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, 2013

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 814-00854

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

Delaware	**27-3380000**
(State or Other Jurisdiction of Incorporation or Organization)	**(I.R.S. Employer Identification No.)**
301 Commerce Street, Suite 3300, Fort Worth, TX	**76102**
(Address of Principal Executive Offices)	**(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 8, 2013 was 516,571.

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TPG SPECIALTY LENDING, INC.

FORM 10-Q FOR THE QUARTER ENDED MARCH 31, 2013

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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 (the “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 such 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 sections entitled “Risk Factors” in this report and in our Annual Report on Form 10-K for the year ended December 31, 2012, filed with the SEC on March 15, 2013, as amended, 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 (the “1934 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.

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PART I. FINANCIAL INFORMATION

In this Quarterly Report, “Company”, “TSL”, “we”, “us” and “our” refer to TPG Specialty Lending, Inc. and its consolidated subsidiaries unless the context states otherwise.

Item 1. Financial Statements

TPG Specialty Lending, Inc.

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

	March 31, 2013	December 31, 2012
Assets		
Investments at fair value		
Non-controlled, non-affiliated investments (amortized cost of $614,822 and $644,421, respectively)	$ 626,293	$ 653,944
Cash and cash equivalents	164,666	161,825
Interest receivable	2,998	2,354
Receivable for investments sold	—	1,976
Prepaid expenses and other assets	11,194	13,050
Total Assets	$ 805,151	$ 833,149
Liabilities		
Revolving credit facilities	$ 263,655	$ 331,836
Management fees payable to affiliate	1,532	1,464
Incentive fees payable to affiliate	4,359	4,053
Dividends payable	13,000	10,260
Payable for investments purchased	—	2,759
Payables to affiliate	1,150	480
Other liabilities	2,110	2,494
Total Liabilities	285,806	353,346
Commitments and contingencies (Note 7)		
Net Assets		
Preferred stock, $0.01 par value; 100,000,000 shares authorized; no shares issued and outstanding	—	—
Common stock, $0.01 par value; 100,000,000 shares authorized; 511,020 and 474,677 shares issued, respectively; and 510,021 and 473,678 shares outstanding, respectively	5	5
Additional paid-in capital	506,787	469,709
Treasury stock at cost; 999 shares	(1)	(1)
Undistributed net investment income	(907)	(1,016)
Net unrealized gains on investments	11,471	9,523
Undistributed net realized gains on investments	1,990	1,583
Total Net Assets	519,345	479,803
Total Liabilities and Net Assets	$ 805,151	$ 833,149
Net Asset Value Per Share	$ 1,018.28	$ 1,012.93

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

TPG Specialty Lending, Inc.

Consolidated Statements of Operations
($ in thousands)
(Unaudited)

	Three Months Ended March 31, 2013	Three Months Ended March 31, 2012
Income		
Investment income from non-controlled, non-affiliated investments:		
Interest from investments	$ 20,624	$ 6,013
Other income	177	49
Interest from cash and cash equivalents	1	7
Total investment income from non-controlled, non-affiliated investments	20,802	6,069
Investment income from non-controlled, affiliated investments:		
Interest from investments	—	901
Other income	—	4
Total investment income from non-controlled, affiliated investments	—	905
Total Investment Income	20,802	6,974
Expenses		
Interest	2,250	914
Management fees	3,016	1,465
Incentive fees	2,729	1,021
Professional fees	582	837
Directors' fees	71	71
Other general and administrative	528	370
Total expenses	9,176	4,678
Management fees waived (Note 3)	(1,484)	(321)
Net Expenses	7,692	4,357
Net Investment Income Before Income Taxes	13,110	2,617
Income taxes, including excise taxes	4	—
Net Investment Income	13,106	2,617
Net Gains on Investments		
Net change in unrealized gains (losses):		
Non-controlled, non-affiliated investments	1,948	2,931
Non-controlled, affiliated investments	—	(203)
Net realized gains:		
Non-controlled, non-affiliated investments	407	441
Total Net Gains on Investments	2,355	3,169
Increase in Net Assets Resulting from Operations	$ 15,461	$ 5,786

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

TPG Specialty Lending, Inc.

Consolidated Schedule of Investments as of March 31, 2013
($ in thousands)
(Unaudited)

Company (1)	Industry	Investment	Interest	Acquisition Date	Amortized Cost (2)	Fair Value	Percentage of Net Assets
AFS Technologies, Inc. (3)(4)	Software provider for food and beverage companies	Senior secured loan ($46,261 par, due 8/2015)	7.75%	8/31/2011	45,452	46,146	8.9%
Ecommerce Industries, Inc. (3)(4)	ERP and eCommerce systems software	Senior secured loan ($21,275 par, due 10/2016)	8.00%	10/17/2011	21,018	21,701	4.2%
MSC.Software Corporation (3)(4)	Multidiscipline simulation software	Senior secured loan ($55,562 par, due 11/2017)	7.75%	12/23/2011	54,775	55,562	10.7%
Mannington Mills, Inc. (3)(4)	Commercial and residential flooring	Senior secured loan ($50,184 par, due 3/2017)	14.00%	3/5/2012	46,539	50,458	9.7%
Mandalay Baseball Properties, LLC (3)(4)	Sports Entertainment	Senior secured loan ($28,727 par, due 4/2017)	12.00%	4/12/2012	28,034	29,086	5.6%
Infogix, Inc. (3)(4)	Business operations management solutions	Senior secured loan ($30,419 par, due 6/2017)	10.00%	6/1/2012	29,814	30,419	5.9%
Attachmate Corporation (3)(4)	Multidiscipline simulation software	Senior secured loan ($908 par, due 11/2017)	7.25%	6/25/2012	925	918	0.2%
Teletrac, Inc. (3)(4)	Fleet management solutions	Senior secured loan ($17,369 par, due 7/2017)	6.65%	7/23/2012	17,023	17,238	3.3%
Consona Holdings, Inc. (3)(4)	Enterprise application software solutions	Senior secured loan ($29,850 par, due 8/2018)	7.25%	8/13/2012	29,455	29,925	5.7%
Heartland Automotive Holdings, LLC (3)(4)	Preventive automotive maintenance services	Senior secured loan ($38,458 par, due 6/2017)	9.00%	8/28/2012	37,425	37,798	7.3%

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Company (1)	Industry	Investment	Interest	Acquisition Date	Amortized Cost (2)	Fair Value	Percentage of Net Assets
Synagro Technologies, Inc. (3)	Recycling and waste management	Senior secured loan ($5,670 par, due 10/2014)	5.06%	9/14/2012	2,814	1,474	0.3%
Synagro Technologies, Inc. (3)	Recycling and waste management	Senior secured loan ($3,117 par, due 10/2014)	2.28%	11/8/2012	2,766	2,961	0.6%
International Equipment Solutions, Inc. (3)(4)	Engineered equipment manufacturing	Senior secured loan ($29,010 par, due 9/2016)	8.50%	9/18/2012	28,396	28,647	5.5%
Mediware Information Systems, Inc. (3)(4)	Healthcare software solutions	Senior secured loan ($50,184 par, due 5/2018)	8.00%	11/9/2012	48,983	49,334	9.5%
SumTotal Systems, LLC (3)	Talent development software	Senior secured loan ($9,975 par, due 11/2018)	6.25%	11/16/2012	9,848	10,025	1.9%
SumTotal Systems, LLC (3)	Talent development software	Senior secured loan ($5,500 par, due 5/2018)	10.25%	11/16/2012	5,452	5,472	1.1%
Rogue Wave Holdings, Inc. (3)(4)	Cross-platform software development tools	Senior secured loan ($39,500 par, due 11/2017)	8.25%	11/21/2012	38,511	39,303	7.6%
Embarcadero Technologies, Inc. (3)(4)	Database management software	Senior secured loan ($44,155 par, due 12/2017)	8.00%	12/28/2012	43,115	43,824	8.4%
SRS Software, LLC (3)(4)	Healthcare software solutions	Senior secured loan ($37,378 par, due 12/2017)	8.75%	12/28/2012	36,034	36,401	7.0%
Sage Automotive Interiors, Inc. (3)(4)	Automotive Interiors	Senior secured loan ($19,629 par, due 12/2016)	9.50%	12/31/2012	19,583	19,531	3.7%
Centaur, LLC (3)(4)	Gaming	Senior secured loan ($10,000 par, due 2/2020)	8.75%	3/8/2013	9,900	10,150	2.0%
The Newark Group, Inc. (3)(4)	Recycled Paperboard Producer	Senior secured loan ($48,000 par, due 2/2018)	8.50%	2/8/2013	46,943	47,520	9.1%
Total Senior Secured Loans					602,805	613,893	118.2%
Corporate Bonds							
Checkers Drive-In Restaurants, Inc. (4)	Full service chain of restaurants	Bond ($10,000 par, due 12/2017)	11.00%	11/16/2012	10,017	10,400	2.0%
Total Corporate Bonds					10,017	10,400	2.0%

