolio debt investments**

## TSLX Portfolio Construction

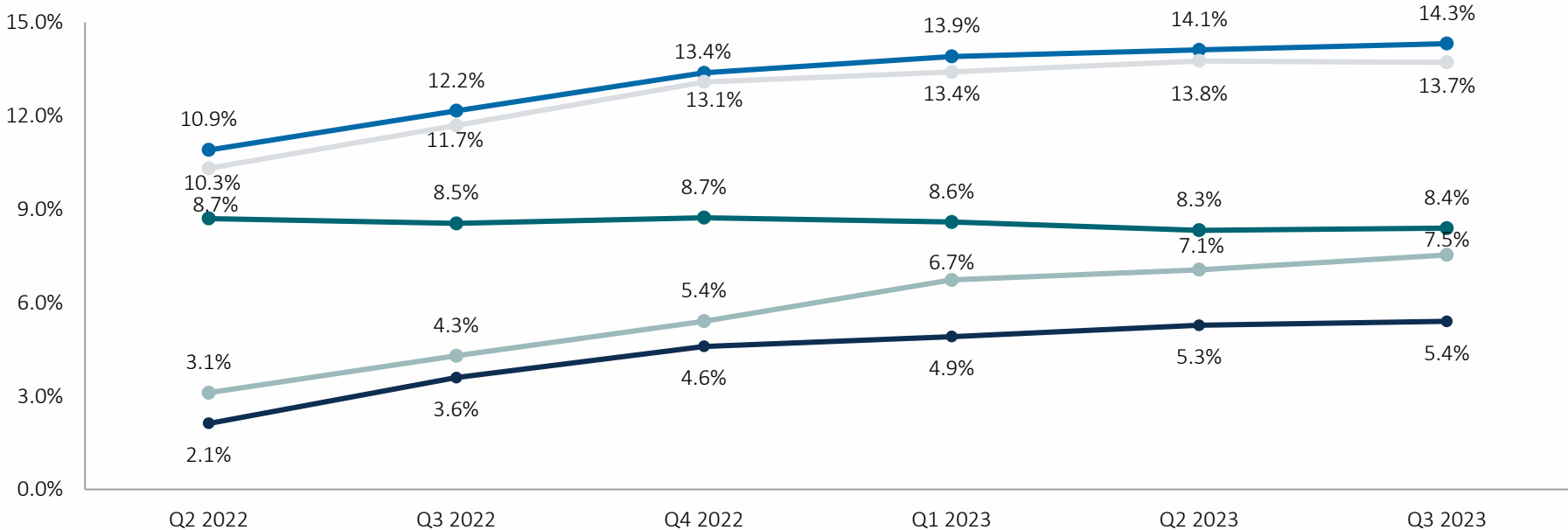


**13% Target ROA**

Note: By fair value of investments as of 9/30/23.

## Net Interest Margin

- Weighted Average Total Yield on Debt and Income Producing Securities at Amortized Cost<sup>1</sup>
- Weighted Average Interest Rate of Debt and Income Producing Securities at Fair Value
- Weighted Average Spread Over Reference Rate of All Floating Rate Investments at Fair Value
- Average Stated Interest Rate on Debt Outstanding<sup>2</sup>
- 3 Month Term Secured Overnight Financing Rate ("SOFR")



Note: As of 9/30/23. Please see notes at the end of this presentation for additional important information.

**TOTAL YIELD HAS INCREASED...THE BENEFIT OF DIRECT ORIGINATIONS, RISING RATES AND WIDER SPREADS**



## Representative Themes

Software and/or Recurring Revenue	ABL / ABL Retail	Financing Pharma Royalty Streams
		AR Securitization
		Upstream E&P

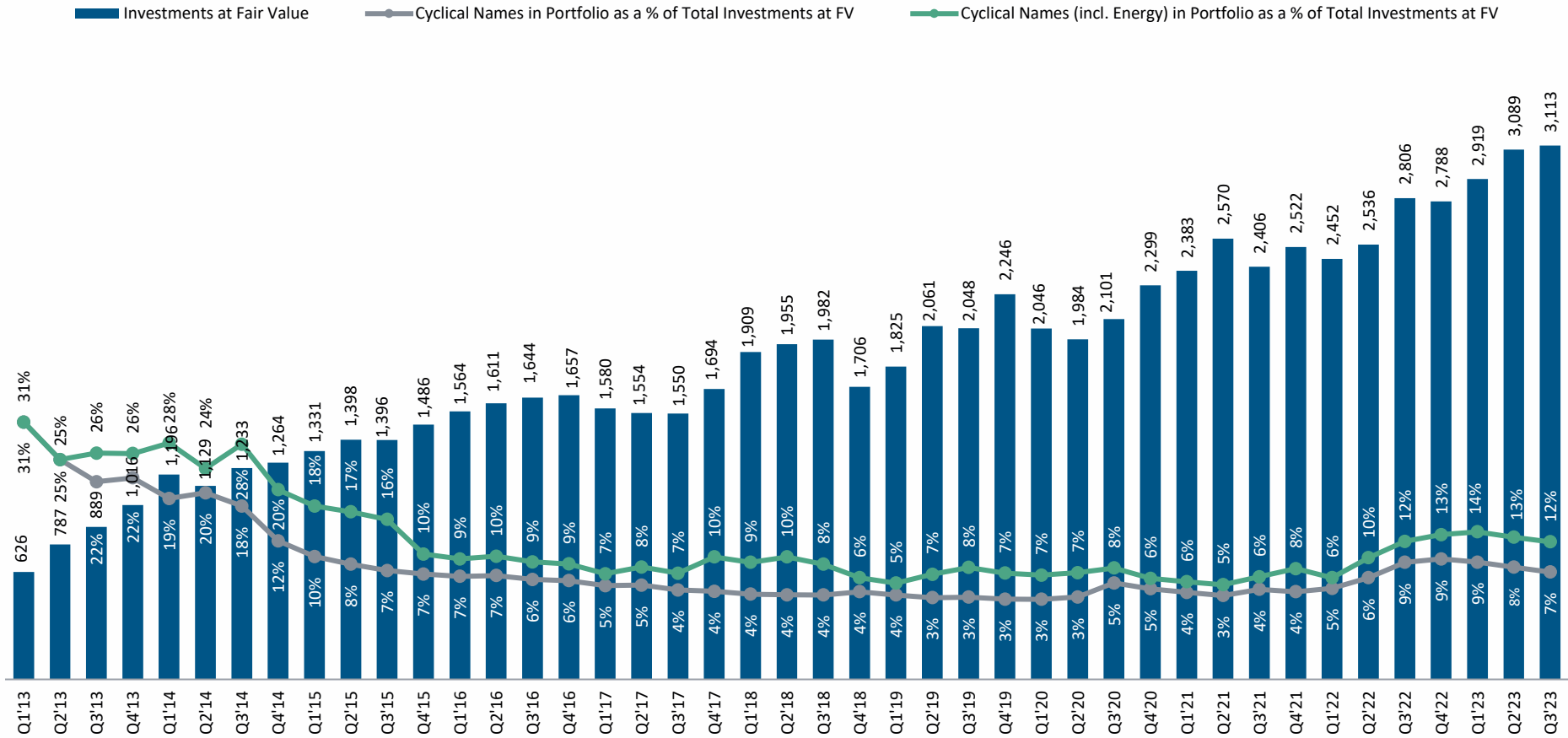
## Selectivity Across 3 Lanes

<p>Durable Business Model / Solid Balance Sheet</p>	<p>Durable Business Model / Opportunity to Enhance Balance Sheet</p>	<p>Challenged Business Model / Robust Underlying Assets</p>

Note: Reflects current and fully realized investments; selected to represent a variety of transaction structures and investment strategies. This list is not comprehensive.

## DEFENSIVE THEMES CONSISTENT WITH OUR LATE-CYCLE MINDED APPROACH

\$ Millions by Fair Value

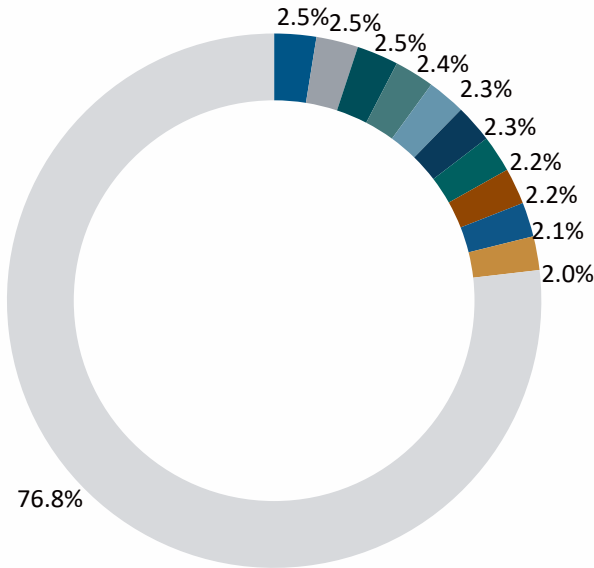


Note: As of 9/30/23. Please see notes at the end of this presentation for additional important information.

## LATE CYCLE-MINDED SECTOR SELECTION

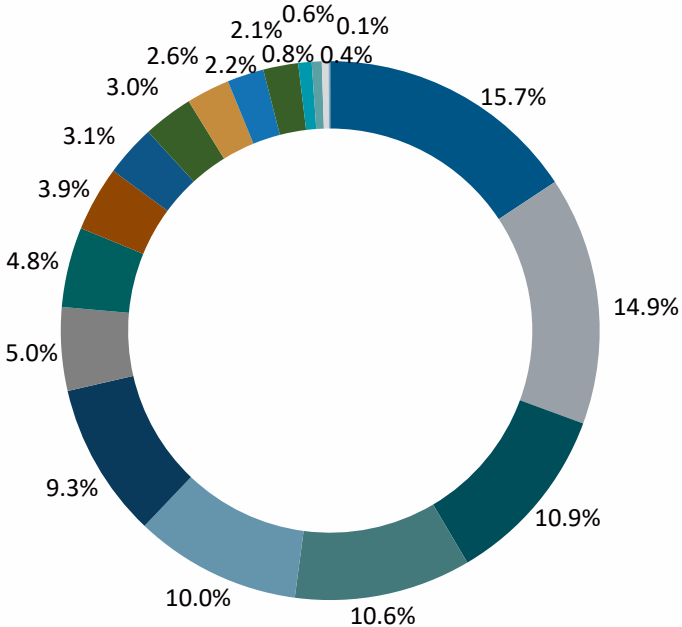
## Top 10 Borrower Diversification

- Merative LP (IBM Watson)
- ReliaQuest, LLC
- Project P Intermediate 2, LLC
- Alpha Midco, Inc.
- Homecare Software Solutions, LLC
- Remainder of Portfolio
- TRP Assets LLC
- BCTO Ace Purchaser, Inc.
- PayScale Holdings, Inc.
- Galileo Parent, Inc.
- ExtraHop Networks, Inc.



## Industry Diversification

- Internet Services
- Retail and consumer products
- Financial Services
- Education
- Hotel, Gaming and Leisure
- Other
- Transportation
- Chemicals
- Marketing Services
- Business Services
- Human Resource Support Services
- Healthcare
- Oil, Gas and Consumable Fuels
- Communications
- Manufacturing
- Automotive
- Office Products
- Insurance

