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 September 30, 2023

OR

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

For the transition period from to

Commission File Number 001-36364

Sixth Street 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.)**
2100 McKinney Avenue, Suite 1500, Dallas, TX	**75201**
(Address of principal executive offices)	**(Zip Code)**

Registrant's telephone number, including area code: (469) 621-3001

Not applicable
Former name, former address and former fiscal year, if changed since last report.

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value $0.01 per share	**TSLX**	**The New York Stock Exchange**

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

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

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

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

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

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

The number of shares of the registrant's common stock, $.01 par value per share, outstanding at November 2, 2023 was 87,546,498.

SIXTH STREET SPECIALTY LENDING, INC.

INDEX

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 and 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 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 Sixth Street Specialty Lending, Inc. has filed with the Securities and Exchange Commission, or SEC, the following factors, among others, could cause actual results to differ materially from forward-looking statements or historical performance:

- an economic downturn, including the current and future economic effects of the COVID-19 pandemic, could impair our portfolio companies’ abilities to continue to operate, which could lead to the loss of some or all of our investments in those portfolio companies;
- such an economic downturn could disproportionately impact the companies in which we have invested and others that we intend to target for investment, potentially causing us to experience a decrease in investment opportunities and diminished demand for capital from these companies;
- such an economic downturn could also impact availability and pricing of our financing;
- an inability to access the capital markets could impair our ability to raise capital and our investment activities;
- inflation could negatively impact our business, including our ability to access the debt markets on favorable terms, or could negatively impact our portfolio companies; and
- the risks, uncertainties and other factors we identify in the section entitled “Risk Factors” in this report, in our Annual Report on Form 10-K for the year ended December 31, 2022, filed with the SEC on February 16, 2023, 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 “TSLX” and “TAO” marks are marks of Sixth Street.

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

Sixth Street Specialty Lending, Inc.

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

	September 30, 2023	December 31, 2022
Assets		
Investments at fair value		
Non-controlled, non-affiliated investments (amortized cost of $3,010,089 and $2,707,442, respectively)	$ 3,052,300	$ 2,717,170
Controlled, affiliated investments (amortized cost of $75,289 and $67,284, respectively)	60,977	70,755
Total investments at fair value (amortized cost of $3,085,378 and $2,774,726, respectively)	3,113,277	2,787,925
Cash and cash equivalents (restricted cash of $26,890 and $15,437, respectively)	29,880	25,647
Interest receivable	23,460	18,846
Prepaid expenses and other assets	7,458	4,529
Total Assets	$ 3,174,075	$ 2,836,947
Liabilities		
Debt (net of deferred financing costs of $23,436 and $17,760, respectively)	$ 1,623,010	$ 1,441,796
Management fees payable to affiliate	11,661	10,526
Incentive fees on net investment income payable to affiliate	11,151	10,918
Incentive fees on net capital gains accrued to affiliate	11,147	6,064
Other payables to affiliate	4,256	3,265
Other liabilities	27,028	22,809
Total Liabilities	1,688,253	1,495,378
Commitments and contingencies (Note 8)		
Net Assets		
Preferred stock, $0.01 par value; 100,000,000 shares authorized; no shares issued and outstanding	—	—
Common stock, $0.01 par value; 400,000,000 shares authorized, 88,210,748 and 82,053,537 shares issued, respectively; and 87,546,498 and 81,389,287 shares outstanding, respectively	882	821
Additional paid-in capital	1,401,245	1,294,751
Treasury stock at cost; 664,250 and 664,250 shares held, respectively	(10,459)	(10,459)
Distributable earnings	94,154	56,456
Total Net Assets	1,485,822	1,341,569
Total Liabilities and Net Assets	$ 3,174,075	$ 2,836,947
Net Asset Value Per Share	$ 16.97	$ 16.48

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

Sixth Street Specialty Lending, Inc.