Company (1)	Industry	Investment	Interest	Acquisition Date	Amortized Cost (2)	Fair Value	Percentage of Net Assets
Equity							
SRS Parent Corp.	Healthcare software solutions	Common Shares Class A (1,980 shares)		12/28/2012	1,980	1,980	0.4%
		Common Shares Class B (2,953,020 shares)		12/28/2012	20	20	— %
Total Equity					2,000	2,000	0.4%
Total					$614,822	$626,293	120.6%

(1) Unless otherwise indicated, the Company's portfolio companies are domiciled in the United States. As of March 31, 2013, 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. Variable rate loans bear interest at a rate that may be determined by reference to either LIBOR or an alternate base rate, at the borrower's option, which reset periodically based on the terms of the loan agreement. For each such loan we have provided the interest rate in effect on the date presented. In addition to the interest earned based on the stated interest rate of this loan, the Company may be entitled to receive additional interest as a result of its arrangement with other lenders in a syndication.

(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 revolving credit facility with Natixis Bank (see Note 6).

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

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TPG Specialty Lending, Inc.

Consolidated Schedule of Investments as of December 31, 2012
($ in thousands, except share amounts)
(Unaudited)

Company (1)	Industry	Investment	Interest	Acquisition Date	Amortized Cost (2)	Fair Value	Percentage of Net Assets
AFS Technologies, Inc. (3)(4)	Software provider for food and beverage companies	Senior secured loan ($46,884 par, due 8/2015)	7.75%	8/31/2011	45,987	46,532	9.7%
Ecommerce Industries, Inc. (3)(4)	ERP and eCommerce systems software	Senior secured loan ($21,562 par, due 10/2016)	8.00%	10/17/2011	21,286	21,808	4.5%
MSC.Software Corporation (3)(4)	Multidiscipline simulation software	Senior secured loan ($56,266 par, due 11/2017)	7.75%	12/23/2011	55,423	55,984	11.7%
Federal Signal Corporation (3)(4)	Manufacturer of safety, emergency and heavy duty cleaning equipment	Senior secured loan ($41,608 par, due 2/2017)	12.00%	2/22/2012	40,897	43,064	9.0%
Mannington Mills, Inc. (3)(4)	Commercial and residential flooring	Senior secured loan ($50,537 par, due 3/2017)	14.00%	3/5/2012	49,551	53,190	11.1%
Mandalay Baseball Properties, LLC (3)(4)	Sports Entertainment	Senior secured loan ($28,414 par, due 4/2017)	12.00%	4/12/2012	27,684	28,556	6.0%
Infogix, Inc. (3)(4)	Business operations management solutions	Senior secured loan ($30,613 par, due 6/2017)	10.00%	6/1/2012	29,974	30,346	6.3%
Attachmate Corporation (3)(4)	Multidiscipline simulation software	Senior secured loan ($926 par, due 11/2017)	7.25%	6/25/2012	944	894	0.2%
eResearch Technology, Inc. (3)(4)	Pharmaceutical research services	Senior secured loan ($24,937 par, due 5/2018)	8.00%	7/3/2012	24,006	24,626	5.1%
Teletrac, Inc. (3)(4)	Fleet management solutions	Senior secured loan ($17,413 par, due 7/2017)	6.65%	7/23/2012	17,049	17,151	3.6%
Consona Holdings, Inc. (3)(4)	Enterprise application software solutions	Senior secured loan ($29,925 par, due 8/2018)	7.25%	8/13/2012	29,514	29,925	6.2%
Heartland Automotive Holdings, LLC (3)(4)	Preventive automotive maintenance services	Senior secured loan ($38,951 par, due 6/2017)	9.00%	8/28/2012	37,998	38,075	7.9%

Company (1)	Industry	Investment	Interest	Acquisition Date	Amortized Cost (2)	Fair Value	Percentage of Net Assets
Synagro Technologies, Inc. (3)	Recycling and waste management	Senior secured loan ($5,670 par, due 10/2014)	7.00%	9/14/2012	2,814	1,517	0.3%
Synagro Technologies, Inc. (3)	Recycling and waste management	Senior secured loan ($3,134 par, due 10/2014)	2.31%	11/8/2012	2,759	2,813	0.6%
International Equipment Solutions, Inc. (3)(4)	Engineered equipment manufacturing	Senior secured loan ($29,391 par, due 9/2016)	8.50%	9/18/2012	28,732	28,876	6.0%
Mediware Information Systems, Inc. (3)(4)	Healthcare software solutions	Senior secured loan ($50,500 par, due 5/2018)	8.00%	11/9/2012	49,230	49,218	10.3%
SumTotal Systems, LLC (3)	Talent development software	Senior secured loan ($10,000 par, due 11/2018)	6.25%	11/16/2012	9,867	9,925	2.1%
SumTotal Systems, LLC (3)	Talent development software	Senior secured loan ($5,000 par, due 5/2018)	10.25%	11/16/2012	4,950	4,925	1.0%
Rogue Wave Holdings, Inc. (3)(4)	Cross-platform software development tools	Senior secured loan ($40,000 par, due 11/2017)	8.25%	11/21/2012	38,947	39,600	8.3%
Embarcadero Technologies, Inc. (3)(4)	Database management software	Senior secured loan ($59,714 par, due 12/2017)	8.00%	12/28/2012	58,223	58,221	12.1%
SRS Software, LLC (3)(4)	Healthcare software solutions	Senior secured loan ($37,500 par, due 12/2017)	8.75%	12/28/2012	36,439	36,563	7.6%
Sage Automotive Interiors, Inc. (3)(4)	Automotive Interiors	Senior secured loan ($19,878 par, due 12/2016)	9.50%	12/31/2012	19,717	19,679	4.1%
Total Senior Secured Loans					631,991	641,488	133.7%
Senior Secured Revolving Loans							
Heartland Automotive Holdings, LLC (3)(4)	Preventive automotive maintenance services	Senior secured revolving loan ($555 par, due 6/2017)	10.00%	8/28/2012	413	431	0.1%
Total Senior Secured Revolving Loans					413	431	0.1%
Corporate Bonds							
Checkers Drive-In Restaurants, Inc. (4)	Full service chain of restaurants	Bond ($10,000 par, due 12/2017)	11.00%	11/16/2012	10,017	10,025	2.1%
Total Corporate Bonds					10,017	10,025	2.1%

Company (1)	Industry	Investment	Interest	Acquisition Date	Amortized Cost (2)	Fair Value	Percentage of Net Assets
Equity							
SRS Parent Corp.	Healthcare software solutions	Common Shares Class A (1,980 shares)		12/28/2012	1,980	1,980	0.4%
		Common Shares Class B (2,953,020 shares)		12/28/2012	20	20	— %
Total Equity					2,000	2,000	0.4%
Total					$644,421	$653,944	136.3%

(1) Unless otherwise indicated, the Company's portfolio companies are domiciled in the United States. As of December 31, 2012, 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. Variable rate loans bear interest at a rate that may be determined by reference to either LIBOR or an alternate base rate, at the borrower's option, which reset periodically based on the terms of the loan agreement. For each such loan we have provided the interest rate in effect on the date presented. In addition to the interest earned based on the stated interest rate of this loan, the Company may be entitled to receive additional interest as a result of its arrangement with other lenders in a syndication.

(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 revolving credit facility with Natixis Bank (see Note 6).

Transactions during the year ended December 31, 2012 in which the issuer was an affiliated company (but not a portfolio company that we "control") are as follows:

	As of and for the Year Ended December 31, 2012								
Company	Fair Value at December 31, 2011	Gross Additions (a)	Gross Reductions (b)	Net Unrealized Loss	Fair Value at December 31, 2012	Realized Gains	Interest Income	Dividend Income	Other Income
AFS Technologies, Inc. (c)	$ 42,663	$15,990	$(58,316)	$ (337)	$ —	$ 100	$2,724	$ 1,231	$ 10
Total	$ 42,663	$15,990	$(58,316)	$ (337)	$ —	$ 100	$2,724	$ 1,231	$ 10

(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.