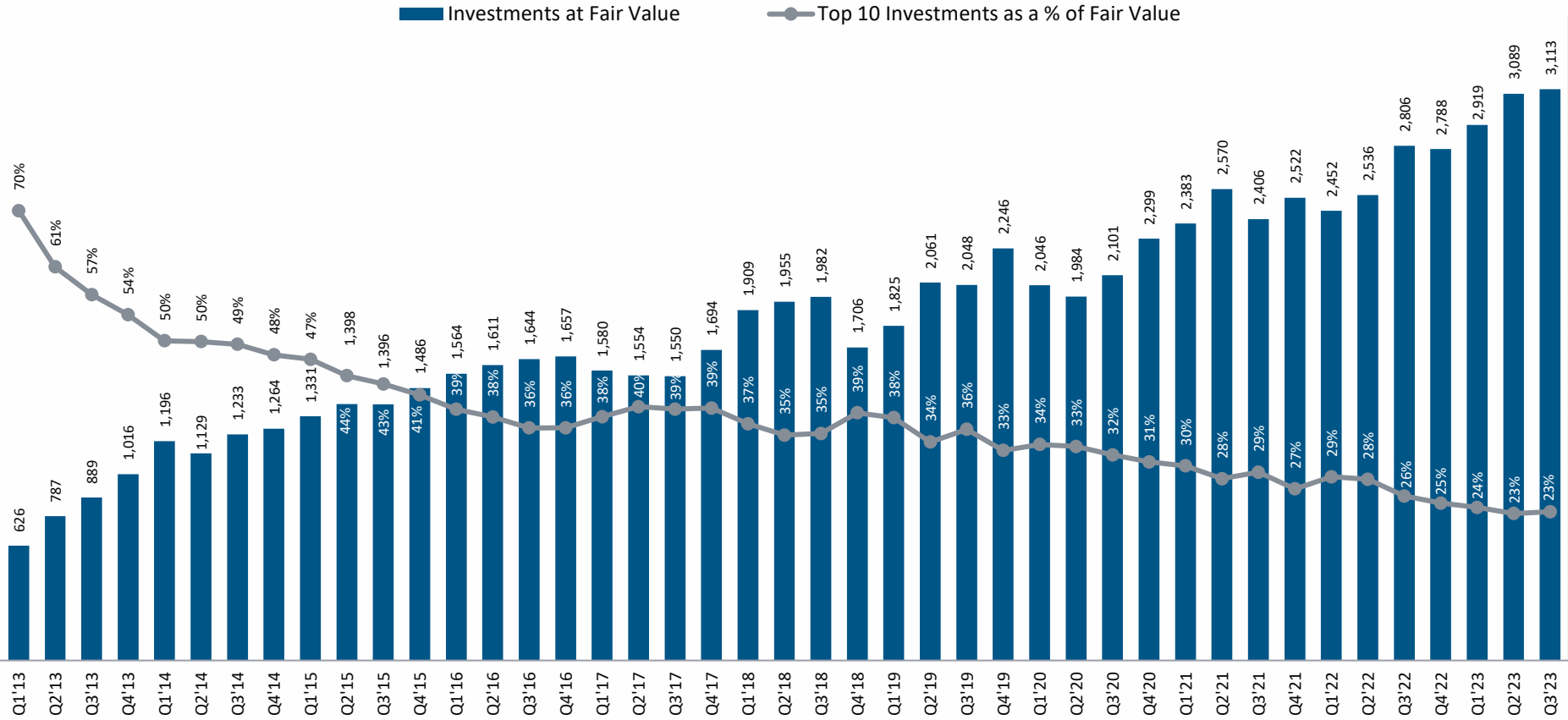


Note: Note: By fair value of investments as of 9/30/2023. Numbers may not sum due to rounding.

## DIVERSITY ACROSS BORROWER AND INDUSTRY CONCENTRATIONS

# PORTFOLIO DIVERSIFICATION ACROSS BORROWERS

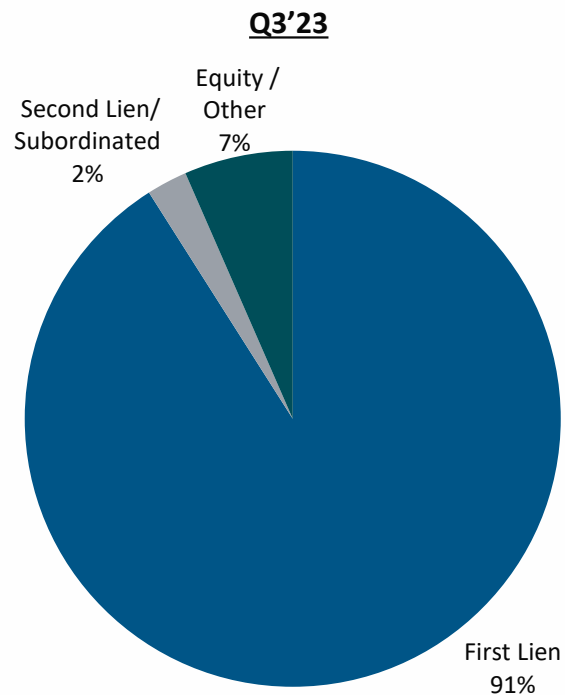
\$ Millions by Fair Value



Note: As of 9/30/23. Please see notes at the end of this presentation for additional important information.

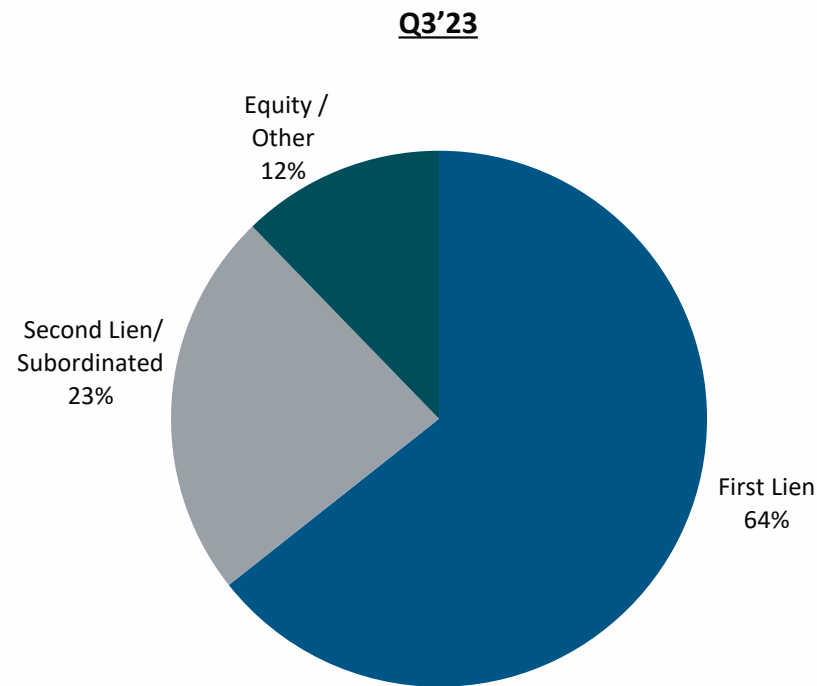
## SIGNIFICANT EVOLUTION IN DIVERSITY ACROSS INVESTMENTS

## TSLX Portfolio



Yield at Amortized Cost: **14.3%**  
 Average Return on Equity<sup>3</sup>: **13.4%**

## Large BDC Composite<sup>1,2</sup>



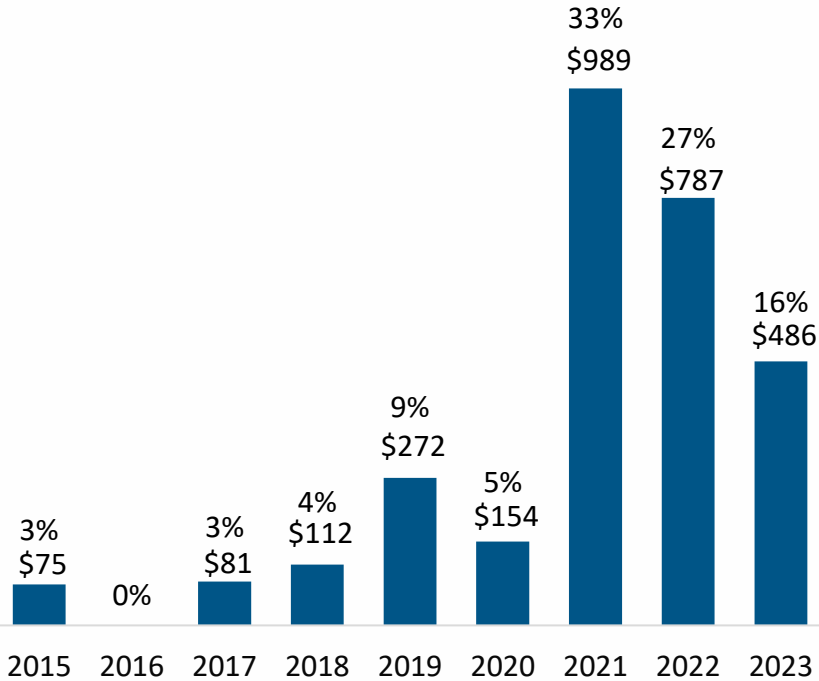
Yield at Amortized Cost: **12.1%**  
 Average Return on Equity<sup>3</sup>: **8.1%**

Source: SNL Financial and company filings, data as of quarter ended 9/30/2023 or latest available. Please see notes at the end of this presentation for additional important information.

**TSLX GENERATES STRONG RETURNS ON A SUBSTANTIALLY MORE SENIOR PORTFOLIO THAN THE AVERAGE LARGE BDC MANAGER**

## Fair Value by Vintage

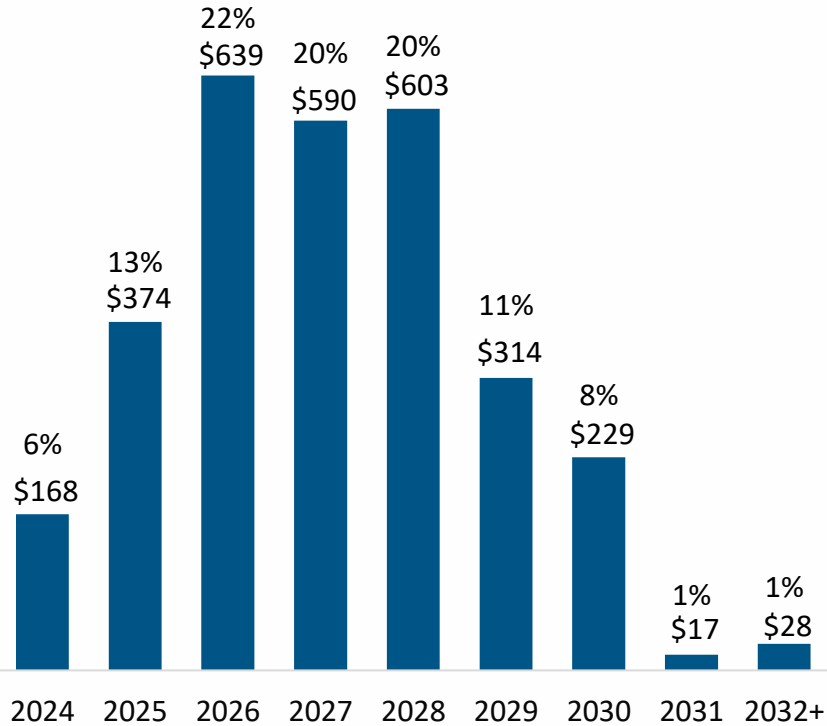
\$ Millions by Fair Value



30% of Portfolio Invested in Last 5 Quarters

## Debt Investments by Maturity

\$ Millions by Fair Value

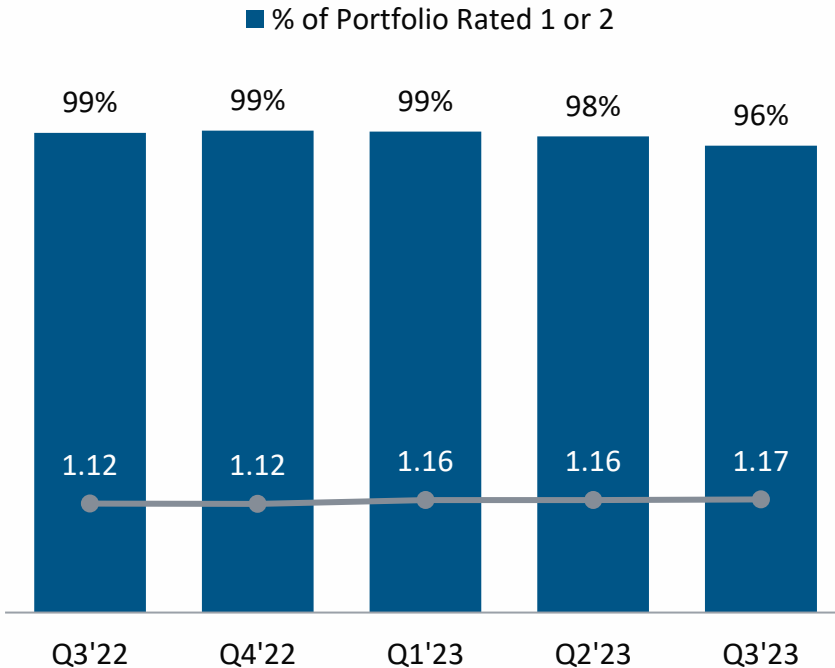


~6% of Debt Assets with a Maturity Date in 2024

Note: By fair value of investments as of 9/30/23.