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

	Three Months Ended		Nine Months Ended	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
Income				
Investment income from non-controlled, non-affiliated investments:				
Interest from investments	$ 107,240	$ 73,769	$ 299,542	$ 198,047
Dividend income	798	3	2,204	1,361
Other income	4,366	2,741	11,197	6,091
Total investment income from non-controlled, non-affiliated investments	112,404	76,513	312,943	205,499
Investment income from non-controlled, affiliated investments:				
Interest from investments	—	—	—	133
Total investment income from non-controlled, affiliated investments	—	—	—	133
Investment income from controlled, affiliated investments:				
Interest from investments	2,029	1,325	5,599	3,520
Other income	2	1	4	3
Total investment income from controlled, affiliated investments	2,031	1,326	5,603	3,523
Total Investment Income	114,435	77,839	318,546	209,155
Expenses				
Interest	35,042	18,851	95,971	40,416
Management fees	11,928	10,330	34,071	29,148
Incentive fees on net investment income	11,151	7,882	31,139	22,483
Incentive fees on net capital gains	2,577	(22)	5,083	(7,720)
Professional fees	1,921	2,002	5,427	5,300
Directors' fees	215	181	571	546
Other general and administrative	1,413	1,268	3,615	4,013
Total expenses	64,247	40,492	175,877	94,186
Management fees waived (Note 3)	(267)	(189)	(822)	(201)
Net Expenses	63,980	40,303	175,055	93,985
Net Investment Income Before Income Taxes	50,455	37,536	143,491	115,170
Income taxes, including excise taxes	461	356	1,777	1,456
Net Investment Income	49,994	37,180	141,714	113,714
Unrealized and Realized Gains (Losses)				
Net change in unrealized gains (losses):				
Non-controlled, non-affiliated investments	13,067	(9,080)	32,483	(71,428)
Non-controlled, affiliated investments	—	—	—	(14,350)
Controlled, affiliated investments	(8,797)	(2,686)	(17,783)	9,488
Translation of other assets and liabilities in foreign currencies	5,470	9,223	2,466	15,095
Interest rate swaps	—	(2,591)	174	(7,184)
Total net change in unrealized gains (losses)	9,740	(5,134)	17,340	(68,379)
Realized gains (losses):				
Non-controlled, non-affiliated investments	5,332	278	11,768	708
Non-controlled, affiliated investments	—	—	—	13,673
Controlled, affiliated investments	—	55	—	55
Interest rate swaps	—	2,251	—	2,251
Foreign currency transactions	(246)	(199)	40	(231)
Total net realized gains (losses)	5,086	2,385	11,808	16,456
Total Net Unrealized and Realized Gains (Losses)	14,826	(2,749)	29,148	(51,923)
Increase (Decrease) in Net Assets Resulting from Operations	$ 64,820	$ 34,431	$ 170,862	$ 61,791
Earnings (Loss) per common share—basic and diluted	$ 0.74	$ 0.43	$ 2.03	$ 0.80
Weighted average shares of common stock outstanding—basic and diluted	87,251,340	79,476,419	84,313,169	77,250,889