(c) In connection with the redemption of the Company's preferred equity investment, AFS Technologies, Inc. was no longer an affiliated company as of December 31, 2012.

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

TPG Specialty Lending, Inc.

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

	Three Months Ended March 31, 2013	Three Months Ended March 31, 2012
Increase in Net Assets Resulting from Operations		
Net investment income	$ 13,106	$ 2,617
Net change in unrealized gains on investments	1,948	2,728
Net realized gains on investments	407	441
Increase in Net Assets Resulting from Operations	15,461	5,786
Increase in Net Assets Resulting from Capital Share Transactions		
Issuance of common shares sold	31,857	116,535
Reinvestment of dividends	5,224	336
Dividends declared	(13,000)	(3,100)
Increase in Net Assets Resulting from Capital Share Transactions	24,081	113,771
Total Increase in Net Assets	39,542	119,557
Net assets, beginning of period	479,803	173,092
Net Assets, End of Period	$ 519,345	$ 292,649
Undistributed Net Investment Income Included in Net Assets at the End of the Period	$ (907)	$ (2,136)

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

TPG Specialty Lending, Inc.

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

	Three Months Ended March 31, 2013	Three Months Ended March 31, 2012
Cash Flows from Operating Activities		
Increase in net assets resulting from operations	$ 15,461	$ 5,786
Adjustments to reconcile increase in net assets resulting from operations to net cash used in operating activities:		
Net change in unrealized gains on investments	(1,948)	(2,728)
Net realized gains on investments	(407)	(441)
Net amortization of discount on securities	(2,407)	(542)
Amortization of debt issuance costs	502	243
Purchases of investments, net	(76,943)	(188,649)
Proceeds from investments, net	32,670	45,906
Repayments on investments	77,244	4,142
Paid-in-kind interest	(560)	(89)
Changes in operating assets and liabilities:		
Interest receivable	(644)	(1,878)
Prepaid expenses and other assets	3,341	122
Management fees payable	68	211
Incentive fees payable	306	1,021
Payable to affiliate	670	(712)
Other liabilities	(3,143)	2,180
Net Cash Provided by (Used in) Operating Activities	44,210	(135,428)
Cash Flows from Financing Activities		
Borrowings on revolving credit facilities	225,000	440,000
Payments on revolving credit facilities	(293,181)	(368,000)
Proceeds from issuance of common stock	31,857	116,535
Dividend paid to stockholders	(5,034)	(293)
Other	(11)	—
Net Cash Provided by (Used in) Financing Activities	(41,369)	188,242
Net Increase in Cash and Cash Equivalents	2,841	52,814
Cash and cash equivalents, beginning of period	161,825	143,692
Cash and Cash Equivalents, End of Period	$ 164,666	$ 196,506
Supplemental Information:		
Interest paid during the period	$ 1,851	$ 251
Dividends declared during the period	$ 13,000	$ 3,100
Reinvestment of dividends during the period	$ 5,224	$ 336

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

TPG Specialty Lending, Inc.

Notes to Consolidated Financial Statements
(Unaudited)
($ in thousands, unless otherwise indicated)

1. Organization and Basis of Presentation

Organization

TPG Specialty Lending, Inc. (collectively with its consolidated subsidiaries, "TSL" 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"). TSL 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.

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 significant 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, 2012, which was filed with the Securities and Exchange Commission ("SEC") on March 15, 2013.

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.

Investments at Fair Value

Investment transactions purchased on a secondary basis are recorded on the trade date. Loan originations are recorded on the funding date which is generally the date of the binding commitment. Realized gains or losses are measured by the difference between the net proceeds from the repayment or sale 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. Unrealized gains or losses primarily reflect the change in investment values, including the reversal of previously recorded unrealized gains or losses on investments realized during the period.

Investments for which market quotations are readily available are typically valued at such market quotations. In order 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 nature of the quotations. Debt and equity securities that are not publicly traded or whose market prices are not readily available 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 an independent third-party valuation firm engaged at the direction of the Board.

As part of the valuation process, the Company takes into account relevant factors in determining the fair value of its investments, including: the estimated enterprise value of a portfolio company (i.e., 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, 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 Company considers the pricing indicated by the external event to corroborate its valuation.

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

- The quarterly 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 a value 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.

In connection with debt and equity securities that were valued at fair value in good faith by the Board, the Board has engaged an independent third-party valuation firm to perform certain limited procedures that the Board identified and requested it to perform. As of March 31, 2013, the independent third-party valuation firm performed its procedures on the majority (determined by fair value) of investments that were valued in good faith by the Board which have been outstanding for greater than 45 days. Upon completion of such limited procedures, the third-party valuation firm 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 ("ASC") 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 (i.e., 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, we review 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.

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.

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 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.

3. Agreements and Related Party Transactions

Administration Agreement

On March 15, 2011, the Company entered into an Administration Agreement (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.

For the three months ended March 31, 2013 and 2012, the Company incurred expenses of $0.3 million and $0.2 million, respectively, for administrative services payable to the Adviser under the terms of the Administration Agreement.

The Administration Agreement had an initial term that ended on March 15, 2013. On March 12, 2013, the Board renewed the Administration Agreement which will now remain in effect until March 15, 2014, unless earlier terminated as described below, and may be further extended subject to required approvals. The Administration Agreement may be terminated by either party without penalty upon at least 60 days’ written notice to the other party.

No person who is an officer, director or employee of the Adviser and who serves as a director of the Company receives any compensation from the Company for such services. 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 a percentage of time such 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.

Advisory Agreement

On April 15, 2011, the Company entered into an Advisory Agreement (the “Advisory Agreement”) with the Adviser. The Advisory Agreement was subsequently amended on December 12, 2011. Under the terms of the Advisory Agreement, the Adviser will provide investment advisory services to the Company. The Adviser’s services under the 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 Advisory Agreement, the Company will pay the Adviser a base management fee (the "Management Fee") and may also pay certain incentive fees (the "Incentive Fee").

Until the Company has an initial public offering of its Common Stock (an "IPO"), 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. Management Fees are payable quarterly in arrears and are prorated for any partial month or quarter.

For the three months ended March 31, 2013 and 2012, Management Fees were $3.0 million and $1.5 million, respectively.

Until such time that the Company has an IPO, the Adviser has 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, 2013 and 2012, Management Fees of $1.5 million and $0.3 million, respectively, were waived.

The Incentive Fee consists of two parts, as follows:

(i) The first component, payable at the end of each quarter in arrears, will equal 100% of the excess of pre-incentive fee net investment income in excess of a 1.5% quarterly hurdle rate until the Adviser has received 15% (17.5% subsequent to an IPO) of total net investment income for that quarter, and 15% (17.5% subsequent to an IPO) of all remaining pre-incentive fee net investment income for that quarter.

(ii) The second component, payable at the end of each fiscal year in arrears, will, prior to an IPO, equal 15% of cumulative realized capital gains from the inception of the Company to the end of such fiscal year, less cumulative realized capital losses, unrealized capital depreciation and net of the aggregate amount of any previously paid capital gain incentive fees for prior periods (the "Capital Gains Fee"). Following an IPO, the Capital Gains Fee will equal a weighted percentage of the Company's realized capital gains, if any, on a cumulative basis as between the inception of the Company to an IPO and from such IPO to the end of such fiscal year. The weighted percentage is intended to ensure that for each fiscal year following an IPO, the portion of the Company's realized capital gains that accrued prior to an IPO will be subject to an incentive fee rate of 15% and the portion of the Company's realized capital gains that accrued following an IPO will be subject to an incentive fee rate of 17.5%.

Notwithstanding the forgoing, if prior to an IPO, cumulative net realized losses from inception of the Company exceed the aggregate dollar amount of dividends paid by the Company through such date, the Adviser will forego the right to receive its quarterly incentive fee payments with respect to pre-incentive fee net investment income until such time that cumulative net realized losses are less than or equal to dividend payments.

The Company accrues Incentive Fees 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 such gains are realized. There can be no assurance that such unrealized gains will be realized in the future.