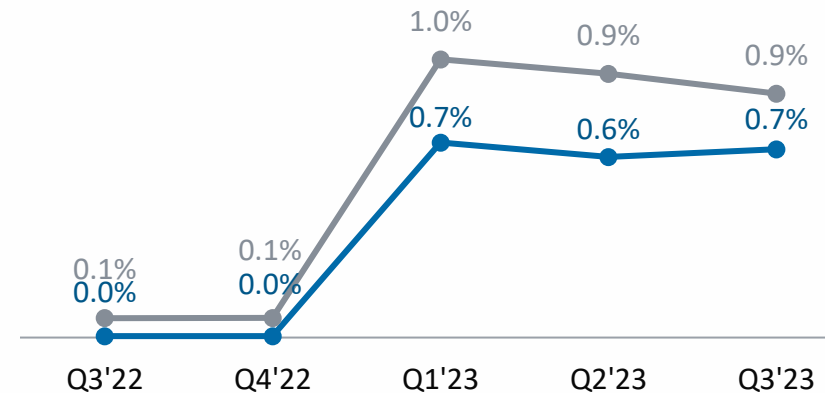
## TSLX Weighted Average Portfolio Performance Rating

By Fair Value



## TSLX % of Investments on Non-Accrual

● By Fair Value ● By Amortized Cost

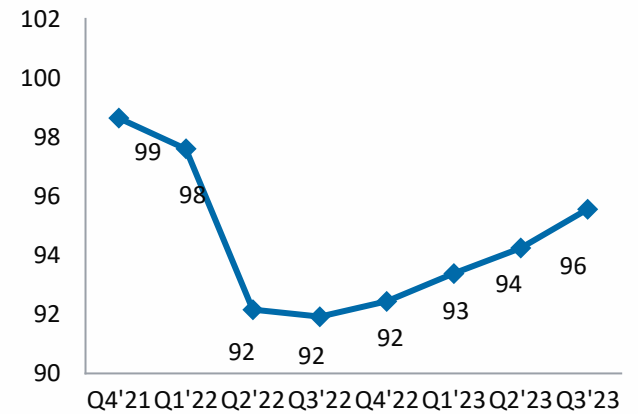
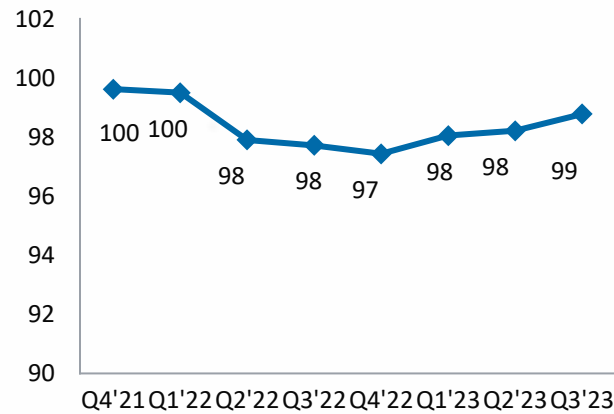


- **89% of the portfolio is rated 1 and 96% of the portfolio is rated 1 or 2**
- **As of September 30, 2023, there was 1 investment on non-accrual status which represented <1% of investments at fair value. Names on non-accrual include:**
  1. **American Achievement, Term Loan A<sup>1</sup>, Sub Debt and Term Loan B which represents \$20.5m (<1%) of the portfolio at fair value**

Note: As of 9/30/23. Please see notes at the end of this presentation for additional important information.

	TSLX	Broadly Syndicated Loan Market
<b>BUSINESS SERVICES / LOWER BETA INDUSTRIES<sup>1</sup></b>	84%	16%
<b>AVERAGE REFERENCE RATE FLOORS<sup>2</sup></b>	0.97%	0.43%
<b>WEIGHTED AVERAGE LIFE<sup>3</sup></b>	1.4 years	4.2 years

## PRICE TREND<sup>4</sup>

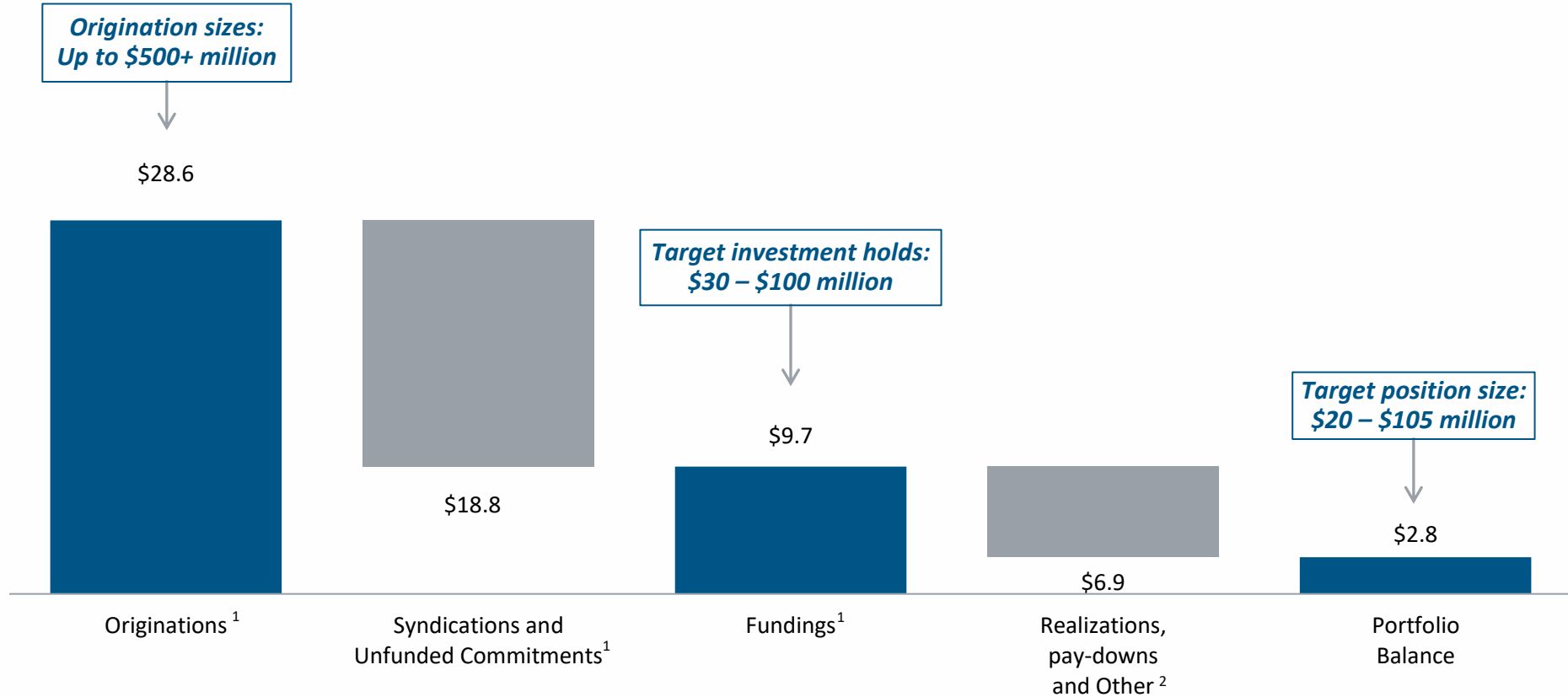


Source: LCD and company filings, data as of quarter ended 9/30/2023 or latest available. Please see notes at the end of this presentation for additional important information.

## CHARACTERISTICS OF OUR PORTFOLIO THAT CONTRIBUTE TO LOWER BETA



\$ Billions



Note: As of 9/30/23, unless noted otherwise. Please see notes at the end of this presentation for additional important information.

**TSLX HAS THE ABILITY TO ORIGINATE LARGE TRANSACTIONS AND SYNDICATE TO ITS DESIRED HOLD SIZE**

1. Overview & Organization

---

2. Track Record of Strong Performance

---

3. Strong Liquidity and Funding Profile

---

4. Credit Highlights

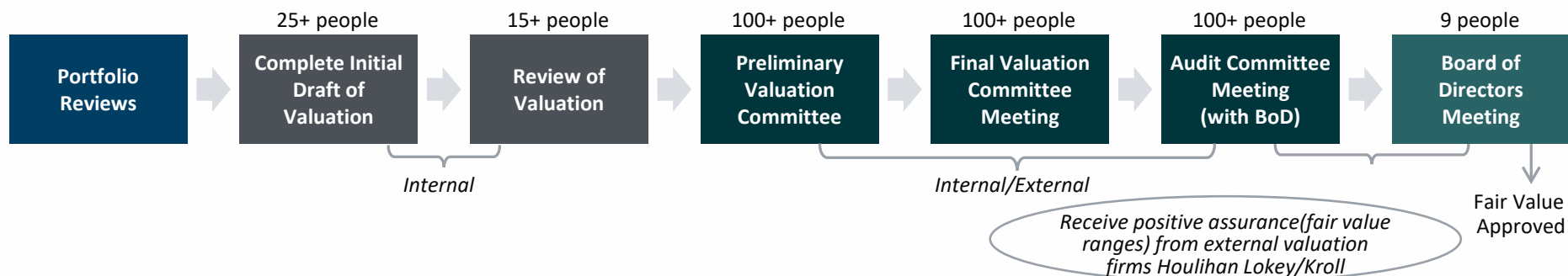
---

5. Principles and Investment Strategy

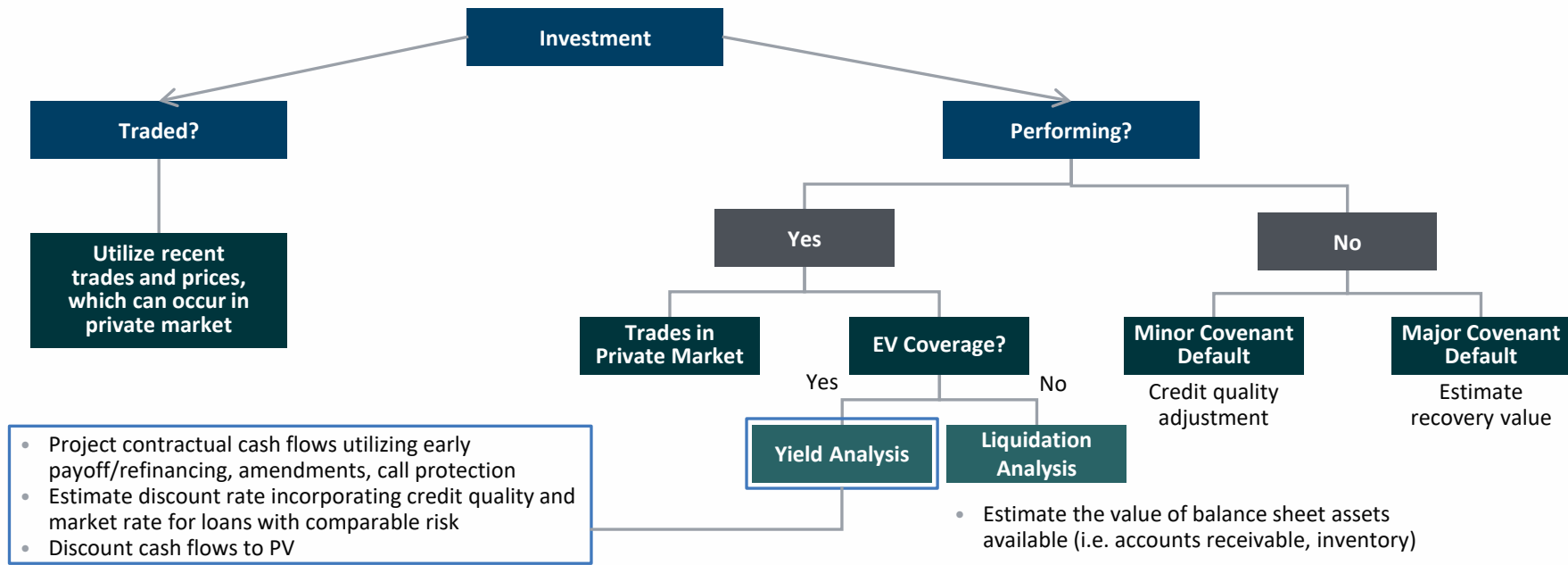
---

**6. Appendix**

# TSLX VALUATION PROCESS: INTERNAL, EXTERNAL & BOARD LEVEL REVIEW



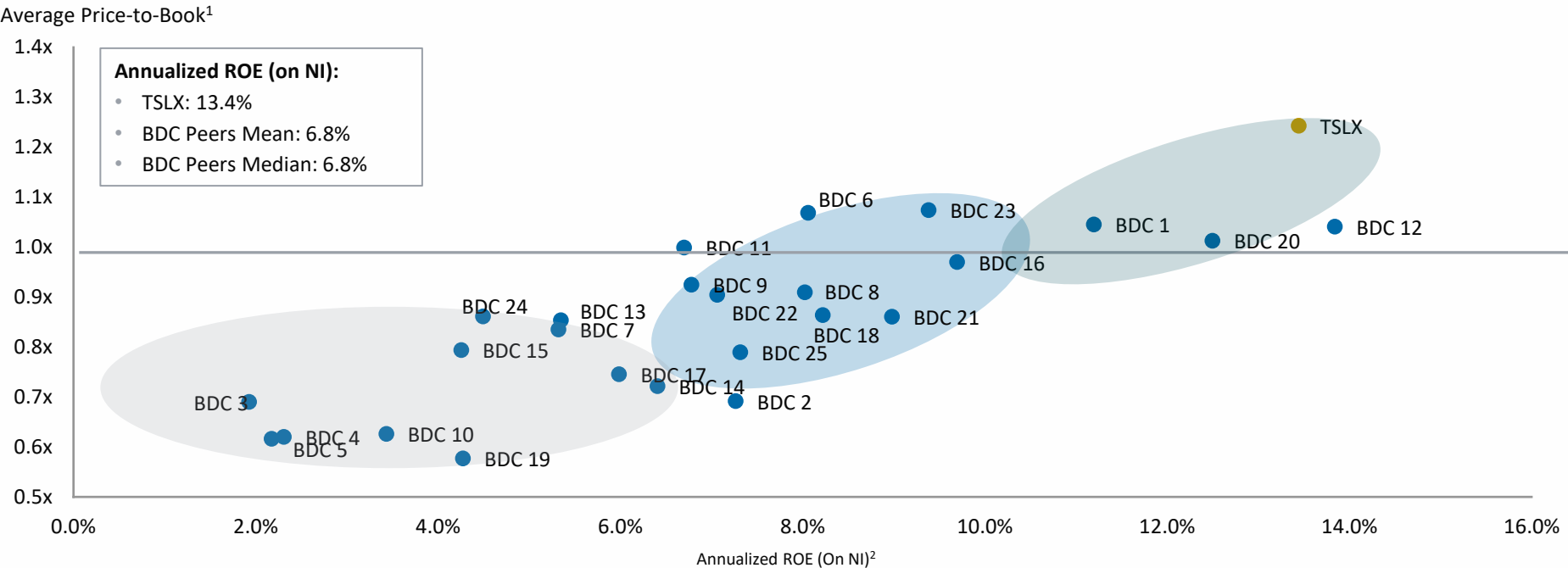
The bulk of TSLX assets are directly originated Level III assets with unobservable inputs for valuation. (Level I and II assets are valued with quoted prices in active markets or utilize level I inputs observable for the asset, either directly or indirectly). The fair value determination on these level III assets follow below roadmap:



# WHY VALUATION MATTERS

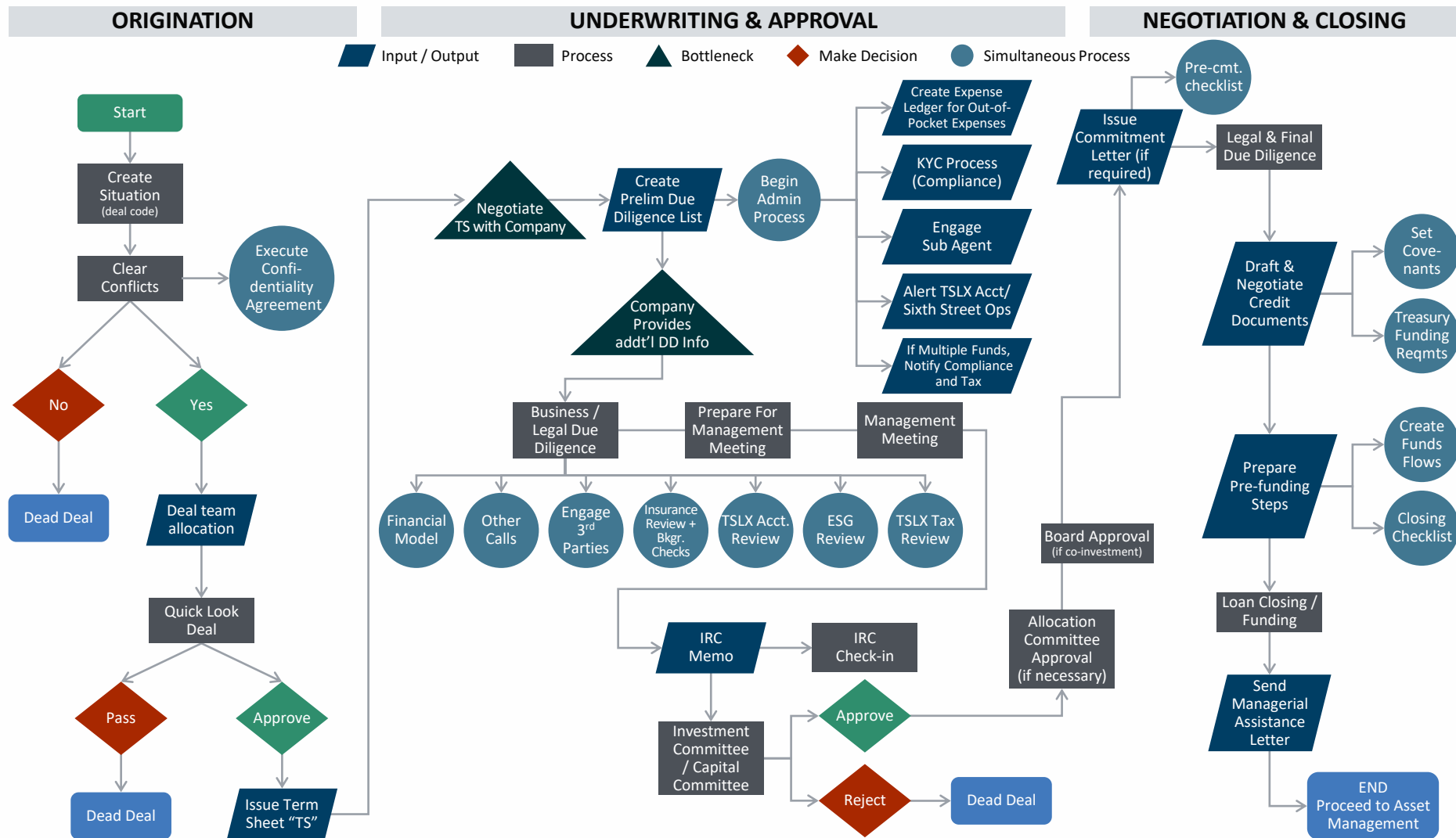
- 1 We believe its important to listen what the market is saying and incorporate these inputs (rates, spread, market risk) into a rigorous valuation and decision-making framework
- 2 In Q3'22, although our portfolio companies still had strong performance (measured by earnings, cashflow, revenue growth) credit spread widening (and increased cost of equity) clearly signaled that the price for credit should increase and we marked our assets accordingly, sometimes in contrast with our peers
- 3 Marking your book is cornerstone for shareholder value creation; it allows for appropriate returns required on new credit extended and for thoughtful capital allocation framework
- 4 If you don't mark your book, the market will

## BDC Sector Price-to-Book vs. ROE on Net Income (Since TSLX IPO)



Source: SNL Financial and company filings, data as of quarter ended 9/30/2023 or latest available. Please see notes at the end of this presentation for additional important information.

# THOROUGH ORIGINATION, UNDERWRITING & APPROVAL AND NEGOTIATION PROCESS



# FINANCIAL HIGHLIGHTS

## DOLLAR AMOUNTS IN THOUSANDS

Except Per Share Data; Per Share Data is Based on Weighted Average Shares Outstanding During the Period, Except as Otherwise Noted

	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023
Net Investment Income Per Share	\$0.47	\$0.65	\$0.53	\$0.58	\$0.57
Net Income (Loss) Per Share	\$0.43	\$0.57	\$0.65	\$0.63	\$0.74
(+) <i>Incentive fees on net capital gains (Not Payable) Per Share</i>	(\$0.00)	(\$0.01)	\$0.02	\$0.01	\$0.03
Adjusted Net Investment Income Per Share <sup>1</sup>	\$0.47	\$0.64	\$0.55	\$0.59	\$0.60
Adjusted Net Income (Loss) Per Share <sup>1</sup>	\$0.43	\$0.56	\$0.67	\$0.64	\$0.77
Net Asset Value Per Share (Ending Shares)	\$16.36	\$16.48	\$16.59	\$16.74	\$16.97
Adjusted Net Asset Value Per Share (Ending Shares) <sup>2</sup>	\$16.36	\$16.39	\$16.55	\$16.68	\$16.90
Distributions Per Share (Record Date)	\$0.42	\$0.45	\$0.55	\$0.50	\$0.52
Net Assets	\$1,328,052	\$1,341,569	\$1,356,005	\$1,460,529	\$1,485,822
Total Debt (Outstanding Principal)	\$1,536,831	\$1,516,828	\$1,629,389	\$1,698,284	\$1,705,747
Debt to Equity at Quarter-end <sup>3</sup>	1.17x	1.13x	1.20x	1.16x	1.15x
Average Debt to Equity <sup>4</sup>	1.15x	1.14x	1.17x	1.22x	1.18x
Annualized ROE on Net Investment Income <sup>5</sup>	11.5%	15.9%	12.8%	14.0%	13.7%
Annualized ROE on Net Income <sup>5</sup>	10.7%	14.0%	15.8%	15.2%	17.8%
Annualized ROE on Adjusted Net Investment Income <sup>1,5</sup>	11.5%	15.5%	13.3%	14.2%	14.4%
Annualized ROE on Adjusted Net Income <sup>1,5</sup>	10.6%	13.6%	16.3%	15.4%	18.5%

Note: As of 9/30/23. Quarterly figures may not sum to annual figures due to rounding. Please see notes at the end of this presentation for additional important information.

# PORTFOLIO HIGHLIGHTS – SELECTED METRICS

## DOLLAR AMOUNTS IN THOUSANDS

	September 30, 2022	December 31, 2022	March 31, 2023	June 30, 2023	September 30, 2023
<b>Investments at Fair Value</b>	<b>\$2,806,063</b>	<b>\$2,787,925</b>	<b>\$2,918,584</b>	<b>\$3,088,987</b>	<b>\$3,113,277</b>
Number of Portfolio Companies	118	121	127	130	131
Average Investment Size in Our Portfolio Companies	\$23,780	\$23,041	\$22,981	\$23,761	\$23,765
Number of Portfolio Companies (Excluding Structured Credit Investments)	75	78	83	86	89
Average Investment Size in Our Portfolio Companies (Excluding Structured Credit Investments)	\$36,721	\$35,083	\$34,517	\$35,288	\$34,374
<b>Asset Class:</b>					
First-Lien Debt Investments	90%	90%	91%	91%	91%
Second-Lien Debt Investments	1%	1%	2%	1%	1%
Structured Credit Investments	2%	2%	2%	2%	2%
Mezzanine Debt Investments	<1%	<1%	<1%	1%	1%
Equity and Other Investments	6%	6%	5%	5%	5%
<b>Interest Rate Type<sup>1</sup>:</b>					
% Floating Rate	98.9%	98.9%	99.2%	99.2%	99.7%
% Fixed Rate	1.1%	1.1%	0.8%	0.8%	0.3%
<b>Yields at Fair Value unless Otherwise Noted:</b>					
Weighted Average Total Yield of Debt and Income Producing Securities at Amortized Cost <sup>3</sup>	12.2%	13.4%	13.9%	14.1%	14.3%
Weighted Average Total Yield of Debt and Income Producing Securities <sup>3</sup>	12.3%	13.5%	13.9%	14.0%	14.2%
Weighted Average Spread Over Reference Rate of All Floating Rate Investments	8.5%	8.7%	8.6%	8.3%	8.4%
Weighted Average Interest Rate of Debt and Income Producing Securities	11.7%	13.1%	13.4%	13.8%	13.7%
Fair Value as a Percentage of Principal (Debt)	97.7%	97.4%	98.1%	98.2%	98.8%
Fair Value as a Percentage of Call Price (Debt)	94.7%	94.2%	94.6%	94.8%	95.7%
<b>Investment Activity at Par:</b>					
New Investment Commitments	\$384,564	\$241,414	\$176,051	\$260,417	\$205,794
Net Funded Investment Activity	\$258,662	(\$69,675)	\$88,107	\$125,956	(\$7,236)
<b>New Investment Commitments at Par<sup>2</sup>:</b>					
Number of New Investment Commitments in New Portfolio Companies	7	7	6	6	8
Average New Investment Commitment Amount in New Portfolio Companies	\$46,771	\$30,220	\$24,987	\$41,307	\$24,839
Weighted Average Term of New Investment Commitments in New Portfolio Companies (In Years)	5.7	6.2	5.3	6.7	6.2
Weighted Average Interest Rate of New Investment Commitments	10.8%	12.2%	12.4%	12.6%	12.9%
Weighted Average Spread Over Reference Rate of New Floating Rate Investment Commitments	8.2%	7.8%	7.6%	7.3%	7.7%

Note: As of 9/30/23. Numbers may not sum due to rounding. Please see notes at the end of this presentation for additional important information.