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

Company [1][6]	Investment	Initial Acquisition Date	Reference Rate and Spread	Interest Rate	Amortized Cost [2][8]	Fair Value [9]	Percentage of Net Assets
Debt Investments							
Automotive							
Bestpass, Inc. [3][5]	First-lien loan ($39,900 par, due 5/2029)	5/26/2023	SOFR + 5.75%	11.07%	$ 38,810	$ 39,202	2.6%
Carlstar Group, LLC [3]	First-lien loan ($26,118 par, due 7/2027)	7/8/2022	SOFR + 6.60%	11.92%	25,508	26,378	1.8%
					64,318	65,580	4.4%
Business Services							
Acceo Solutions, Inc. [3][4][5]	First-lien loan (CAD 57,353 par, due 10/2025)	7/6/2018	C + 4.75%	10.14%	43,340	42,633 (CAD 57,640)	2.9%
Alpha Midco, Inc. [3][5]	First-lien loan ($68,794 par, due 8/2025)	8/15/2019	SOFR + 7.65%	12.99%	68,125	69,660	4.7%
BCTO Ignition Purchaser, Inc. [3]	First-lien holdco loan ($30,913 par, due 10/2030)	4/18/2023	SOFR + 9.00%	14.31% PIK	30,045	30,449	2.0%
Dye & Durham Corp. [3][4]	First-lien loan (CAD 36,778 par, due 12/2027)	12/3/2021	C + 5.75%	11.26%	28,026	27,483 (CAD 37,157)	1.8%
	First-lien revolving loan (CAD 1,086 par, due 12/2026)	12/3/2021	C + 5.75%	11.26%	715	804 (CAD 1,086)	0.1%
ExtraHop Networks, Inc. [3][5]	First-lien loan ($64,162 par, due 7/2027)	7/22/2021	SOFR + 7.60%	12.92%	63,157	63,681	4.3%
ForeScout Technologies, Inc. [3]	First-lien loan ($2,788 par, due 8/2026)	7/1/2022	SOFR + 9.10%	14.49% (incl. 9.00% PIK)	2,737	2,803	0.2%
	First-lien loan ($2,566 par, due 8/2026)	8/17/2020	SOFR + 9.10%	14.49% (incl. 9.00% PIK)	2,554	2,572	0.2%
Galileo Parent, Inc. [3]	First-lien loan ($64,904 par, due 5/2030)	5/3/2023	SOFR + 7.25%	12.64%	63,030	63,930	4.3%
	First-lien revolving loan ($4,471 par, due 5/2029)	5/3/2023	SOFR + 7.25%	12.64%	4,189	4,320	0.3%
Hornetsecurity Holding GmbH [3][4]	First-lien loan (EUR 3,335 par, due 11/2029)	11/14/2022	E + 6.50%	10.30%	3,150	3,335 (EUR 3,150)	0.2%
Information Clearinghouse, LLC and MS Market Service, LLC [3][5]	First-lien loan ($17,685 par, due 12/2026)	12/20/2021	SOFR + 6.65%	12.05%	17,361	17,596	1.2%
Mitnick Corporate Purchaser, Inc. [3][9]	First-lien loan ($330 par, due 5/2029)	5/2/2022	SOFR + 4.60%	9.97%	330	317	0.0%
Netwrix Corp. [3]	First-lien loan ($36,456 par, due 6/2029)	6/9/2022	SOFR + 5.00%	10.30%	35,952	36,456	2.5%
	First-lien revolving loan ($718 par, due 6/2029)	6/9/2022	SOFR + 5.00%	10.24%	682	718	0.0%
OutSystems Luxco SARL [3][4][5]	First-lien loan (EUR 3,180 par, due 12/2028)	12/8/2022	E + 5.75%	9.72%	3,083	3,180 (EUR 3,004)	0.2%
ReliaQuest Holdings, LLC [3][5]	First-lien loan ($76,220 par, due 10/2026)	10/8/2020	SOFR + 7.25%	12.62%	75,271	77,172	5.2%
Wrangler TopCo, LLC [3]	First-lien loan ($4,153 par, due 7/2029)	7/7/2023	SOFR + 7.50%	12.88%	4,041	4,095	0.3%