For the three months ended March 31, 2013, Incentive Fees were $2.7 million of which $2.4 million were realized and payable to the Adviser. For the three months ended March 31, 2012, Incentive Fees were $1.0 million of which $0.5 million were realized and payable to the Adviser.

Unless earlier terminated, the Advisory Agreement will remain in effect until December 12, 2013, and may be extended subject to required approvals. The Advisory Agreement will automatically terminate in the event of an assignment and may be terminated by either party without penalty upon at least 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. Expenses incurred by the Adviser on behalf of the Company for the three months ended March 31, 2013 and 2012, were $0.9 million and $1.0 million, respectively.

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. 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 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 investments.

Investments at fair value consisted of the following at March 31, 2013 and December 31, 2012:

	March 31, 2013		
	Amortized Cost (1)	Fair Value	Net Unrealized Gains
Debt investments	$ 612,822	$624,293	$ 11,471
Common equity	2,000	2,000	—
Total Investments	$ 614,822	$626,293	$ 11,471

	December 31, 2012		
	Amortized Cost (1)	Fair Value	Net Unrealized Gains
Debt investments	$ 642,421	$651,944	$ 9,523
Common equity	2,000	2,000	—
Total Investments	$ 644,421	$653,944	$ 9,523

(1) 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 as of March 31, 2013 and December 31, 2012, is as follows:

	March 31, 2013	December 31, 2012
Healthcare software solutions	13.8%	13.4%
Multidiscipline simulation software	9.0%	8.7%
Commercial and residential flooring	8.1%	8.1%
Recycled paperboard producer	7.6%	—
Software provider for food and beverage companies	7.4%	7.1%
Database management software	7.0%	8.9%
Cross-platform software development tools	6.3%	6.1%
Preventive automotive maintenance services	6.0%	5.9%
Business operations management solutions	4.9%	4.6%
Enterprise application software solutions	4.8%	4.6%
Sports entertainment	4.6%	4.4%
Engineered equipment manufacturing	4.6%	4.4%
ERP and eCommerce systems software	3.5%	3.3%
Automotive interiors	3.1%	3.0%
Fleet management solutions	2.8%	2.6%
Talent development software	2.5%	2.3%
Full service chain of restaurants	1.7%	1.5%
Gaming	1.6%	—
Recycling and waste management	0.7%	0.7%
Safety equipment manufacturer	—	6.6%
Pharmaceutical research services	—	3.8%
Total	100.0%	100.0%

The geographic composition of Investments at fair value at March 31, 2013 and December 31, 2012, is as follows:

	March 31, 2013	December 31, 2012
United States		
Midwest	14.4%	18.8%
Northeast	21.8%	17.8%
South	26.8%	25.7%
West	37.0%	37.7%
Total	100.0%	100.0%

5. Fair Value of Financial Instruments

Investments

The following tables present fair value measurements for Investments at fair value as of March 31, 2013 and December 31, 2012:

	Fair Value Hierarchy at March 31, 2013			
	Level 1	Level 2	Level 3	Total
Debt investments	$ —	$71,325	$552,968	$624,293
Common equity	—	—	2,000	2,000
Total Investments at Fair Value	$ —	$71,325	$554,968	$626,293

	Fair Value Hierarchy at December 31, 2012			
	Level 1	Level 2	Level 3	Total
Debt investments	$ —	$84,650	$567,294	$651,944
Common equity	—	—	2,000	2,000
Total Investments at Fair Value	$ —	$84,650	$569,294	$653,944

The following tables present changes in Investments at fair value that use Level 3 inputs as of and for the three months ended March 31, 2013 and 2012:

	As of and for the Three Months Ended March 31, 2013		
	Debt Investments	Common Equity	Total
Balance, beginning of year	$ 567,294	$ 2,000	$569,294
Purchases	64,540	—	64,540
Proceeds from investments	(30,615)	—	(30,615)
Repayments / redemptions	(52,175)	—	(52,174)
Paid-in-kind interest	560	—	559
Net change in unrealized gains	1,578	—	1,578
Net realized gains	332	—	332
Net amortization of discount on securities	1,454	—	1,454
Balance, End of Year	$ 552,968	$ 2,000	$554,968

	As of and for the Three Months Ended March 31, 2012		
	Debt Investments	Preferred Equity/Mezzanine Investments	Total
Balance, beginning of period	$ 174,348	$ 10,000	$184,348
Purchases, net	188,653	(4)	188,649
Proceeds from investments, net	(45,906)	—	(45,906)
Repayments	(4,142)	—	(4,142)
Paid-in-kind interest	89	—	89
Net change in unrealized gains	1,401	(496)	905
Realized gains	441	—	441
Net amortization of discount on securities	240	—	240
Transfers out of Level 3	(14,170)	—	(14,170)
Balance, End of Period	$ 300,954	$ 9,500	$310,454

Rare Restaurant Group, LLC transferred out of Level 3 during the three months ended March 31, 2012, as a result of changes in the observability of inputs into its valuation.

The following table presents information with respect to net change in unrealized appreciation or depreciation on Investments at fair value for which Level 3 inputs were used in determining fair value that are still held by the Company as of March 31, 2013 and 2012:

	Net Change in Unrealized Appreciation or Depreciation for the Three Months Ended March 31, 2013 on Investments Held at March 31, 2013	Net Change in Unrealized Appreciation or Depreciation for the Three Months Ended March 31, 2012 on Investments Held at March 31, 2012
Debt investments	$ 3,746	$ 1,401
Preferred equity/mezzanine investments	—	(496)
Total	$ 3,746	$ 905

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, 2013 and December 31, 2012:

	March 31, 2013				
	Fair Value (1)	Valuation Technique	Unobservable Input	Range (Weighted Average)	Impact to Valuation from an Increase to Input
Debt investments	$ 505,448	Income Approach	Market Yield	6.00% — 10.99% (9.61%)	Decrease
Common equity	$ 2,000	Market Approach	EBITDA Multiple	10x	Increase

(1) Excludes $47.5 million of debt investments which, due to the proximity of transactions relative to the measurement date, were valued by using the value implied from such transactions.

	December 31, 2012				
	Fair Value (1)	Valuation Technique	Unobservable Input	Range (Weighted Average)	Impact to Valuation from an Increase to Input
Debt investments	$ 452,831	Income Approach	Market Yield	7.00% — 11.29% (9.84%)	Decrease
Common equity	$ 2,000	Market Approach (2)			

(1) Excludes $114.5 million of debt investments which, due to the proximity of the transactions relative to the measurement date, were valued by using the value implied from such transactions.

(2) Due to the proximity of the transaction relative to the measurement date, the value implied from the transaction is representative of the fair value for the investments as of December 31, 2012.

Financial Instruments Not Carried at Fair Value

Debt

The fair value of the Company's debt, which is categorized as Level 3 within the fair value hierarchy, as of March 31, 2013 and December 31, 2012, approximates its carrying value as the outstanding balances are callable at carrying value.

Other Financial Assets and Liabilities

The carrying amounts of the Company's financial assets and liabilities as of March 31, 2013 and December 31, 2012, 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 borrowings, are classified as Level 2.

6. 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, 2013 and December 31, 2012, the Company's asset coverage was 297.0% and 244.6%, respectively.

Debt obligations consisted of the following as of March 31, 2013 and December 31, 2012:

	March 31, 2013		
	Total Facility	Borrowings Outstanding	Amount Available (1)
Revolving Credit Facility (DBTCA)	$ 250,000	$ 150,000	$ 100,000
Revolving Credit Facility (Natixis)	100,000	49,655	16,910
Revolving Credit Facility (SunTrust)	200,000	64,000	136,000
Total Debt Obligations	$ 550,000	$ 263,655	$ 252,910

	December 31, 2012		
	Total Facility	Borrowings Outstanding	Amount Available (1)
Revolving Credit Facility (DBTCA)	$ 250,000	$ 165,000	$ 85,000
Revolving Credit Facility (Natixis)	100,000	66,836	4,808
Revolving Credit Facility (SunTrust)	200,000	100,000	100,000
Total Debt Obligations	$ 550,000	$ 331,836	$ 189,808

(1) The amount available considers any limitations related to the respective debt facilities' borrowing bases.

Average debt outstanding during the three months ended March 31, 2013 and 2012, was $188.0 million and $67.9 million, respectively. The weighted average interest rate for outstanding borrowings during the three months ended March 31, 2013 and 2012 was 2.8% and 2.6%, respectively.