# OPERATING RESULTS DETAIL

## DOLLAR AMOUNTS IN THOUSANDS

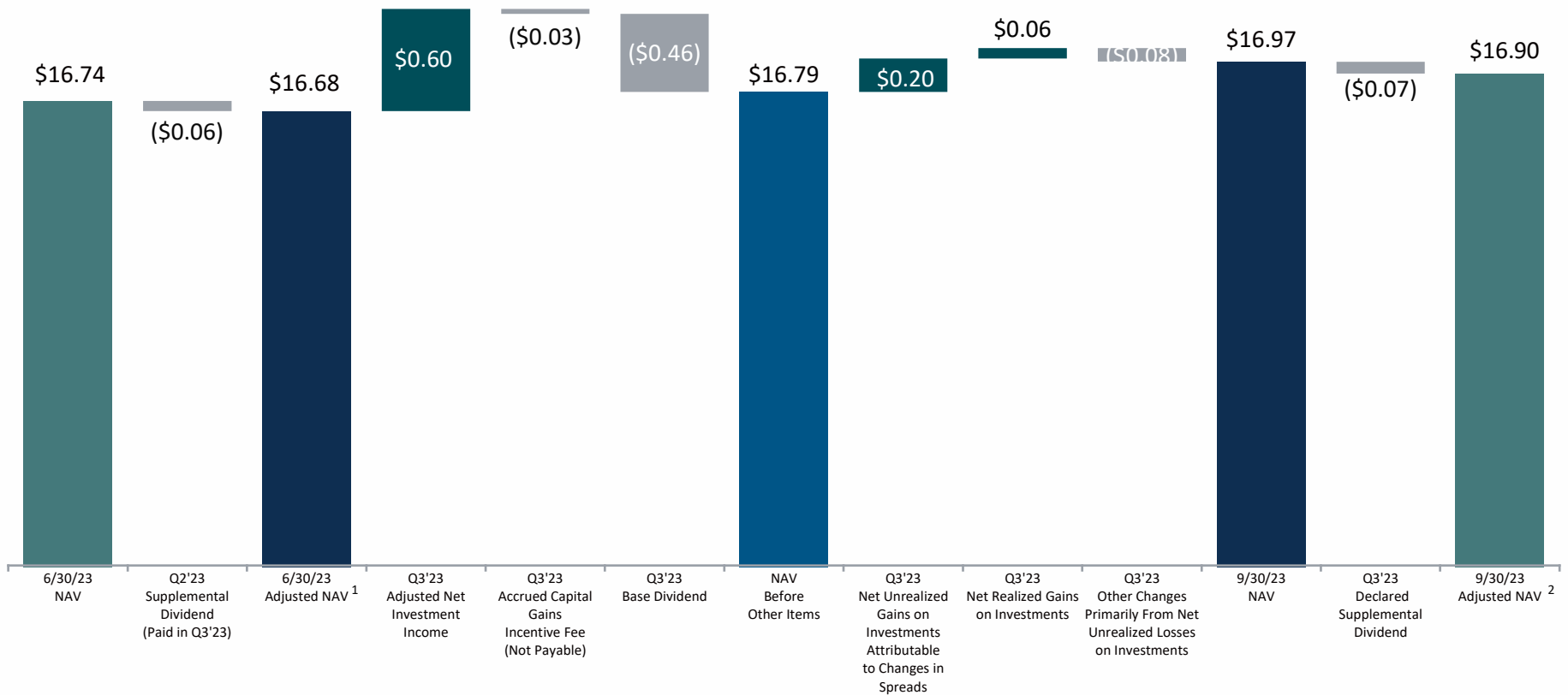
Except Per Share Data; Per Share Data is Based on Weighted Average Shares Outstanding During the Period, Except as Otherwise Noted

	For Three Months Ended				
	September 30, 2022	December 31, 2022	March 31, 2023	June 30, 2023	September 30, 2023
<b>Investment Income:</b>					
Interest From Investments – Interest and Dividend Income <sup>1</sup>	\$74,668	\$85,752	\$92,183	\$102,586	\$107,543
Interest From Investments – Other Fees <sup>2</sup>	\$429	\$10,985	\$1,565	\$943	\$2,525
<b>Total Interest From Investments</b>	<b>\$75,097</b>	<b>\$96,737</b>	<b>\$93,748</b>	<b>\$103,529</b>	<b>\$110,068</b>
Other Income <sup>3</sup>	\$2,742	\$3,412	\$2,757	\$4,076	\$4,367
<b>Total Investment Income</b>	<b>\$77,839</b>	<b>\$100,149</b>	<b>\$96,505</b>	<b>\$107,605</b>	<b>\$114,435</b>
<b>Expenses:</b>					
Interest	\$18,851	\$22,575	\$28,486	\$32,442	\$35,042
Management Fees	\$10,330	\$10,752	\$10,733	\$11,410	\$11,928
Incentive Fees on Net Investment Income	\$7,882	\$10,918	\$9,481	\$10,507	\$11,151
Incentive Fees on Net Capital Gains (Not Payable)	(\$22)	(\$1,144)	\$1,758	\$749	\$2,577
Other Operating Expenses	\$3,451	\$3,496	\$2,953	\$3,111	\$3,549
<b>Total Expenses</b>	<b>\$40,492</b>	<b>\$46,596</b>	<b>\$53,411</b>	<b>\$58,219</b>	<b>\$64,247</b>
Management Fees Waived	(\$189)	(\$226)	(\$256)	(\$300)	(\$267)
<b>Net Expenses</b>	<b>\$40,303</b>	<b>\$46,370</b>	<b>\$53,155</b>	<b>\$57,919</b>	<b>\$63,980</b>
<b>Net Investment Income Before Income Taxes</b>	<b>\$37,536</b>	<b>\$53,779</b>	<b>\$43,350</b>	<b>\$49,686</b>	<b>\$50,455</b>
Income Taxes, Including Excise Taxes	\$356	\$1,166	\$413	\$902	\$461
<b>Net Investment Income</b>	<b>\$37,180</b>	<b>\$52,613</b>	<b>\$42,937</b>	<b>\$48,784</b>	<b>\$49,994</b>
Net Unrealized and Realized Gains	(\$2,749)	(\$6,351)	\$10,015	\$4,306	\$14,826
<b>Net Income</b>	<b>\$34,431</b>	<b>\$46,262</b>	<b>\$52,952</b>	<b>\$53,090</b>	<b>\$64,820</b>
<i>(+) Incentive fees on net capital gains (Not Payable)</i>	<i>(\$22)</i>	<i>(\$1,144)</i>	<i>\$1,758</i>	<i>\$749</i>	<i>\$2,577</i>
<b>Adjusted Net Investment Income<sup>4</sup></b>	<b>\$37,158</b>	<b>\$51,469</b>	<b>\$44,695</b>	<b>\$49,532</b>	<b>\$52,571</b>
<b>Adjusted Net Income (Loss)<sup>4</sup></b>	<b>\$34,409</b>	<b>\$45,118</b>	<b>\$54,710</b>	<b>\$53,838</b>	<b>\$67,397</b>
<b>Per Share:</b>					
Net Investment Income	\$0.47	\$0.65	\$0.53	\$0.58	\$0.57
Net Income (Loss)	\$0.43	\$0.57	\$0.65	\$0.63	\$0.74
<b>Adjusted Net Investment Income<sup>4</sup></b>	<b>\$0.47</b>	<b>\$0.64</b>	<b>\$0.55</b>	<b>\$0.59</b>	<b>\$0.60</b>
<b>Adjusted Net Income (Loss)<sup>4</sup></b>	<b>\$0.43</b>	<b>\$0.56</b>	<b>\$0.67</b>	<b>\$0.64</b>	<b>\$0.77</b>
Distributions (Record Date)	\$0.42	\$0.45	\$0.55	\$0.50	\$0.52
Weighted Average Shares Outstanding for the Period	79,476,419	81,007,757	81,400,843	84,223,032	87,251,340
Shares Outstanding at End of Period	81,170,965	81,389,287	81,751,865	87,241,231	87,546,498

Note: As of 9/30/23. Quarterly figures may not sum to annual figures due to rounding. Please see notes at the end of this presentation for additional important information.



# NET ASSET VALUE BRIDGE – Q3'23



Note: Per share data was derived using the Q3 2023 weighted average shares outstanding except for DRIP, dividends, beginning NAV & ending NAV. Numbers may not sum due to rounding. Please see notes at the end of this presentation for additional important information.

# OUR DRIVERS OF ROE

Return on Assets

Prudent Use  
of Leverage

Expense Management

Positioned for  
NAV Growth

## Illustrative Unit Economics / Return on Equity

### Return on Assets:

Weighted Average Interest Rate of Portfolio	13.6%
Amortization of upfront fees <sup>1</sup>	0.9%
<b>Total Yield on Debt and Income Producing Securities</b>	<b>14.5%</b>
Impact of Additional fees <sup>2</sup>	1.1%
<b>All-in Yield (on Assets)</b>	<b>15.6%</b>
Cost of funds <sup>3</sup>	(7.9%)
Assumed Debt/Equity	1.15x
<b>Net Interest Income Return (on Equity)<sup>4</sup></b>	<b>24.4%</b>
Management Fees (1.46% of Assets)	(3.2%)
Operating Expenses (0.50% of Assets) <sup>5</sup>	(1.1%)
<b>ROE Before Incentive Fee</b>	<b>20.2%</b>
Incentive Fee	(3.5%)
<b>ROE on NII</b>	<b>15.6%</b>
<b>Base Book Dividend Yield based on Q3 2023 NAV</b>	<b>10.8%</b>

Note: For illustrative purposes only; not necessarily indicative of future returns. Please see notes at the end of this presentation for additional important information.

**ABILITY TO GENERATE A STRONG RISK-ADJUSTED RETURN ON EQUITY  
IN EXCESS OF OUR BASE DIVIDEND LEVEL AND GROW NAV**

# ILLUSTRATIVE INTEREST COVERAGE THROUGHOUT CYCLES

## Illustrative Interest Coverage

		Debt to Equity					
		0.90x	0.95x	1.00x	1.05x	1.10x	1.25x
All-in Yield (on Assets)	12.0%	2.68x	2.63x	2.59x	2.55x	2.51x	2.41x
	12.5%	2.79x	2.74x	2.69x	2.65x	2.61x	2.50x
	13.0%	2.90x	2.84x	2.79x	2.75x	2.70x	2.60x
	13.5%	3.00x	2.95x	2.89x	2.85x	2.80x	2.69x
	14.0%	3.11x	3.05x	3.00x	2.95x	2.90x	2.79x
	14.5%	3.21x	3.15x	3.10x	3.05x	3.00x	2.88x
	15.0%	3.32x	3.26x	3.20x	3.15x	3.10x	2.98x
	15.5%	3.43x	3.36x	3.30x	3.25x	3.20x	3.07x
	16.0%	3.53x	3.47x	3.40x	3.35x	3.30x	3.17x
16.5%	3.64x	3.57x	3.51x	3.45x	3.40x	3.26x	

## Illustrative Interest Coverage

		Debt to Equity					
		0.90x	0.95x	1.00x	1.05x	1.10x	1.25x
Cost of Funds	6.00%	4.66x	4.53x	4.42x	4.32x	4.23x	3.99x
	6.25%	4.48x	4.36x	4.25x	4.15x	4.06x	3.84x
	6.50%	4.31x	4.20x	4.09x	4.00x	3.91x	3.70x
	6.75%	4.16x	4.05x	3.95x	3.86x	3.78x	3.57x
	7.00%	4.02x	3.91x	3.81x	3.73x	3.65x	3.45x
	7.25%	3.88x	3.78x	3.69x	3.60x	3.53x	3.33x
	7.50%	3.76x	3.66x	3.57x	3.49x	3.42x	3.23x
	7.75%	3.64x	3.55x	3.46x	3.38x	3.31x	3.13x
	8.00%	3.54x	3.44x	3.36x	3.28x	3.21x	3.04x
8.25%	3.43x	3.34x	3.26x	3.19x	3.12x	2.95x	

## Illustrative Interest Coverage

		Cost of Funds					
		6.00%	6.50%	7.00%	7.50%	8.00%	8.50%
All-in Yield (on Assets)	12.0%	3.21x	2.98x	2.78x	2.61x	2.45x	2.32x
	12.5%	3.34x	3.10x	2.89x	2.71x	2.55x	2.41x
	13.0%	3.47x	3.22x	3.00x	2.81x	2.65x	2.50x
	13.5%	3.60x	3.34x	3.11x	2.91x	2.74x	2.59x
	14.0%	3.73x	3.45x	3.22x	3.02x	2.84x	2.68x
	14.5%	3.86x	3.57x	3.33x	3.12x	2.94x	2.77x
	15.0%	3.98x	3.69x	3.44x	3.22x	3.03x	2.86x
	15.5%	4.11x	3.81x	3.55x	3.33x	3.13x	2.95x
	16.0%	4.24x	3.93x	3.66x	3.43x	3.23x	3.05x
16.5%	4.37x	4.05x	3.77x	3.53x	3.32x	3.14x	

## Illustrative Interest Coverage

		Debt to Equity					
		0.90x	0.95x	1.00x	1.05x	1.10x	1.25x
Non-Accruals	0.00%	3.45x	3.38x	3.32x	3.27x	3.22x	3.09x
	0.25%	3.44x	3.37x	3.32x	3.26x	3.21x	3.08x
	0.50%	3.43x	3.37x	3.31x	3.25x	3.20x	3.07x
	0.75%	3.42x	3.36x	3.30x	3.24x	3.19x	3.07x
	1.00%	3.41x	3.35x	3.29x	3.23x	3.18x	3.06x
	1.25%	3.40x	3.34x	3.28x	3.23x	3.18x	3.05x
	1.50%	3.39x	3.33x	3.27x	3.22x	3.17x	3.04x
	1.75%	3.38x	3.32x	3.26x	3.21x	3.16x	3.03x
	2.00%	3.37x	3.31x	3.25x	3.20x	3.15x	3.02x
2.25%	3.37x	3.30x	3.24x	3.19x	3.14x	3.02x	