					445,788	451,204	30.4%
Chemicals							
Erling Lux Bidco SARL [3][4]	First-lien loan (EUR 9,625 par, due 9/2028)	9/6/2022	E + 6.75%	10.61%	9,514	10,257 (EUR 9,688)	0.7%
	First-lien loan (GBP 10,217 par, due 9/2028)	9/6/2022	S + 6.75%	11.94%	11,276	12,533 (GBP 10,269)	0.8%
	First-lien revolving loan (GBP 312 par, due 9/2028)	9/6/2022	S + 6.75%	11.94%	400	382 (GBP 313)	0.0%
					21,190	23,172	1.5%
Communications							
Banyan Software Holdings, LLC [3][4]	First-lien loan ($19,850 par, due 10/2026)	1/27/2023	SOFR + 7.35%	12.67%	18,803	19,651	1.3%
Celtra Technologies, Inc. [3][5]	First-lien loan ($34,256 par, due 11/2026)	11/19/2021	SOFR + 7.10%	12.42%	33,521	33,742	2.3%
IntelePeer Holdings, Inc.	First-lien loan ($33,925 par, due 12/2024) [3]	12/2/2019	SOFR + 8.40%	13.79%	33,899	33,586	2.3%
	Convertible note ($4,619 par, due 5/2028)	5/12/2021	7.00%	7.00% PIK	4,590	4,803	0.3%
					90,813	91,782	6.2%
Education							
Astra Acquisition Corp. [3]	Second-lien loan ($43,479 par, due 10/2029)	10/25/2021	SOFR + 8.99%	14.53%	42,796	34,566	2.3%
Destiny Solutions Parent Holding Company [3][5]	First-lien loan ($59,700 par, due 6/2026)	6/8/2021	SOFR + 5.85%	11.17%	58,941	59,103	4.0%
EMS Linq, Inc. [3]	First-lien loan ($56,216 par, due 12/2027)	12/22/2021	SOFR + 6.35%	11.67%	55,240	54,916	3.7%
					156,977	148,585	10.0%
Financial Services							
Alaska Bidco Oy [3][4]	First-lien loan (EUR 727 par, due 5/2030)	5/30/2023	E + 6.25%	10.39%	754	763 (EUR 720)	0.1%
BCTO Bluebill Buyer, Inc. [3][5]	First-lien loan ($28,164 par, due 7/2029)	7/20/2023	SOFR + 7.25%	12.64%	27,122	27,319	1.8%
BTRS Holdings, Inc. [3]	First-lien loan ($46,580 par, due 12/2028)	12/16/2022	SOFR + 8.00%	13.41%	45,277	46,323	3.1%
Bear OpCo, LLC [3][5]	First-lien loan ($21,082 par, due 10/2024)	10/10/2019	SOFR + 7.65%	12.97%	20,953	21,345	1.4%
BlueSnap, Inc. [3][5]	First-lien loan ($42,000 par, due 10/2024)	10/25/2019	SOFR + 7.15%	12.54%	41,786	42,223	2.8%
Ibis Intermediate Co. [3][5]	First-lien loan ($1,514 par, due 5/2027)	5/28/2021	SOFR + 4.65%	10.07%	1,359	1,593	0.1%
Ibis US Blocker Co. [3]	First-lien loan ($15,419 par, due 5/2028)	5/28/2021	SOFR + 8.40%	13.82% PIK	15,196	15,342	1.0%
Kyriba Corp. [3]	First-lien loan ($20,382 par, due 4/2025)	4/9/2019	SOFR + 9.25%	14.72% (incl. 9.00% PIK)	20,255	20,433	1.4%
	First-lien loan (EUR 10,617 par, due 4/2025)	4/9/2019	E + 9.00%	13.14% (incl. 9.00% PIK)	11,782	11,269 (EUR 10,644)	0.8%
	First-lien revolving loan ($1,411 par, due 4/2025)	4/9/2019	SOFR + 7.50%	12.97%	1,399	1,415	0.1%
	First-lien revolving loan (EUR 336 par, due 4/2025)	4/9/2019	E + 7.25%	11.39%	374	356 (EUR 336)	0.0%
Passport Labs, Inc.	First-lien loan ($24,349 par, due 4/2026) [3]	4/28/2021	SOFR + 8.40%	13.79%	24,174	24,294	1.6%