For the three months ended March 31, 2013 and 2012, the components of interest expense were as follows:

	Three Months Ended March 31, 2013	Three Months Ended March 31, 2012
Stated interest expense	$ 1,335	$ 499
Commitment fees	413	172
Amortization of debt issuance cost	502	243
Total Interest Expense	$ 2,250	$ 914

As of March 31, 2013 and December 31, 2012, the Company was in compliance with the terms of its debt arrangements.

Subsequent to March 31, 2013, the Company repaid a portion of its debt and borrowed additional amounts to fund investments. As of May 8, 2013, there was $214.2 million outstanding.

7. Commitments and Contingencies

Portfolio Company Commitments

From time to time, the Company may enter into commitments to fund investments. As of March 31, 2013 and December 31, 2012, the Company had the following commitments to fund investments:

	March 31, 2013	December 31, 2012
Senior secured revolving loan commitments	$ 18,056	$ 17,500
Senior secured term loan commitments	14,500	14,500
Total Portfolio Company Commitments	$ 32,556	$ 32,000

Other Commitments and Contingencies

As of March 31, 2013 and December 31, 2012, the Company had $1.5 billion and $1.4 billion, respectively, in total capital commitments from investors ($1.0 billion and $1.0 billion unfunded, respectively), of which $117.1 million and $114.1 million, respectively, is from the Adviser and its affiliates ($78.7 million and $76.6 million unfunded, respectively).

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, 2013, management is not aware of any pending or threatened litigation.

8. Net Assets

The following tables summarize the total shares issued and proceeds received related to capital drawdowns delivered pursuant to the Subscription Agreements during the three months ended March 31, 2013 and 2012:

	Three Months Ended March 31, 2013	
	Shares Issued	Proceeds Received
February 20, 2013	31,184	$ 31,857
Total Capital Drawdowns	31,184	$ 31,857

	Three Months Ended March 31, 2012	
	Shares Issued	Proceeds Received
February 15, 2012	6,525	$ 6,429
February 22, 2012	35,521	35,000
March 29, 2012	76,137	75,000
Total Capital Drawdowns	118,183	$ 116,429

Pursuant to the Company's dividend reinvestment plan, the following tables summarize the shares issued to investors who have not opted out of the Company's dividend reinvestment plan during the three months ended March 31, 2013 and 2012:

	Three Months Ended March 31, 2013		
Date Dividend Declared	Record Date	Date Shares Issued	Shares Issued
December 31, 2012	December 31, 2012	March 12, 2013	5,159
Total Shares Issued			5,159

	Three Months Ended March 31, 2012		
Date Dividend Declared	Record Date	Date Shares Issued	Shares Issued
December 31, 2011	December 31, 2011	March 20, 2012	343
Total Shares Issued			343

The number of shares issued through the dividend reinvestment plan was determined by dividing the total dollar amount of the dividend payable to such investor 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.

9. Dividends

The following tables summarize the dividends declared during the three months ended March 31, 2013 and 2012:

	Three Months Ended March 31, 2013		
Date Declared	Record Date	Payment Date	Dividend per Share
March 12, 2013	March 31, 2013	May 6, 2013	$ 25.49
Total			$ 25.49

	Three Months Ended March 31, 2012		
Date Declared	Record Date	Payment Date	Dividend per Share
March 31, 2012	March 31, 2012	May 7, 2012	$ 10.51
Total			$ 10.51

The dividends declared during the three months ended March 31, 2013 and 2012, were derived from net investment income, determined on a tax basis.

10. Income Taxes

The following table reconciles Increase in Net Assets Resulting from Operations for the three months ended March 31, 2013 and 2012, to undistributed taxable income as of March 31, 2013 and 2012, respectively:

	As of and for the Taxable Year Ended March 31, 2013 (Estimated) (1)	As of and for the Taxable Year Ended March 31, 2012
Increase in net assets resulting from operations	$ 49,271	$ 8,154
Adjustments:		
Change in unrealized gain on investments	(6,431)	(5,040)
Other income for tax purposes, not book	365	172
Amortization of deferred organization costs	(100)	(100)
Other expenses not currently deductible	1,195	822
Other income for book purposes, not tax	(458)	(595)
Dividends declared and/or paid, tax basis (2)	(40,007)	(629)
Undistributed Taxable Income	$ 3,835	$ 2,784

(1) Taxable income is an estimate and will not be fully determined until the Company's March 31, 2013 tax return is filed (expected to occur on or before December 17, 2013).

(2) For the taxable year ended March 31, 2013, $29,348 of the dividends paid from net investment income, determined on a tax basis, constitutes interest-related dividends for U.S. federal nonresident withholding tax purposes, $3,325 of the dividends paid from net realized gains, determined on a tax basis, constitutes short-term capital gain dividends for U.S. federal nonresident withholding tax purposes, and $1,776 of the dividends paid from net realized gains, determined on a tax basis constitutes capital gain dividends for U.S. federal nonresident withholding tax purposes. For the taxable year ended March 31, 2012, $2,095 of the dividends paid from net investment income, determined on a tax basis, constitutes interest-related dividends for U.S. federal nonresident withholding tax purposes and $441 constitutes short-term capital gain dividends for U.S. federal nonresident withholding tax purposes.

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.

In general, the Company may make certain adjustments to the classification of stockholders’ equity as a result of permanent book-to-tax differences, which may include differences in the book and tax basis of certain assets and liabilities and nondeductible federal taxes or expenses, among other items. To the extent these differences are permanent, they are charged or credited to Additional Paid-in Capital or Accumulated Net Investment Income, as appropriate, in the period that the differences arise. These adjustments have no effect on the Company’s net assets or results of operations.

During the taxable year ended March 31, 2013, permanent differences of $46 were principally attributable to accrued U.S. federal excise taxes. During the fiscal quarter and taxable year ended March 31, 2012, permanent differences were attributable to the distribution of $441 of ordinary dividends derived from the Company’s taxable year ended March 31, 2012, net short-term capital gains, as well as $54 of nondeductible net operating losses incurred by the Company in respect of the Company’s taxable year ended March 31, 2011, which were recorded as adjustments to the Company’s additional paid-in capital, accumulated net investment income, and net realized gain at December 31, 2012.

We neither have any uncertain tax positions that met the recognition or measurement criteria of ASC 740-10-25, *Income Taxes*, nor did we have any unrecognized tax benefits as of the periods presented herein. Although we file federal and state tax returns, our primary tax jurisdiction is federal. Our inception-to-date taxable years remain subject to examination by the Internal Revenue Service as well as the respective state and local tax authorities.

The tax basis of the Company’s investments as of March 31, 2013 and December 31, 2012, approximates their amortized cost.

11. 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 a share of Common Stock outstanding during the three months ended March 31, 2013 and 2012.

	Three Months Ended March 31, 2013	Three Months Ended March 31, 2012
Per Share Data		
Net asset value, beginning of period	$ 1,012.93	$ 980.51
Net investment income (1)	26.84	13.24
Net realized and unrealized gains (1)	4.00	8.59
Total from investment operations	30.84	21.83
Dividends declared	(25.49)	(10.51)
Total increase in net assets	5.35	11.32
Net Asset Value, End of Period	$ 1,018.28	$ 991.83
Shares Outstanding, End of Period	510,021	295,059
Total Return (3) (4)	3 .0%	2.2%
Ratios / Supplemental Data		
Ratio of net expenses to average net assets (4)	1.5%	2.0%
Ratio of net investment income (loss) to average net assets (4)	2.6%	1.1%
Net assets, end of period	$ 519,345	$ 292,649
Weighted-average shares outstanding	488,338	197,610

	Three Months Ended March 31, 2013	Three Months Ended March 31, 2012
Total committed capital, end of period (5)	$ 1,500,000	$ 1,256,251
Ratio of total contributed capital to total committed capital, end of period	32.8%	23.0%
Year of formation	2010	2010

(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 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.

(4) Not annualized.

(5) Amount includes $117.1 million and $96.2 million of commitments from the Adviser and its affiliates as of March 31, 2013 and 2012, respectively.

12. Subsequent Events

On May 8, 2013, the Company executed an amendment to the Revolving Credit Facility (DBTCA) to permit entering into swap transactions that have a termination date that is earlier than the stated maturity date of the facility and to make other amendments regarding such swap transactions.