Note: Sensitivity tables presented utilize the illustrative unit economics from "Our Drivers of ROE" page, with certain inputs adjusted as indicated in the tables above

**WE BELIEVE OUR SENIOR SECURED FLOATING RATE PORTFOLIO  
AND FUNDING PROFILE IS WELL POSITIONED FOR CYCLES**

# ILLUSTRATIVE ROE THROUGHOUT CYCLES

Illustrative ROE		Debt to Equity					
		0.90x	0.95x	1.00x	1.05x	1.10x	1.25x
All-in Yield (on Assets)	12.0%	8.6%	8.7%	8.8%	9.0%	9.1%	9.5%
	12.5%	9.4%	9.5%	9.7%	9.8%	10.0%	10.4%
	13.0%	10.2%	10.4%	10.5%	10.7%	10.8%	11.3%
	13.5%	11.0%	11.2%	11.3%	11.5%	11.7%	12.2%
	14.0%	11.8%	12.0%	12.1%	12.3%	12.6%	13.2%
	14.5%	12.6%	12.8%	13.0%	13.2%	13.4%	14.1%
	15.0%	13.3%	13.6%	13.8%	14.0%	14.3%	15.0%
	15.5%	14.1%	14.4%	14.6%	14.9%	15.2%	16.0%
	16.0%	14.9%	15.2%	15.4%	15.7%	16.0%	16.9%
	16.5%	15.7%	16.0%	16.3%	16.6%	16.9%	17.8%

Illustrative ROE		Debt to Equity					
		0.90x	0.95x	1.00x	1.05x	1.10x	1.25x
Cost of Funds	6.00%	15.9%	16.2%	16.5%	16.8%	17.1%	18.1%
	6.25%	15.8%	16.0%	16.3%	16.6%	16.9%	17.8%
	6.50%	15.6%	15.8%	16.1%	16.4%	16.7%	17.5%
	6.75%	15.4%	15.6%	15.9%	16.2%	16.5%	17.3%
	7.00%	15.2%	15.4%	15.7%	16.0%	16.2%	17.0%
	7.25%	15.0%	15.2%	15.5%	15.7%	16.0%	16.8%
	7.50%	14.8%	15.1%	15.3%	15.5%	15.8%	16.5%
	7.75%	14.6%	14.9%	15.1%	15.3%	15.5%	16.3%
	8.00%	14.5%	14.7%	14.9%	15.1%	15.3%	16.0%
	8.25%	14.3%	14.5%	14.7%	14.9%	15.1%	15.7%

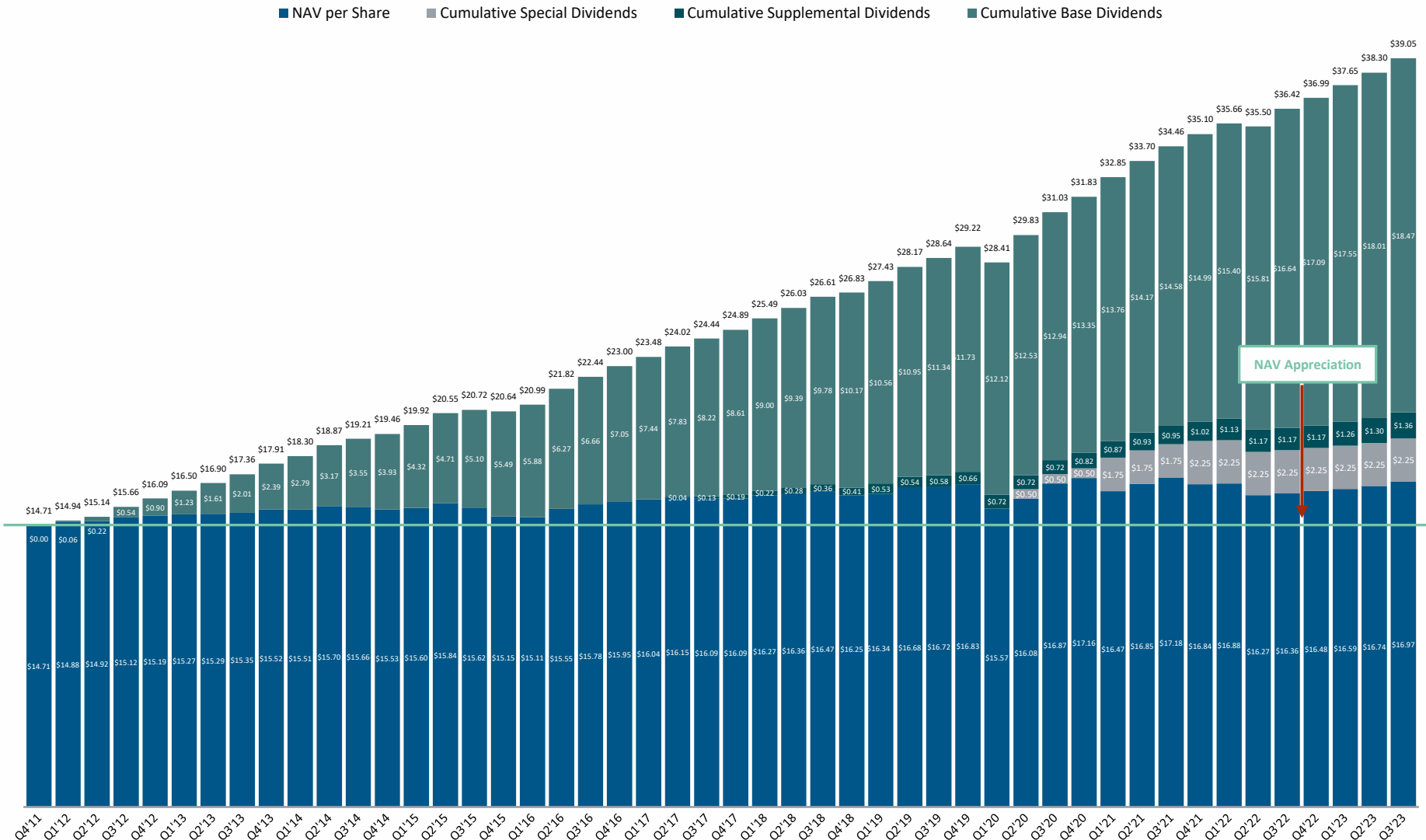
Illustrative ROE		Cost of Funds					
		6.00%	6.50%	7.00%	7.50%	8.00%	8.50%
All-in Yield (on Assets)	12.0%	11.0%	10.6%	10.1%	9.6%	9.2%	8.7%
	12.5%	11.9%	11.5%	11.0%	10.5%	10.0%	9.6%
	13.0%	12.8%	12.3%	11.9%	11.4%	10.9%	10.5%
	13.5%	13.7%	13.2%	12.8%	12.3%	11.8%	11.3%
	14.0%	14.6%	14.1%	13.6%	13.2%	12.7%	12.2%
	14.5%	15.5%	15.0%	14.5%	14.1%	13.6%	13.1%
	15.0%	16.4%	15.9%	15.4%	14.9%	14.5%	14.0%
	15.5%	17.3%	16.8%	16.3%	15.8%	15.4%	14.9%
	16.0%	18.1%	17.7%	17.2%	16.7%	16.2%	15.8%
	16.5%	19.0%	18.6%	18.1%	17.6%	17.1%	16.7%

Illustrative ROE		Debt to Equity					
		0.90x	0.95x	1.00x	1.05x	1.10x	1.25x
Credit Losses (on Assets)	0.00%	15.2%	15.5%	15.8%	16.1%	16.4%	17.3%
	0.25%	14.8%	15.0%	15.3%	15.6%	15.9%	16.7%
	0.50%	14.3%	14.5%	14.8%	15.1%	15.3%	16.2%
	0.75%	13.8%	14.1%	14.3%	14.6%	14.8%	15.6%
	1.00%	13.3%	13.6%	13.8%	14.0%	14.3%	15.0%
	1.25%	12.9%	13.1%	13.3%	13.5%	13.8%	14.5%
	1.50%	12.4%	12.6%	12.8%	13.0%	13.2%	13.9%
	1.75%	11.9%	12.1%	12.3%	12.5%	12.7%	13.3%
	2.00%	11.4%	11.6%	11.8%	12.0%	12.2%	12.8%
	2.25%	11.0%	11.1%	11.3%	11.5%	11.7%	12.2%

Note: Sensitivity tables presented utilize the illustrative unit economics from "Our Drivers of ROE" page, with certain inputs adjusted as indicated in the tables above

**WE BELIEVE OUR SENIOR SECURED FLOATING RATE PORTFOLIO  
AND FUNDING PROFILE IS WELL POSITIONED FOR CYCLES**

# BOOK VALUE PER SHARE AND DIVIDENDS PAID PER SHARE



Note: As of 9/30/23.

# SIXTH STREET RESPONSIBLE INVESTMENT OVERVIEW



## WHAT WE BELIEVE

- Our mission is to deliver compelling risk-adjusted returns while conducting our business with integrity
- We believe that sound assessment of risks including Environmental, Social, and Governance (ESG) factors can affect performance



## RI AND ESG GOVERNANCE

- Senior oversight through ESG Oversight Committee includes
  - Chief Risk Officer, Co-Chief Operating Officer and Chief Compliance Officer, General Counsel
  - All investment professionals review Sixth Street's Responsible Investment Policy annually



## EMPLOYEE TRAINING

- Sixth Street provides training and other tools to its employees, to ensure that they understand the Responsible Investment Policy, and can identify, assess and where appropriate, raise relevant ESG issues

# DIFFERENTIATED INVESTOR TRANSPARENCY AND COMMUNICATION

## Regional Banking Crisis – March 2023



March 13, 2023

Dear Stakeholder,

We know you have grown accustomed (and possibly been slightly annoyed) by our verbose letters. But in periods of uncertainty, it is our obligation and part of our culture to be transparent and provide real time updates. Given the significant anxiety and concerns created by the failure of Silicon Valley Bank ("SVB"), a priority of ours is to ensure that the firm remains open dialogue with stakeholders – our shareholders, core holders, credit agencies, portfolio companies, financial sponsors and lenders. Accordingly, we think it would be helpful to offer a specific update regarding our very limited interaction with SVB as well as provide a few broader observations on what we believe the second largest bank failure in U.S. history means to the investing environment.

We plan to cover the following topics in this letter:

- Sixth Street Specialty Lending, Inc.'s ("TSLX", "we" or "our") Lack of Direct Exposure to SVB
- TSLX's Limited Portfolio Company Exposure to SVB
- Sixth Street Specialty Lending Advisors, LLC ("SSLA" or "the advisors") and the Millions Direct Exposure to SVB
- An Overview of TSLX's Liquidity, Balance Sheet (Capital) and Asset-Liability Matching Approach
- Our General Mitigations (Risk Management and Business Models Matter)

While we are confident that the risk to TSLX is negligible, we are cognizant of the likely human cost of the failure of SVB and its expected impact on the bank's employees. It is to those affected people that we send our empathetic thoughts.

### TSLX's Lack of Direct Exposure to SVB

TSLX has no direct exposure to SVB. In asset based form where TSLX is an issuer (including cash) are held and TSLX's counterparties exposure.

All of TSLX's operating bank accounts are held at State Street Bank and Trust Company ("State Street"). We also held restricted cash relating to our recently General Interest rate swap or our designated future contracts portfolio, HSBC Securities USA Inc. The Chicago Mercantile Exchange is the counterparties on these swaps.

Under the Investment Company Act of 1940 (or the "40 Act"), under which TSLX and all other business development companies (BDCs) operate, TSLX is required to hold all investment assets with a qualified bank custodian. TSLX's qualified bank custodian is State Street. Held in custody means that our assets are fully segregated from the assets of the custodian, and TSLX remains the beneficial owner of its assets. The custodian is not permitted to lend our client assets held in custody. In the event of a qualified bank custodian failing, the regulations would be expected to facilitate the return to the client of client assets in custody.

Exhibit 99.1

## Covid-19 Pandemic – 2020



Third Specialty Lending, Inc. Provides an Update on its Funding Model, Rollforward of Key Balance Sheet Items, Valuation Frameworks and Liquidity

NEW YORK – (BUSINESS WIRE) – March 26, 2020 – TPG Specialty Lending, Inc. ("NYSE: TSLX" or the "Company") today sent the following letter to its stakeholders to provide an update on its funding model, rollforward of key balance sheet items, valuation framework and liquidity.