	Convertible Promissory Note A ($694 par, due 9/2024)	3/2/2023	8.00%	8.00%	694	943	0.1%
Ping Identity Holding Corp. (3)	First-lien loan ($22,727 par, due 10/2029)	10/17/2022	SOFR + 7.00%	12.32%	22,165	23,040	1.6%
PrimeRevenue, Inc. (3)	First-lien loan ($15,007 par, due 12/2024)	12/31/2018	SOFR + 7.15%	12.55%	14,997	15,113	1.0%
TradingScreen, Inc. (3)(5)	First-lien loan ($47,318 par, due 4/2027)	4/30/2021	SOFR + 6.35%	11.72%	46,421	47,081	3.2%
Volante Technologies, Inc.	First-lien loan ($2,500 par, due 9/2028)	9/29/2023	16.50%	16.50% PIK	2,438	2,438	0.2%
					297,146	301,290	20.3%
Healthcare							
BCTO Ace Purchaser, Inc. (3)	First-lien loan ($69,231 par, due 11/2027) (5)	11/23/2020	SOFR + 8.45%	13.87%	68,271	69,577	4.7%
	Second-lien loan ($5,401 par, due 1/2030)	1/23/2023	SOFR + 10.70%	16.05% PIK	5,266	5,374	0.4%
Edge Bidco B.V (3)(4)(5)	First-lien loan (EUR 3,520 par, due 2/2029)	2/24/2023	E + 7.00%	10.97% (incl. 3.25% PIK)	3,590	3,727 (EUR 3,520)	0.3%
Homecare Software Solutions, LLC (3)(5)	First-lien loan ($65,000 par, due 10/2026)	10/6/2021	SOFR + 5.70%	11.03%	63,942	64,675	4.4%
Merative L.P. (3)(5)	First-lien loan ($70,103 par, due 6/2028)	6/30/2022	SOFR + 7.25%	12.65%	68,127	69,052	4.6%
Raptor US Buyer II Corp. (3)	First-lien loan ($15,609 par, due 3/2029)	3/24/2023	SOFR + 6.75%	12.14%	15,083	15,413	1.0%
SL Buyer Corp. (3)(5)	First-lien loan ($31,475 par, due 7/2029)	7/7/2023	SOFR + 7.00%	12.32%	30,096	30,520	2.1%
					254,375	258,338	17.5%
Hotel, Gaming and Leisure							
ASG II, LLC (3)(5)	First-lien loan ($60,693 par, due 5/2028)	5/25/2022	SOFR + 6.40%	11.77%	59,414	60,693	4.1%
IRGSE Holding Corp. (3)(6)	First-lien loan ($30,261 par, due 6/2024)	9/29/2015	SOFR + 9.65%	15.04%	28,594	30,034	2.0%
	First-lien revolving loan ($24,752 par, due 6/2024)	9/29/2015	SOFR + 9.65%	15.04%	24,752	24,564	1.7%
					112,760	115,291	7.8%
Human Resource Support Services							
Axonify, Inc. (3)(4)(5)	First-lien loan ($40,920 par, due 5/2027)	5/5/2021	SOFR + 7.65%	13.02%	40,312	40,920	2.7%
bswift, LLC (3)(5)	First-lien loan ($44,470 par, due 11/2028)	11/7/2022	SOFR + 6.63%	11.91%	43,287	44,582	3.0%
Elysian Finco Ltd. (3)(4)(5)	First-lien loan ($18,955 par, due 1/2028)	1/31/2022	SOFR + 6.65%	11.95%	18,528	19,356	1.3%
Employment Hero Holdings Pty Ltd. (3)(4)	First-lien loan (AUD 32,270 par, due 12/2026)	12/6/2021	B + 6.50%	10.72%	34,791	32,067 (AUD 49,685)	2.2%
HireVue, Inc. (3)	First-lien loan ($54,113 par, due 5/2029)	5/3/2023	SOFR + 7.25%	12.34%	52,422	53,350	3.6%
PageUp People, Ltd. (3)(4)(5)	First-lien loan (AUD 13,916 par, due 12/2025)	1/11/2018	B + 5.25%	9.36%	10,500	8,982 (AUD 13,916)	0.6%
	First-lien loan (GBP 3,258 par, due 12/2025)	10/28/2021	S + 5.28%	10.47%	4,487	3,976 (GBP 3,258)	0.3%