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

We were incorporated under the laws of the State of Delaware on July 21, 2010. We elected to be treated as a business development company under the 1940 Act, and have elected to be treated as a regulated investment company ("RIC") for U.S. federal income tax purposes. As such, 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 annually at least 90% of our taxable income and tax-exempt interest.

PORTFOLIO INVESTMENT ACTIVITY

Our investment activity for the three months ended March 31, 2013 and 2012, is presented below (information presented herein is at amortized cost unless otherwise indicated):

($ in millions)	Three Months Ended March 31, 2013	Three Months Ended March 31, 2012
Principal amount of investments funded (1):		
Senior term debt	$ 74.8	$ 188.6
Senior secured revolving loan	2.1	—
Total	$ 76.9	$ 188.6
New investment commitments (2):		
New portfolio companies	$ —	$ 7.0
Average Total Investment in New Portfolio Companies (3):	$ 37.4	$ 47.2

(1) Amount of investments originally funded includes amounts originally funded on term loans and revolving credit facilities, but not amounts subsequently repaid by borrowers in the period.
(2) New investment commitments include new agreements to fund revolving credit facilities and term loans not funded at closing.
(3) "Average Total Investment in New Portfolio Companies" is computed as the average of all debt and equity investments made during the period, including investment commitments not yet funded.

The weighted average yields at fair value and amortized cost of the following portions of our portfolio as of March 31, 2013 and December 31, 2012, were as follows:

	March 31, 2013		December 31, 2012	
	Fair Value	Amortized Cost	Fair Value	Amortized Cost
Senior term debt	10.2%	10.4%	10.6%	10.7%
Corporate bonds	10.6%	11.0%	11.0%	11.0%
Debt and income producing securities	10.2%	10.4%	10.6%	10.7%

RESULTS OF OPERATIONS

The primary driver of change between the results of our operations for the three months ended March 31, 2013 and 2012, related to our investing and other related business activities as we continued to establish our business and deploy our available capital.

Investment Income

We generate revenues in the form of interest income from the debt securities we hold and dividends on either direct equity investments or equity interests obtained in connection with originating loans, such as options, warrants or conversion rights. In addition, we generate revenue in various forms, including commitment and loan origination fees. Certain of these fees are capitalized and amortized as additional interest income over the life of the related investment.

Investment income for the three months ended March 31, 2013 was $20.8 million, which consisted of $20.6 million in interest income and $0.2 million in other income from non-controlled, non-affiliated investments.

Investment income for the three months ended March 31, 2012 was $7.0 million, which consisted of $6.9 million in interest income and $0.1 million in other income. Investment income from non-controlled, non-affiliated investments was $6.1 million while investment income from non-controlled, affiliated investments was $0.9 million.

Expenses

Our primary operating expenses include the payment of the Management Fee and, depending on our operating results, the Incentive Fee, expenses reimbursable under the Administration Agreement and the Advisory Agreement, and other direct expenses that we incur, such as compensation to our Board and interest payable for borrowings. The Management Fee and Incentive Fee compensate our Adviser for work in identifying, evaluating, negotiating, closing, monitoring, and realizing our investments. Under the terms of the Administration Agreement, our Adviser 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 performance of administrative and professional services rendered by others. Certain of these services are reimbursable to our Adviser under the terms of the Administration Agreement. We bear all other costs and expenses of our operations and transactions.

Net expenses for the three months ended March 31, 2013 were $7.7 million which consisted of $2.3 million of interest expense, $1.5 million in Management Fees (net of waivers), $2.7 million in Incentive Fees, $0.6 million in professional fees, $0.1 million in directors' fees, and $0.5 million in other general and administrative expenses.

Net expenses for the three months ended March 31, 2012 were $4.3 million which consisted of $0.9 million of interest expense, $1.1 million in Management Fees (net of waivers), $1.0 million in Incentive Fees, $0.8 million in professional fees, $0.1 million in directors' fees, and $0.4 million in other general and administrative expenses.

Income Tax Expense, Including Excise Tax

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 generally at least 90% of our investment company taxable income, as defined by the Code, for each taxable year. In order to maintain our RIC status, we, among other things, have made and intend to continue to make the requisite distributions to our stockholders which will generally relieve us from U.S. federal income taxes.

Depending on the level of taxable income earned in a tax year, we may choose to carry forward taxable income in excess of current year dividend distributions from such current year taxable income into the next tax year and pay a 4% excise tax on such 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, 2013, a net expense of $4 was recorded for U.S. federal excise tax. For the three months ended March 31, 2012, we did not incur any U.S. federal excise tax.

Net Change in Unrealized Gains/Losses

We value our investments quarterly and any changes in fair value are recorded as unrealized gains or losses.

During the three months ended March 31, 2013 and 2012, the net change in unrealized gains on our investment portfolio was comprised of the following:

($ in millions)	Three Months Ended March 31, 2013	Three Months Ended March 31, 2012
Change in unrealized gains	$ 4.7	$ 3.1
Change in unrealized losses	(2.8)	(0.4)
Net Change in Unrealized Gains (Losses)	$ 1.9	$ 2.7

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The changes in unrealized gains (losses) for the three months ended March 31 2013 and 2012, consisted of the following:

($ in millions)	Three Months Ended March 31, 2013	Three Months Ended March 31, 2013
AFS Technologies, Inc.	$ 0.1	$ (0.2)
Attachmate Corporation	—	—
Center Cut Hospitality, Inc.	—	0.1
Centaur, LLC.	0.2	—
Checkers Drive-In Restaurants, Inc.	0.4	—
Consona Holdings, Inc.	0.1	—
Ecommerce Industries, Inc.	0.2	0.1
Embarcadero Technologies, Inc.	0.7	—
eResearch Technology, Inc.	(0.6)	—
Federal Signal Corporation	(2.2)	(0.1)
Heartland Automotive, LLC	0.3	—
Infogix, Inc.	0.2	—
International Equipment Solutions, Inc.	0.1	—
Mandalay Baseball Properties, LLC	0.2	—
Mannington Mills, Inc.	0.3	0.5
Mediware Information Systems, Inc.	0.4	—
MSC.Software Corporation	0.2	0.3
The Newark Group, Inc.	0.6	—
Rare Restaurant Group, LLC.	—	1.8
Rogue Wave Holdings, Inc.	0.1	(0.1)
Sage Automotive Interiors, Inc.	—	—
Solarsoft, LP (f/k/a CMS-XKO Holding Company, LP)	—	0.3
SRS Software, LLC.	0.2	—
SumTotal Systems, LLC.	0.2	—
Synagro Technologies, Inc.	0.1	—
Teletrac, Inc.	0.1	—
Net Change in Unrealized Gains (Losses)	$ 1.9	$ 2.7

Net Realized Gains/Losses

During the three months ended March 31, 2013, we sold and received proceeds of $32.7 million in connection with our investments in Centaur, LLC, Embarcadero Technologies, Inc., and The Newark Group, Inc. which resulted in $0.4 million of realized gains. During the three months ended March 31, 2012, we sold and received proceeds of $45.9 million in connection with our investment in Mannington Mills, Inc. which resulted in $0.4 million of realized gains.

Hedging

We may, but are not required to, enter into interest rate, foreign exchange or other derivative agreements to hedge interest rate, currency, credit or other risks, but we do not generally intend to enter into any such derivative agreements for speculative purposes. Any derivative agreements entered into for speculative purposes are not expected to be material to our business or results of operations. These hedging activities, which will be in compliance with applicable legal and regulatory requirements, may include the use of various instruments, including futures, options and forward contracts. We will bear the costs incurred in connection with entering into, administering and settling any such derivative contracts. There can be no assurance any hedging strategy we employ will be successful.

We did not enter into any interest rate, foreign exchange or other derivative agreements during the three months ended March 31, 2013 and 2012.

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

As of March 31, 2013, we had $164.7 million in cash and cash equivalents on hand, an increase of $2.8 million from December 31, 2012. The increase was primarily attributable to proceeds from operations and proceeds from investor drawdown notices received during the quarter. The primary uses of our cash and cash equivalents are for (1) investments in portfolio companies and other investments and to comply with certain portfolio diversification requirements; (2) the cost of operations (including paying our Adviser); (3) debt service, repayment, and other financing costs; and, (4) cash distributions to the holders of our shares.

We expect to generate additional cash from (1) operations; (2) future offerings of our common or preferred shares; and, (3) borrowings from banks or other lenders.