March 14, 2020

Dear Stakeholders,

First and foremost we are proud of the health and well-being of our broader community. It is no surprise for the challenge of the coronavirus ("COVID-19") our thoughts are with everyone who has been affected from direct and indirect by this unprecedented event, we recognize that uncertainty and volatility will be a part of our near term experiences. Our portfolio companies remain resilient and we believe the ongoing implications for COVID-19 are not as significant as some of the global economy, and in the long run, we are emerging as a leader. In addition, we believe that the public health and economic crisis in the countries we operate remains temporary in nature and providing the healthy world order, we are confident in our outlook, including our outlook on macroeconomic, regulatory, and operational environments.

### Portfolio Performance

We have experienced with this crisis and we have taken a number of steps to proactively manage risk in our portfolio. Specifically, we have historically focused on investing in high quality assets with minimal credit risk and strong liquidity. Since our first IPO in 2013 to year end 2019, we maintained a first loss subordination of portfolio assets at 4% to 5% of the portfolio on our side here. Over this period, we also diversified the credit exposure in our portfolio from 100% to 25% of the portfolio as the risk here. Over the end-to-end we accounted for low and mid-term portfolio assets remaining 100% of the portfolio for the year.

The strong operating performance of our portfolio companies represents 10% of the portfolio for the year. The largest portfolio, World Resources, representing 7% of the portfolio is a value of approximately 40% of the total company, a high value asset because it is an active company, approximately 70% of the portfolio is a value of approximately 40% of the total company. The second largest portfolio is a large, active, non-operational, 10% of the portfolio is a value of approximately 10% of the total company. This is an active business that is working today, which is better positioned than other portfolio companies that are not working today.

Active our portfolio companies, we average an average book value per share of \$100, we are in a position to pay out \$200 million of cash and \$200 million of debt. In 2020, we are in a position to pay out \$200 million of cash and \$200 million of debt. In 2020, we are in a position to pay out \$200 million of cash and \$200 million of debt. In 2020, we are in a position to pay out \$200 million of cash and \$200 million of debt.

**Liquidity, Funding Profile and Capital**  
Given our ongoing focus on liquidity management, we believe we have ample and diverse funding sources with long lead times to support our capital needs in the period ahead. Currently, we have more than \$200 million of capacity available to support these needs to \$200 million to the year given.

Exhibit 99.1



TPG Specialty Lending, Inc. Provides an Update on its Funding Model, Rollforward of Key Balance Sheet Items, Valuation Frameworks and Liquidity

NEW YORK – (BUSINESS WIRE) – March 26, 2020 – TPG Specialty Lending, Inc. ("NYSE: TSLX" or the "Company") today sent the following letter to its stakeholders to provide an update on its funding model, rollforward of key balance sheet items, valuation framework and liquidity.

March 26, 2020

Dear Stakeholders,

An uncertain period gives the COVID-19 pandemic, we believe that we have a heightened responsibility to provide ongoing communication to the stakeholders of TSLX. TSLX is currently managed by TSG Advisors, L.P., an affiliate of Sixth Street Partners. These are more "business" oriented by nature of COVID-19, we believe the views of management change in the real economy, the full impact that is affecting portfolio companies globally. Given our portfolio, we will continue to monitor closely the impact of COVID-19 on the business of our portfolio companies. We believe that we are in a position to provide an update on the following topics:

- 1) Our funding model which is clearly differentiated from other bank "lender companies"
- 2) A summary of our key balance sheet items
- 3) The underlying valuation framework of our portfolio, and most importantly,
- 4) Our liquidity

### Funding Model

We believe it is important to emphasize the nature of our funding model and differentiate the right balance sheet items from those of other vehicles in the market. Funding sources such as commercial and residential mortgage REITs, Treasury characteristics of our funding model is highlighted in the following:

- **Significantly Low Leverage** – Our reported leverage (debt-to-equity) as of December 31, 2019 was 1.0x, and our current (indicated) leverage (100%) based on portfolio to strong market and the report of various ratios on our company since 12/31/2019 are: our general subordinated mortgage (discounted on our net) is 1.0x, as a portfolio, reported leverage for residential mortgage REITs and commercial mortgage REITs were approximately 1.6x and 1.3x, respectively as of December 31, 2019.
- **Financial Flexibility** – Approximately 67% of our current outstanding debt is structured in ways, which include portfolio companies and other financial instruments. This company leverages to the investment portfolio "the New York Mortgage" – We have no interest rate risk. Our cash needs in over 2.0x times over (August 2020) is should also be that this maturity obligation.

TSG Advisors, L.P. is a subsidiary of TSG Advisors, L.P. 7 Source: TSG Advisors, L.P. and TSG Advisors, L.P. 7 Source: TSG Advisors, L.P. and TSG Advisors, L.P.



TPG Specialty Lending, Inc. Provides a Business Update and Preliminary Q1 2020 Financial Results

NEW YORK – (BUSINESS WIRE) – April 16, 2020 – TPG Specialty Lending, Inc. ("NYSE: TSLX" or the "Company") today sent the following letter to its stakeholders to provide a business update and preliminary Q1 2020 financial results.

April 16, 2020

Dear Stakeholders,

An uncertain period gives the COVID-19 pandemic, we remain committed to continuing our ongoing dialogue with stakeholders of TSLX. In that spirit, please find the following update (1) quarter ended March 31, 2020 preliminary results, (2) portfolio updates, (3) details regarding our portfolio valuation process (that have been unchanged since the formation of TSLX in 2013), (4) preliminary asset value table (5) our liquidity, funding and capital (6) our business development, and (7) concluding thoughts including our view on the global economic environment. We believe this update reflects the views of our management, and we are providing it to all of our stakeholders. We believe that this update, in combination with the financial capital and interest rates on the Sixth Street platform, will provide the best value to our stakeholders when the appropriate risk-adjusted opportunity presents itself.

**Summary Preliminary Results for Quarter Ended March 31, 2020**

This information is preliminary, based upon information available as of date and is subject to change and finalization as a result of the completion of our financial closing process. All adjustments and other developments:

- Our asset value per share as of March 31, 2020 was approximately \$157.7 per share compared to \$147.7 at December 31, 2019 (which includes the impact of the \$100 per share Q4 2019 supplemental dividend that was paid in Q1), representing a decline of 7.0% over the period.
- Estimated net income per share was approximately \$0.15
- Expanded our loss per share was approximately \$0.26, primarily driven by regulatory losses related to the impact of capital widening on the investment of our portfolio
- Debt-to-equity ratio as of quarter end was approximately 0.96x, and well below the regulatory threshold of 1.2x
- Our debt funding as a quarter end was completed of approximately 90% (variance) / 12% (second debt), and we had \$1.0 billion of available capacity under our revolving credit facility
- All of our portfolio companies made their scheduled interest payments for the quarter ended March 31, 2020. We had no portfolio companies on non-current status. Management Finance ("MFI"), representing approximately 0.1% of our portfolio at the date of quarter end filed the resolution of debt. MFI made an regularly scheduled late interest payment during the quarter, which we have decided to apply to our past principal limits of receiving as interest.

## Valuation Principles – August 2022



August 2, 2022

Dear Stakeholder,

As part of our commitment to providing relevant and timely information on our business and financial results, and in conjunction with the earnings release for the quarter ended June 30, 2022, published today, we wanted to share our observations relating to the investment environment, the private credit asset class, and how we have positioned Sixth Street Specialty Lending, Inc. ("TSLX").

For long time followers of TSLX, you will be familiar with our approach to sharing information and our perspective. Our proactive communication during the heightened uncertainty of the COVID-19 pandemic period reinforced our belief that transparency is critical and serves as the foundation for our relationship with our stakeholders and strengthens our ability to best serve all our clients, including investors and financial sponsors.

### Index's Investment Environment and Yesterday's Underwriting Standards

The "macro" currently feels like even more of a factor in today's investment decisions than usual and appears to swamp the idiosyncratic. Estimates of forward inflation and the nominal federal funds rate have been evolving and changing rapidly, making cross-disciplinary investment decisions more complicated across asset classes (especially asset classes with long dated or back-end weighted cash flows).

With the benefit of hindsight, the monetary and fiscal stimulus response to COVID nudged an asset bubble driven by "free money." While raising sitting expectations on policymakers to anticipate a good future of the firm, Goldman Sachs' Chief Economist Jan Hatzius, policymakers often fight the hat war (hat was referring to the policy response to the Global Financial Crisis).

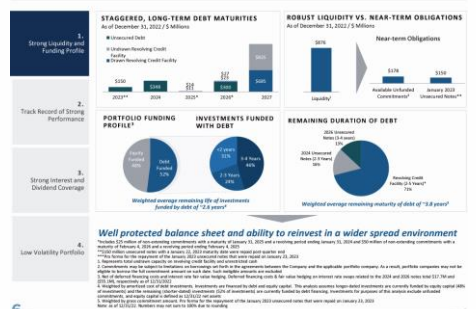
It is clear to us that negative real rates have distorted the investment environment and investor behavior. This has been particularly true for long-duration assets such as equities and long-dated securities, as noted above. For example, year-to-date total return<sup>1</sup> for the S&P 500 (including the technology sector) and 10-year Treasury<sup>2</sup> are down 27.5% and 16.7%, and 21.2%, respectively. If you believe every asset class should reflect a premium to the risk-free rate, a long period of zero real rates compressed risk premia to the point that pricing was highly sensitive to a small change in the risk premia and the outlook for the risk-free rate. The higher inflation rate experienced in 2022 has provided the catalyst to unravel much of this bubble in return.

- 1. Year-to-date total returns through July 29, 2022.
- 2. Source: Bloomberg, S&P 500 Index. NYF 10Y.
- 3. Source: Bloomberg, Technology Select Sector SPDR Fund.
- 4. Source: Bloomberg, S&P 500 Treasury Bond Current 30-Year Total Return Index.

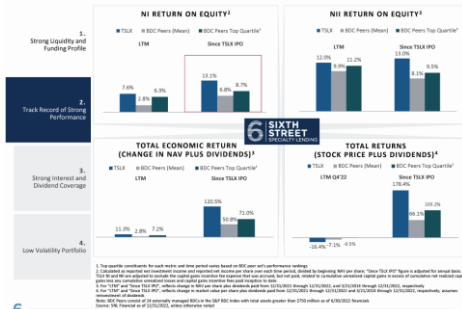
Exhibit 99.1

## Quarterly Debt & Equity Investor Presentations

### STRONG LIQUIDITY AND FUNDING PROFILE



### TRACK RECORD OF STRONG PERFORMANCE





# FOOTNOTES

---



# FOOTNOTES

## Slide 4: Snapshot

1. Reflects NAV per share adjusted for the supplemental dividend per share related to Q3 2023 earnings
2. Moody's rating updated 9/18/2023; S&P rating affirmed on 2/7/2023; Fitch rating affirmed on 4/3/2023; KBRA affirmed 5/26/2023

## Slide 6: Differentiated Solutions Provider

1. Excludes 42 structured credit investments with a total fair value of \$54.0 million
2. Calculation includes income earning debt investments only
3. Fully exited investments represent \$6.9 billion of cash invested; IRR weighted by capital invested
4. Calculated as cumulative reported net income per share from 3/31/2014 to 9/30/2023, divided by beginning NAV per share at 3/31/2014, adjusted for annual basis. For TSLX, the cumulative net income per share is adjusted to exclude the capital gains incentive fee expense that was accrued, but not paid, related to cumulative unrealized capital gains in excess of cumulative net realized capital gains less any cumulative unrealized losses and capital gains incentive fees paid inception to date
5. Reflects change in reported net asset value per share plus dividends (based on record date) from 3/31/2014 through 9/30/2023

## Slide 7: Approach to the Unsecured Markets

1. Last trace print over \$1mm size
2. Adjusted for unsettled trade receivables / (payables) as of the end of the respective period
3. Interest coverage calculated as (LTM net investment income + LTM interest expense) / LTM interest expense
4. Asset coverage for unsecured notes calculated as (total assets – secured borrowings) / unsecured notes

## Slide 9: Track Record of Strong Performance

1. Top quartile constituents for each metric and time period varies based on BDC peer set's performance rankings
2. Calculated as reported net investment income and reported net income per share over each time period, divided by beginning NAV per share; "Since TSLX IPO" figure is adjusted for annual basis. TSLX NI and NII are adjusted to exclude the capital gains incentive fee expense that was accrued, but not paid, related to cumulative unrealized capital gains in excess of cumulative net realized capital gains less any cumulative unrealized losses and capital gains incentive fees paid inception to date
3. For "LTM" and "Since TSLX IPO", reflects change in NAV per share plus dividends paid from 9/30/2022 through 9/30/2023 and 3/21/2014 through 9/30/2023, respectively
4. For "LTM" and "Since TSLX IPO", reflects change in market value per share plus dividends paid from 9/30/2022 through 9/30/2023 and 3/21/2014 through 9/30/2023, respectively; assumes reinvestment of dividends

Note: BDC Peers consist of 25 externally managed BDCs in the S&P BDC Index with total assets greater than \$1.0 billion as of 6/30/2023 financials