	First-lien loan ($11,441 par, due 12/2025)	10/28/2021	SOFR + 5.35%	10.67%	11,431	11,441	0.8%
PayScale Holdings, Inc. (3)(5)	First-lien loan ($71,379 par, due 5/2027)	5/3/2019	SOFR + 6.35%	11.74%	70,985	71,379	4.8%
PrimePay Intermediate, LLC (3)(5)	First-lien loan ($34,462 par, due 12/2026)	12/17/2021	SOFR + 7.15%	12.54%	33,697	34,290	2.3%
					320,440	320,343	21.6%
Insurance							
Disco Parent, Inc. (3)	First-lien loan ($4,545 par, due 3/2029)	3/30/2023	SOFR + 7.50%	12.92%	4,431	4,495	0.3%
Internet Services							
Arrow Buyer, Inc. (3)	First-lien loan ($33,125 par, due 7/2030)	6/30/2023	SOFR + 6.50%	11.89%	32,225	32,514	2.2%
Bayshore Intermediate #2, L.P. (3)	First-lien loan ($35,464 par, due 10/2028)	10/1/2021	SOFR + 7.60%	13.00% PIK	34,947	35,198	2.4%
	First-lien revolving loan ($480 par, due 10/2027)	10/1/2021	SOFR + 6.60%	11.87%	444	461	0.0%
Coupa Holdings, LLC (3)	First-lien loan ($43,191 par, due 2/2030)	2/27/2023	SOFR + 7.50%	12.82%	42,092	43,066	2.9%
CrunchTime Information, Systems, Inc. (3)(5)	First-lien loan ($59,651 par, due 6/2028)	6/17/2022	SOFR + 6.00%	11.32%	58,579	59,651	4.0%
EDB Parent, LLC (3)(5)	First-lien loan ($61,858 par, due 7/2028)	7/7/2022	SOFR + 6.75%	12.14%	60,612	61,394	4.1%
Higher Logic, LLC (3)(5)	First-lien loan ($53,658 par, due 1/2025)	6/18/2018	SOFR + 6.75%	12.14%	53,464	53,792	3.6%
LeanTaaS Holdings, Inc. (3)(5)	First-lien loan ($35,413 par, due 7/2028)	7/12/2022	SOFR + 7.50%	12.89%	34,602	35,556	2.4%
Lithium Technologies, LLC (3)	First-lien loan ($57,009 par, due 1/2025)	10/3/2017	SOFR + 9.00%	14.37% (incl. 4.50% PIK)	56,996	55,726	3.8%
Lucidworks, Inc. (3)(5)	First-lien loan ($8,764 par, due 2/2027)	2/11/2022	SOFR + 7.50%	12.82% (incl. 3.50% PIK)	8,763	8,717	0.6%
Piano Software, Inc. (3)(5)	First-lien loan ($51,218 par, due 2/2026)	2/25/2021	SOFR + 7.10%	12.42%	50,545	50,706	3.3%
SMA Technologies Holdings, LLC (3)(5)	First-lien loan ($36,833 par, due 10/2028)	10/31/2022	SOFR + 6.75%	12.07%	35,406	36,649	2.5%
					468,675	473,430	31.8%
Manufacturing							
ASP Unifrax Holdings, Inc. (9)	First-lien loan ($1,133 par, due 12/2025) (3)	8/25/2023	SOFR + 3.90%	9.29%	1,051	1,055	0.1%
	First-lien loan (EUR 364 par, due 12/2025) (3)	9/14/2023	E + 3.75%	7.72%	357	354 (EUR 335)	0.0%
	Unsecured Note ($227 par, due 9/2029)	8/31/2023	7.50%	7.50%	119	123	0.0%
Avalara, Inc (3)	First-lien loan ($38,636 par, due 10/2028)	10/19/2022	SOFR + 7.25%	12.64%	37,701	38,424	2.6%
Skylark UK DebtCo Limited (3)(4)	First-lien loan ($16,340 par, due 9/2030)	9/7/2023	SOFR + 6.25%	11.65%	15,705	15,697	1.1%
	First-lien loan (EUR 4,851 par, due 2/2029)	9/7/2023	E + 6.25%	10.08%	5,051	5,021 (EUR 4,742)	0.3%
	First-lien loan (GBP 16,640 par, due 12/2025)	9/7/2023	S + 6.25%	11.44%	20,194	19,852 (GBP 16,265)	1.3%
					80,178	80,526	5.4%
Office Products							