Cash and cash equivalents on hand as of March 31, 2013, combined with our uncalled capital commitments of $1.0 billion, is expected to be sufficient for our investing activities and to conduct our operations for the foreseeable future.

Capital Share Activity

During the three months ended March 31, 2013, we entered into subscription agreements (collectively, the “Subscription Agreements”) with several investors, including our Adviser, providing for the private placement of our Common Stock. The subscriptions agreements brought our total capital commitments to $1.5 billion ($117.1 million from the Adviser and its affiliates), the maximum agreed to with our investors. Offering costs associated with the private placements were absorbed by the Adviser. Under the terms of the Subscription Agreements, investors are required to fund drawdowns to purchase our Common Stock up to the amount of their respective capital commitments on an as-needed basis, with a minimum of 10 business days’ prior notice.

As of March 31, 2013 and December 31, 2012, we had $1.5 billion and $1.4 billion, respectively, in total capital commitments from investors ($1.0 billion and $1.0 billion unfunded, respectively), of which $117.1 million and $114.1 million, respectively, is from the Adviser and its affiliates ($78.7 million and $76.6 million unfunded, respectively).

During the three months ended March 31, 2013 and 2012, we delivered drawdown notices to our investors relating to the issuance of 31,184 and 118,183 shares of our Common Stock, respectively, for aggregate offering proceeds of $31.9 million and $116.5 million, respectively. See Note 8 to our consolidated financial statements for the dates and amounts of our drawdowns. Proceeds from the issuances were used in our investing activities and for other general corporate purposes.

In addition to the drawdowns noted above, during the three months ended March 31, 2013 and 2012, we issued 5,159 and 343 shares of our Common Stock, respectively, to investors who have not opted out of our dividend reinvestment plan. The number of shares issued through the dividend reinvestment plan was determined by dividing the total dollar amount of the dividend payable to such investor by the net asset value per share of our Common Stock as of December 31, 2012 and 2011, respectively, (the declaration dates of the dividends). 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.

Debt

Debt obligations consisted of the following as of March 31, 2013 and December 31, 2012:

	March 31, 2013		
($ in millions)	**Total Facility**	**Borrowings Outstanding**	**Amount Available (1)**
Revolving Credit Facility (DBTCA)	$ 250.0	$ 150.0	$ 100.0
Revolving Credit Facility (Natixis)	100.0	49.7	16.9
Revolving Credit Facility (SunTrust)	200.0	64.0	136.0
Total Debt Obligations	$ 550.0	$ 263.7	$ 252.9

	December 31, 2012		
($ in millions)	**Total Facility**	**Borrowings Outstanding**	**Amount Available (1)**
Revolving Credit Facility (DBTCA)	$ 250.0	$ 165.0	$ 85.0
Revolving Credit Facility (Natixis)	100.0	66.8	4.8
Revolving Credit Facility (SunTrust)	200.0	100.0	100.0
Total Debt Obligations	$ 550.0	$ 331.8	$ 189.8

As of March 31, 2013 and December 31, 2012, 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.

OFF BALANCE SHEET ARRANGEMENTS

Information on our capital commitments from investors and commitments to fund investments is contained in Note 7 to our consolidated financial statements.

CONTRACTUAL OBLIGATIONS

A summary of our contractual payment obligations as of March 31, 2013 is as follows:

	Payments Due by Period				
($ in millions)	Total	Less than 1 year	1-3 years	3-5 years	After 5 years
Revolving Credit Facility (DBTCA)	$150.0	$ 150.0	$ —	$ —	$ —
Revolving Credit Facility (Natixis)	49.7	—	—	—	49.7
Revolving Credit Facility (SunTrust)	64.0	—	64.0	—	—
Total Contractual Obligations	$263.7	$ 150.0	$ 64.0	$ —	$ 49.7

In addition to the contractual payment obligations in the tables above, we also have commitments to fund investments. See Note 7 to our consolidated financial statements.

CURRENT ECONOMIC ENVIRONMENT

The U.S. capital markets have been experiencing extreme volatility and disruption for more than three years, and we believe that the U.S. economy has not fully recovered from a period of recession. Disruptions in the capital markets have increased the spread between the yields realized on risk-free and higher risk securities, resulting in illiquidity in parts of the capital markets. We believe these conditions may continue for a prolonged period of time or worsen in the future. A prolonged period of market illiquidity may have an adverse effect on our business, financial condition and results of operations. Unfavorable economic conditions could also increase our portfolio companies' funding costs, limit their access to the capital markets or result in a decision by lenders not to extend credit to them. These conditions could limit our investment originations, limit our ability to grow, negatively impact our operating results, and delay or prevent us from launching or completing an IPO.

RECENT DEVELOPMENTS

On May 8, 2013, the Company executed an amendment to the Revolving Credit Facility (DBTCA) to permit entering into swap transactions that have a termination date that is earlier than the stated maturity date of the facility and to make other amendments regarding such swap transactions.

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 the Company's Annual Report on Form 10-K for the year ended December 31, 2012, which was filed with the Securities and Exchange Commission ("SEC") on March 15, 2013.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

We are subject to financial market risks, including valuation risk and interest rate risk. We currently do not hedge our exposure to these risks.

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 will 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 in good faith. 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. See Note 2 to our consolidated financial statements, for more details on estimates and judgments made by us in connection with the valuation of our investments.

Interest Rate Risk

Interest rate sensitivity refers to the change in earnings that may result from changes in the level of interest rates. In the future, we may fund a portion of our investments with borrowings, and at such time, our net investment income will be affected by the difference between the rate at which we invest and the rate at which we borrow. Accordingly, there can be no assurance that a significant change in market interest rates will not have a material adverse effect on our net investment income.

As of March 31, 2013, the majority of the investments at fair value in our portfolio were at variable rates. Our credit facilities also bear interest at floating rates.

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.

Based on our balance sheet as of March 31, 2013, the following table shows the impact on net income for the three months ended March 31, 2013, of base rate changes in interest rates (considering interest rate floors and ceilings for variable rate instruments) assuming no changes in our investment and borrowing structure:

($ in millions) Basis Point Change	Interest Income	Interest Expense	Net Income
Up 300 basis points	$ 5.2	$ 1.4	$ 3.8
Up 200 basis points	3.5	0.9	2.6
Up 100 basis points	1.7	0.5	1.2
Down 100 basis points	(0.1)	(0.2)	0.1
Down 200 basis points	(0.2)	(0.2)	—
Down 300 basis points	—	(0.2)	(0.2)

Item 4. 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 Chief Executive Officer 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 Securities Exchange Act of 1934). Based on that evaluation, our Chief Executive Officer 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 Securities Exchange Act of 1934.

Effective January 1, 2013, the Adviser has engaged a third-party service provider to whom it outsourced certain day-to-day finance and accounting activities. The Company continues to maintain senior finance personnel who have responsibility for managing the relationship with the third-party provider and review of its work product. The outsourcing of these activities resulted in certain changes to the Company’s processes and internal controls over financial reporting; however, ultimate responsibility of internal controls over financial reporting remains with the Company.

Other than the item disclosed above, there have been no other 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

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

There have been no material changes to the risk factors previously disclosed in our Annual Report on Form 10-K for the year ended December 31, 2012, which was filed with the Securities and Exchange Commission (“SEC”) on March 15, 2013.

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

Sales of unregistered securities

None.

Issuer purchases of equity securities

The following table provides information regarding purchases of our common shares by our Adviser and its affiliates for each month in the three month period ended March 31, 2013:

($ in thousands, except per share amounts) Period	Average Price Paid per Share	Total Number of Shares Purchased	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number (or Approximate Dollar Value) of Shares that May Yet Be Purchased Under the Plans or Programs
January 2013	$ —	—	—	$ —
February 2013	1,022.41	973	973	78,657
March 2013	—	—	—	—
Total	$ 1,022.41	973	973	$ 78,657

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

None.

Item 5. Other Information

On May 8, 2013, we executed a Second Amendment to the Amended and Restated Revolving Credit Agreement by and among us, Deutsche Bank Trust Company Americas, as a Lender, as a Letter of Credit Issuer, as Administrative Agent for Lenders and Letter of Credit Issuer, and each of the other lending institutions that becomes Lender under the Credit Agreement (the “Second Amendment”). The Second Amendment amends the Revolving Credit Facility (DBTCA) to permit entering into swap transactions that have a termination date that is earlier than the stated maturity date of the facility and to make other amendments regarding such swap transactions.