## Slide 10: Industry vs TSLX Unit Economics

1. Calculated as All-in-Yield (on Assets) x (1 + Assumed Debt/Equity) – Cost of Funds x Assumed Debt/Equity
2. Cost of funds reflect the annualized interest expense over average debt outstanding for the 9.5-year period beginning 3/31/2014 (including deferred financing costs and amortization of upfront fees) and giving effect to the swap-adjusted interest rate on debt instruments
3. TSLX fee structure reflects management fees of 1.50% on average quarterly assets and incentive fees of 17.50% on pre-incentive fee income; industry fee structure for the purpose of this analysis reflects average BDC Peers management fees of ~1.50% and incentive fees of ~19.00% pre-incentive fee income
4. Reflects the impact of management & incentive fee waivers on ROEs

Note: BDC Peers consist of 25 externally managed BDCs in the S&P BDC Index with total assets greater than \$1.0 billion as of 6/30/2023 financials and 2 rated BDC peers

## Slide 11: Delivering Through-The-Cycle Returns

1. Adjusted to exclude the capital gains incentive fee expense that was accrued, but not paid, related to cumulative unrealized capital gains in excess of cumulative net realized capital gains less any cumulative unrealized losses and capital gains incentive fees paid inception to date
2. Reflects NAV per share adjusted for the supplemental dividend per share related to that quarter's earnings. Note that Q4 2020 NAV per share is adjusted for the special dividend of \$1.25/share with a record date in Q1 2021
3. Represents dividends paid during the calendar year. Note, 2022 includes 5 base dividend payments due to the previously announced change in the dividend payment date which accelerated the payment of the base dividend to occur during the relevant quarter
4. Measured by the change in NAV per share plus annual dividends per share paid during the calendar year

## Slide 13: Strong Liquidity and Funding Profile

1. Includes \$25 million of non-extending commitments with a maturity of January 31, 2025 and a revolving period ending January 31, 2024, \$50 million of non-extending commitments with a maturity of February 4, 2026 and a revolving period ending February 4, 2025 and \$170 million of non-extending commitments with a maturity of April 23, 2027 and a revolving period ending April 24, 2026
2. Represents total undrawn capacity on revolving credit facility and unrestricted cash
3. Commitments may be subject to limitations on borrowings set forth in the agreements between the Company and the applicable portfolio company. As a result, portfolio companies may not be eligible to borrow the full commitment amount on such date. Such ineligible amounts are excluded
4. Net of Deferred Financing Costs and Interest Rate Fair Value Hedging. Deferred Financing Costs total \$23.4M at 9/30/23. Fair value hedge on interest rate swaps related to the 2024, 2026 and 2028 notes total (\$55.9M) at 9/30/23
5. Weighted by amortized cost of debt investments. Investments are financed by debt and equity capital. This analysis assumes longer-dated investments are currently funded by equity capital (48% of investments) and the remaining (shorter-dated) investments (52% of investments) are currently funded by debt financing. Investments for purposes of this analysis exclude unfunded commitments, and equity capital is defined as 9/30/23 net assets
6. Weighted by gross commitment amount

# FOOTNOTES

## Slide 14: Strong Asset Coverage for Outstanding Notes

1. Calculated as total assets less secured borrowings divided by unsecured debt
2. In connection with the note offerings, the Company entered into interest rate swaps to align the interest rates of its liabilities with its investment portfolio, which consists of predominately floating rate loans. In connection with certain notes repurchases, the Company entered into additional interest rate swaps to reduce the notional exposure of its existing interest rate swaps related to the notes to match the current principal amount of notes outstanding. As a result of the swaps, the effective interest rate (excluding OID) on the 2024 notes is SOFR plus 2.54%; the effective interest rate (excluding OID) on the 2026 notes is SOFR plus 2.17%; and the effective interest rate (excluding OID) on the 2028 notes is SOFR plus 2.99%
3. Reflects the implied spread over the applicable benchmark treasury rate at the time of each transaction close
4. Borrowing base availability as of quarter end subject to the applicable advance rate and portfolio concentration limitations
5. Collateral coverage calculated as total assets divided by amount drawn on revolving credit facility

## Slide 15: TSLX Liquidity and Funding Profile vs BDC Peers

1. Calculated as (total undrawn commitments under revolving credit facility + unrestricted cash) / total assets
2. Calculated as (total undrawn commitments under revolving credit facility + unrestricted cash) / unfunded commitments. Since unfunded commitments may be subject to limitations on borrowings set forth in the agreements between the Company and the applicable portfolio company, when data is available, we use the lesser of i) eligible unfunded commitment to be drawn as of 9/30/23, and ii) total unfunded commitments
3. Unsecured debt attachment point calculated as total secured debt divided by total assets and unsecured debt detachment point calculated as total debt divided by total assets as of 9/30/23
4. Based on principal amount of debt outstanding

Note: BDC Peers consist of 25 externally managed BDCs in the S&P BDC Index with total assets greater than \$1.0 billion as of 6/30/2023 financials and 2 rated BDC peers

## Slide 16: A Disciplined Approach to Liquidity & Capital Management

1. Equity issued reflects the initial public offering of 7 million shares of common stock at \$16.00 per share
2. Equity issued in 2021 and 2022 includes \$43 million and \$78 million, respectively, from the conversion of the 2022 convertible notes to equity.

## Slide 18: Credit Highlights – TSLX vs BDC Peers

1. Debt figure includes SBA debentures (GAAP Leverage)
2. Based on fair value
3. Calculated as LTM 6/30/2023, cumulative net income per share, divided by beginning NAV per share at 9/30/2023
4. Calculated as cumulative net income per share from 3/31/2014 to 9/30/2023, divided by beginning NAV per share at 3/31/2014, adjusted for annual basis

## Slide 19: Credit Highlights – TSLX vs BDC Peers

1. Debt figure includes SBA debentures (GAAP Leverage)
2. Interest coverage defined as (LTM net investment income + LTM interest expense) / LTM interest expense
3. Interest & dividend coverage defined as (LTM net investment income + LTM interest expense) / (LTM interest expense + LTM regular dividends paid); excludes special and supplemental dividends paid.

## Slide 20: Collateral Coverage and Asset Quality Matters

1. Unsecured debt attachment point calculated as total secured debt divided by total assets and unsecured debt detachment point calculated as total debt divided by total assets as of 9/30/23

## Slide 24: Differentiated Platform Expertise and Capabilities

1. Total yield on investments is calculated based on the interest rate and the accretion of OID, exclusive of investments on non-accrual status
2. Interest rate on debt outstanding includes the swap-adjusted interest expense related to our Convertible Notes and Unsecured Notes

## Slide 26: Low Cyclical Exposure

Note: Cyclical names include certain portfolio companies in the following industries: automotive; beverage, food, and tobacco; capital equipment; construction and building; containers and packaging; hotel, gaming, and leisure; manufacturing; metals and mining, which TSLX believes are subject to business cycle volatility. Excludes energy-related portfolio companies and asset-backed loan portfolio companies

## Slide 28: Portfolio Diversification Across Borrowers

Note: Cyclical names include certain portfolio companies in the following industries: automotive; beverage, food, and tobacco; capital equipment; construction and building; containers and packaging; hotel, gaming, and leisure; manufacturing; metals and mining, which TSLX believes are subject to business cycle volatility. Excludes energy-related portfolio companies and asset-backed loan portfolio companies

## Slide 29: TSLX Asset Mix

1. Excludes investments on non-accrual status
2. Large BDC Composite consists of ARCC, BXSL, OBDC, FSK
3. Calculated since TSLX IPO through 9/30/2023. Calculated as cumulative net income per share from 3/31/2014 to 9/30/2023, divided by beginning NAV per share at 3/31/2014, adjusted for annual basis

## Slide 31: High Quality Portfolio

1. Position added to non-accrual status during Q1 2023

# FOOTNOTES

## Slide 32: TSLX Portfolio vs. Broadly Syndicated Loan Market

1. TSLX classifies the industries of its portfolio companies by end-market (such as healthcare, and business services) and not by the products or services (such as software) directed to those end-markets. For the broadly syndicated loan market, the figure represents the percentage weighting of "IT Services and Software" names in the Morningstar LSTA Leveraged Loan Index by market value as of September 2023
2. Reflects average reference rate floors across the entire TSLX portfolio and the Morningstar LSTA Leveraged Loan Index, respectively
3. Represents the weighted average duration assumption of TSLX's Level III debt investments and the remaining years to maturity for the Morningstar LSTA Leveraged Loan Index, respectively
4. Weighted average fair value mark of debt portfolio for TSLX and the prices for the Morningstar LSTA Leveraged Loan Index, respectively

## Slide 33: Originations and Funding Activity

1. At par value; since inception through 9/30/2023
2. Pay-downs include amortization of term loans and revolver pay-downs; other reflects the difference between the basis of fundings (par value) and portfolio balance (fair value as of 9/30/2023)

## Slide 36: Why Valuation Matters

1. Calculated as average daily price per share from 3/21/2014 to 9/30/2023 divided by NAV per share at 3/31/2014, or earliest reporting period for BDC peer who went public after 3/31/2014
2. Calculated as cumulative reported net income per share from 3/31/2014 to 9/30/2023, divided by beginning NAV per share at 3/31/2014, adjusted for annual basis. For TSLX, the cumulative net income per share is adjusted to exclude the capital gains incentive fee expense that was accrued, but not paid, related to cumulative unrealized capital gains in excess of cumulative net realized capital gains less any cumulative unrealized losses and capital gains incentive fees paid inception to date

Note: BDC Peers consist of 25 externally managed BDCs in the S&P BDC Index with total assets greater than \$1.0 billion based on quarter ended 6/30/23 financials.

## Slide 38: Financial Highlights

1. Adjusted to exclude the capital gains incentive fee expense that was accrued, but not paid, related to cumulative unrealized capital gains in excess of cumulative net realized capital gains less any cumulative unrealized losses and capital gains incentive fees paid inception to date
2. Reflects NAV per share adjusted for the supplemental dividend per share related to that quarter's earnings
3. Adjusted for unsettled trade receivables / (payables) as of the end of the respective period
4. Daily average debt outstanding during the quarter/year divided by average net assets during the quarter. Average net assets is calculated by starting with the prior quarter/year end net asset value and adjusting for capital activity during the quarter/year (adding common stock offerings / DRIP contributions)
5. Quarterly Return on Equity is calculated using the prior period's ending net asset value per share. Note that Return on Equity on adjusted net investment income and adjusted net income exclude the impact of the capital gains incentive fee expense that has been accrued, but not paid or payable, related to cumulative unrealized capital gains in excess of cumulative net realized capital gains less any cumulative unrealized losses and capital gains incentive fees paid inception to date

## Slide 39: Portfolio Highlights – Selected Metrics

1. Calculation includes income earning debt investments only
2. Excludes structured credit investments
3. Total yield on investments is calculated based on the interest rate and the accretion of OID, exclusive of investments on non-accrual status

## Slide 40: Operating Results

1. Interest from investments – interest and dividend income includes accrued interest and dividend income, amortization of purchase discounts (premiums) and certain fees, and accelerated amortization of upfront fees from scheduled principal payments
2. Interest from investments – other fees includes prepayment fees and accelerated amortization of upfront fees from unscheduled paydowns
3. Other income includes amendment fees, syndication fees, interest on cash and cash equivalents and miscellaneous fees
4. Adjusted to exclude the capital gains incentive fee expense that was accrued, but not paid, related to cumulative unrealized capital gains in excess of cumulative net realized capital gains less any cumulative unrealized losses and capital gains incentive fees paid inception to date

## Slide 41: Net Asset Value Bridge – Q3'23

1. Reflects Q2 2023 NAV per share adjusted for the supplemental dividend per share of \$0.06 related to Q2 2023 earnings and paid in Q3 2023
2. Reflects Q3 2023 NAV per share adjusted for the declared supplemental dividend per share of \$0.07 related to Q3 2023 earnings and payable in Q4 2023

## Slide 42: Our Drivers of ROE

1. Amortization of upfront fees assumes upfront fees of 225 bps and a 2.5-year average life
2. Reflects average prepayment fees, syndication fees and other income for the historical 3-year period ending 9/30/2023
3. Reflects the actual average interest cost under the terms of our debt for the quarter ended 9/30/2023. Calculation includes fees (such as fees on undrawn amounts and amortization of upfront fees) and gives effect to the swap-adjusted interest rate on our Unsecured Notes
4. Calculated as All-in-Yield (on Assets) x (1 + Assumed Debt/Equity) – Cost of Funds x Assumed Debt/Equity
5. Reflects average run-rate operating expenses for the historical 3-year period ending 9/30/2023



CONTACT US:

**TSLX Investor Relations**

✉ [IRTSLX@sixthstreet.com](mailto:IRTSLX@sixthstreet.com)

VISIT US:

🌐 [www.sixthstreetspecialtylending.com](http://www.sixthstreetspecialtylending.com)