USR Parent, Inc. (3)(5)	ABL FILO term loan ($17,500 par, due 4/2027)	4/25/2022	SOFR + 6.50%	11.83%	17,185	17,369	1.2%
Oil, Gas and Consumable Fuels							
Laramie Energy, LLC (3)	First-lien loan ($27,317 par, due 2/2027)	2/21/2023	SOFR + 7.10%	12.42%	26,724	27,055	1.8%
Murchison Oil and Gas, LLC (3)	First-lien loan ($29,478 par, due 6/2026)	6/30/2022	SOFR + 8.65%	14.04%	28,986	29,887	2.0%
TRP Assets, LLC (3)	First-lien loan ($65,000 par, due 12/2025)	12/3/2021	SOFR + 7.76%	13.15%	64,299	67,310	4.5%
					120,009	124,252	8.3%
Other							
Omnigo Software, LLC (3)(5)	First-lien loan ($40,045 par, due 3/2026)	3/31/2021	SOFR + 6.60%	11.92%	39,492	39,745	2.7%
Retail and Consumer Products							
99 Cents Only Stores LLC (3)	ABL FILO term loan ($25,000 par, due 5/2025)	9/6/2017	SOFR + 8.65%	14.05%	24,845	25,000	1.7%
American Achievement, Corp. (3)(14)	First-lien loan ($27,089 par, due 9/2026)	9/30/2015	SOFR + 6.35%	11.68% (incl. 11.19% PIK)	26,260	20,452	1.4%
	First-lien loan ($1,355 par, due 9/2026)	6/10/2021	SOFR + 14.10%	19.43% (incl. 18.93% PIK)	1,355	102	0.0%
	Subordinated note ($4,740 par, due 9/2026)	3/16/2021	SOFR + 1.15%	6.40% PIK	545	71	0.0%
Bed Bath and Beyond Inc. (3)(15)	ABL FILO term loan ($15,375 par, due 8/2027)	9/2/2022	SOFR + 9.90%	15.22%	15,055	15,029	1.0%
	Roll Up DIP term loan ($25,914 par, due 9/2024)	4/24/2023	SOFR + 7.90%	13.22% (incl. 13.22% PIK)	25,914	25,331	1.7%
	Super-Priority DIP term loan ($4,946 par, due 9/2024)	4/24/2023	SOFR + 7.90%	13.22%	4,946	4,835	0.3%
Cordance Operations, LLC (3)	First-lien loan ($47,006 par, due 7/2028)	7/25/2022	SOFR + 9.25%	14.62%	46,095	47,006	3.1%
Neuintel, LLC (3)(5)	First-lien loan ($57,701 par, due 12/2026)	12/20/2021	SOFR + 7.65%	13.02%	56,869	57,990	3.9%
Project P Intermediate 2, LLC (3)	ABL FILO term loan ($71,250 par, due 5/2026)	11/8/2021	SOFR + 8.10%	13.42%	70,344	72,141	4.9%
Rapid Data GmbH Unternehmensberatung (3)(4)	First-lien loan (EUR 4,495 par, due 7/2029)	7/11/2023	E + 6.50%	10.15%	4,666	4,625 (EUR 4,368)	0.3%
Tango Management Consulting, LLC (3)(5)	First-lien loan ($54,052 par, due 12/2027)	12/1/2021	SOFR + 6.85%	12.18%	53,318	53,512	3.6%
	First-lien revolving loan ($9 par, due 12/2027)	12/1/2021	P + 6.85%	15.25%	(56)	(29)	0.0%
					330,156	326,065	21.9%
Transportation							
Project44, Inc. (3)(5)	First-lien loan ($35,139 par, due 11/2027)	11/12/2021	SOFR + 6.40%	11.76%	34,210	34,864	2.3%
Marcura Equities LTD (3)(4)	First-lien loan ($31,667 par, due 8/2029)	8/11/2023	SOFR + 7.75%	13.14% (incl. 4.25% PIK)	30,641	31,146	2.1%
	First-lien revolving loan ($1,667 par, due 8/2029)	8/11/2023	SOFR + 7.00%	12.39%	1,585	1,625	0.1%
					66,436	67,635	4.5%
Total Debt Investments					2,890,369	2,909,102	195.8%
Equity and Other Investments							
Business Services							
Dye & Durham, Ltd. (4)(10)	Common Shares (126,968 shares)	12/3/2021			3,909	1,248 (CAD 1,688)	0.1%
Mitnick TA Aggregator, LP (11)(13)	Membership Interest (0.43% ownership)	5/2/2022			5,243	5,243	0.4%
ReliaQuest, LLC (11)(13)	Class A-1 Units (567,683 units)	11/23/2021			1,120	1,324	0.1%
	Class A-2 Units (2,580 units)	6/21/2022			6	8	0.0%
Sprinklr, Inc. (10)(11)	Common Shares (315,005 shares)	6/24/2021			2,716	4,360	0.3%
Warrior TopCo LP (11)(12)	Class A Units (423,728 units)	7/7/2023			424	424	0.0%
					13,418	12,607	0.9%
Communications							
Celtra Technologies, Inc. (11)	Class A Units (1,250,000 units)	11/19/2021			1,250	1,250	0.1%
IntelePeer Holdings, Inc. (11)	Series C Preferred Shares (1,816,295 shares)	4/8/2021			1,816	1,866	0.1%
	Series D Preferred Shares (1,598,874 shares)	4/8/2021			2,925	2,004	0.1%
	280,000 Warrants	2/28/2020			183	—	0.0%
	106,592 Warrants	4/8/2021			—	—	0.0%
					6,174	5,120	0.3%
Education							
Astra 2L Holdings II LLC (11)	Membership Interest (10.17% ownership)	1/13/2022			3,255	594	0.0%
EMS Linq, Inc. (11)	Class B Units (5,522,526 units)	12/22/2021			5,523	4,763	0.4%
RMCF IV CIV XXXV, LP. (11)	Partnership Interest (11.94% ownership)	6/8/2021			1,000	1,410	0.1%
					9,778	6,767	0.5%
Financial Services							
AvidXchange, Inc. (10)(11)	Common Shares (50,179 shares)	10/15/2021			256	476	0.0%
Newport Parent Holdings, LP (11)	Class A-2 Units (131,569 units)	12/10/2020			4,177	9,607	0.6%
Oxford Square Capital Corp. (4)(10)	Common Shares (1,620 shares)	8/5/2015			6	5	0.0%
Passport Labs, Inc. (11)	17,534 Warrants	4/28/2021			192	2	0.0%
TradingScreen, Inc. (11)(13)	Class A Units (600,000 units)	5/14/2021			600	600	0.1%