Item 6. Exhibits.

(a) Exhibits.

10.1	Second Amendment to Amended and Restated Revolving Credit Agreement, dated May 7, 2013, among TPG Specialty Lending, Inc., as Borrower, Deutsche Bank Trust Company Americas, as Administrative Agent, and Lenders Named Herein.
31.1	Certification of 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 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 CEO and CFO Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

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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 10, 2013	By: /s/ Michael Fishman Michael Fishman Chief Executive Officer
Date: May 10, 2013	By: /s/ John E. Viola John E. Viola Chief Financial Officer

Exhibit 10.1

Execution

SECOND AMENDMENT TO AMENDED AND RESTATED REVOLVING CREDIT AGREEMENT

by and among

TPG SPECIALTY LENDING, INC.,
as Borrower

DEUTSCHE BANK TRUST COMPANY AMERICAS,
as Administrative Agent

and

LENDERS NAMED HEREIN
as Lenders

Dated as of: May 7, 2013

THIS SECOND AMENDMENT TO AMENDED AND RESTATED REVOLVING CREDIT AGREEMENT (this "Second Amendment") is entered into as of May 7, 2013, by and among TPG SPECIALTY LENDING, INC., a Delaware corporation ("Borrower") and DEUTSCHE BANK TRUST COMPANY AMERICAS (in its individual capacity, "Deutsche Bank"), as a Lender, as a Letter of Credit Issuer, as Administrative Agent for Lenders and Letter of Credit Issuer, and each of the other lending institutions that becomes a Lender under the Credit Agreement.

Recitals

WHEREAS, Borrower, Lenders party thereto and Deutsche Bank, as a Lender, Letter of Credit Issuer and Administrative Agent, entered into an Amended and Restated Revolving Credit Agreement, dated as of December 22, 2011, as previously amended pursuant to the First Amendment to Amended and Restated Revolving Credit Agreement, dated as of October 31, 2012 (as same may be amended, supplemented, renewed, extended, replaced, or restated from time to time, the "Credit Agreement"), pursuant to which Lenders committed to make Loans to Borrower and to participate in Letters of Credit issued for the account of Borrower pursuant to the terms thereof; and

WHEREAS, Borrower has requested that certain terms of the Credit Agreement be amended, and Lenders have consented thereto, pursuant to the terms and conditions hereof; and

WHEREAS, terms used in this Second Amendment which are defined in the Credit Agreement shall have the meanings specified therein, as applicable (unless otherwise defined herein).

NOW, THEREFORE, for good and valuable consideration, the parties hereto hereby agree as follows:

Section 1. Amendment to Revolving Credit Agreement. Borrower, Lenders, Letter of Credit Issuer and Administrative Agent hereby amend the Credit Agreement, as of the date hereof, as follows:

(a) Section 1.1 of the Credit Agreement is hereby amended to delete the definitions of "Borrowing Base", "Permitted Other Indebtedness" and "Unsecured Recourse Indebtedness" and replace them with the following:

"Borrowing Base" means, at the date of determination, an amount equal to (a) for all Eligible Investors, the product of (i) the Unused Capital Commitment of each Eligible Investor minus such Eligible Investor's Excess Concentration, times (ii) the Applicable Eligible Investor Advance Rate; plus (b) for all Designated Eligible Investors, the product of (i) the Unused Capital Commitment of each Designated Eligible Investor minus such Designated Eligible Investor's Excess Concentration, times (ii) the Applicable Designated Eligible Investor Advance Rate; minus (c) (i) the outstanding amount of Unsecured Recourse Indebtedness in excess of $50,000,000, and (ii) the aggregate Swap Termination Value of all Swap Contracts included in Unsecured Recourse Indebtedness in excess of

$15,000,000. For purposes of calculating the exclusions from the Borrowing Base described in subsection (c) hereof, any such exclusions shall not be counted more than once.

"Permitted Other Indebtedness" means (a) Unsecured Recourse Indebtedness; provided that any amount thereof in excess of $50,000,000 is subtracted from the Borrowing Base and provided further the aggregate Swap Termination Value of all Swap Contracts included in Unsecured Recourse Indebtedness in excess of $15,000,000 is subtracted from the Borrowing Base, (b) Fully Secured Indebtedness, (c) Financing Indebtedness and (d) Non-Recourse Indebtedness. For purposes of calculating the exclusions from the Borrowing Base described in subsection (a) hereof, any such exclusions shall not be counted more than once.

"Unsecured Recourse Indebtedness" means Indebtedness of Borrower that is not Fully Secured Indebtedness which is Recourse Indebtedness and has a maturity or termination date not earlier than the Stated Maturity Date; provided, however, for purposes of this definition, a Swap Contract may have a termination date that is earlier than the Stated Maturity Date.

Section 2. Representations and Warranties. The Borrower hereby (i) confirms and reaffirms that the representations and warranties contained in the Credit Agreement and the other Loan Documents, to the extent applicable to Borrower, are true and correct in all material respects as of the Second Amendment Date, except to the extent that they relate to a particular date, in which case they are true and correct in all material respects on and as of such date as if made on and as of such date, (ii) confirms that, after taking into account this Second Amendment, there exists no Event of Default or, to Borrower's knowledge, no event, which with the giving of notice or lapse of time or both, would become an Event of Default, under the Credit Agreement, and (iii) represents and warrants that Borrower has the power and requisite authority to execute, deliver, and perform its obligations under this Second Amendment and is duly authorized to, and has taken all action necessary to authorize it to execute, deliver, and perform its respective obligations under this Second Amendment.

Section 3. Conditions Precedent. This Second Amendment shall become effective on the date hereof, subject to the Administrative Agent receiving this Second Amendment duly executed and delivered by the Borrower and the other parties hereto.

Section 4. Agreements in Full Force and Effect as Amended. Except as specifically amended hereby, all of the terms and conditions of the Credit Agreement and all other Loan Documents shall remain in full force and effect, and are hereby ratified and affirmed by Borrower. All references to the Credit Agreement in any other document or instrument shall be deemed to mean the Credit Agreement as amended by this Second Amendment. This Second Amendment shall not constitute a novation of the Credit Agreement or any other Loan Document, but shall constitute an amendment thereof.

Section 5. Fees and Expenses. In accordance with Section 9.6 of the Credit Agreement, Borrower agrees to pay Administrative Agent all reasonable and documented out-of-pocket expenses incurred by Administrative Agent, including, without limitation, reasonable and documented legal fees, in connection with preparing, executing, delivering and administering this Second Amendment.

Section 6. Counterparts. This Second Amendment may be executed in several counterparts, each of which shall be an original. The several counterparts shall constitute a single agreement. Receipt by telecopy or any other means of electronic communication of any executed signature page to this Second Amendment shall be effective as delivery of a manually executed counterpart of this Second Amendment.

Section 7. Governing Law. This Second Amendment shall be governed by the laws of the State of New York as provided in the Credit Agreement and Borrower further agrees to submit to the jurisdiction of New York as provided therein.

[Remainder of Page Intentionally Left Blank
Signature Page Follows.]

IN WITNESS WHEREOF, the parties have caused this Second Amendment to be executed by their duly authorized officers as of the date set forth above.

TPG SPECIALTY LENDING, INC.

By: ____________________
Name:
Title:

DEUTSCHE BANK TRUST COMPANY AMERICAS, as Administrative Agent, Letter of Credit Issuer and as Lender

By: ____________________
Name:
Title:

By: ____________________
Name:
Title:

WELLS FARGO CAPITAL FINANCE, LLC, as a Lender

By: ____________________
Name:
Title:

SIGNATURE PAGE TO SECOND AMENDMENT
DB/TPG Specialty Lending Inc

Exhibit 31.1

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

a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the 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 officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

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

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

Date: May 10, 2013

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

Exhibit 31.2

CFO CERTIFICATION

I, John E. Viola, 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 officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

  a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the 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 officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

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

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

Date: May 10, 2013

By: /s/ John E. Viola
John E. Viola
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, 2013, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), Michael Fishman, as Chief Executive Officer of the Company, and John Viola, 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/ Michael Fishman

Name:	Michael Fishman
Title:	Chief Executive Officer
Date:	May 10, 2013

/s/ John E. Viola

Name:	John E. Viola
Title:	Chief Financial Officer
Date:	May 10, 2013

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.