					5,231	10,690	0.7%
Healthcare							
Caris Life Sciences, Inc. [11]	Series C Preferred Shares (1,915,114 shares)	10/13/2020			3,500	6,703	0.5%
	Series D Preferred Shares (1,240,740 shares)	5/11/2021			10,050	9,573	0.6%
	633,376 Warrants	9/21/2018			192	1,196	0.1%
	569,991 Warrants	4/2/2020			250	893	0.1%
Merative L.P. [11][13]	989,691 Class A-1 Units	6/30/2022			9,897	9,897	0.7%
Raptor US Buyer II Corp. [11][12]	2,027 Ordinary Shares	3/24/2023			203	203	0.0%
	2,027 Class A	3/24/2023			203	203	0.0%
	2,027 Class B	3/24/2023			203	203	0.0%
	2,027 Class C	3/24/2023			203	203	0.0%
	2,027 Class D	3/24/2023			203	203	0.0%
	2,027 Class E	3/24/2023			203	203	0.0%
	2,027 Class F	3/24/2023			203	203	0.0%
	2,027 Class G	3/24/2023			203	203	0.0%
	2,027 Class H	3/24/2023			203	203	0.0%
	2,027 Class I	3/24/2023			203	203	0.0%
					25,919	30,292	2.0%
Hotel, Gaming and Leisure							
IRGSE Holding Corp. [7][11]	Class A Units (33,790,171 units)	12/21/2018			21,842	6,336	0.4%
	Class C-1 Units (8,800,000 units)	12/21/2018			100	43	0.0%
					21,942	6,379	0.4%
Human Resource Support Services							
Axonify, Inc. [4][11][13]	Class A-1 Units (3,780,000 units)	5/5/2021			3,780	3,837	0.3%
bswift, LLC [11][12]	Class A-1 Units (2,393,509 units)	11/7/2022			2,394	2,394	0.2%
DaySmart Holdings, LLC [11][13]	Class A Units (166,811 units)	10/1/2019			1,347	2,030	0.1%
Employment Hero Holdings Pty Ltd. [4][11]	Series E Preferred Shares (113,250 shares)	3/1/2022			2,134	2,493 (AUD 3,862)	0.2%
					9,655	10,754	0.8%
Internet Services							
Bayshore Intermediate #2, L.P. [11][13]	Co-Invest Common Units (8,837,008 units)	10/1/2021			8,837	8,152	0.5%
	Co-Invest 2 Common Units (3,493,701 units)	10/1/2021			3,494	3,223	0.2%
Lucidworks, Inc. [11]	Series F Preferred Shares (199,054 shares)	8/2/2019			800	800	0.1%
Piano Software, Inc. [11]	Series C-1 Preferred Shares (418,527 shares)	12/22/2021			3,000	3,000	0.2%
	Series C-2 Preferred Shares (27,588 shares)[12]	11/18/2022			198	198	0.0%
SMA Technologies Holdings, LLC [11][12]	Class A Units (1,300 shares)	11/21/2022			1,300	1,300	0.1%
	Class B Units (923,250 shares)	11/21/2022			—	—	0.0%
					17,629	16,673	1.1%
Marketing Services							
Validity, Inc. [11]	Series A Preferred Shares (3,840,000 shares)	5/31/2018			3,840	10,944	0.7%
Oil, Gas and Consumable Fuels							
Murchison Oil and Gas, LLC [13]	13,355 Preferred Units	6/30/2022			13,355	14,891	1.0%
TRP Assets, LLC [11][13]	Partnership Interest (1.89% ownership)	8/25/2022			8,732	11,811	0.8%
					22,087	26,702	1.8%
Pharmaceuticals							
TherapeuticsMD, Inc. [4][11]	14,256 Warrants	8/5/2020			1,029	—	0.0%
Retail and Consumer Products							
American Achievement, Corp. [11]	Class A Units (687 units)	3/16/2021			—	50	0.0%
Copper Bidco, LLC	Trust Certificates (132,928 Certificates)	12/7/2020			—	7	0.0%
	Trust Certificates (996,958 Certificates) [9]	1/30/2021			2,589	10,727	0.7%
Neuintel, LLC [11][13]	Class A Units (1,176,494 units)	12/21/2021			3,000	2,468	0.2%
					5,589	13,252	0.9%
Structured Credit							
Allegro CLO Ltd, Series 2018-1A, [3][4][9]	Structured Credit ($1,000 par, due 6/2031)	5/26/2022	SOFR + 3.11%	8.42%	973	953	0.1%
American Money Management Corp CLO Ltd, Series 2016-18A [3][4][9]	Structured Credit ($1,500 par, due 5/2031)	6/22/2022	SOFR + 3.31%	8.70%	1,356	1,455	0.1%
Ares CLO Ltd, Series 2021-59A [3][4][9]	Structured Credit ($1,000 par, due 4/2034)	6/23/2022	SOFR + 6.51%	11.86%	897	906	0.0%
Ares Loan Funding I Ltd, Series 2021-ALFA, Class E [3][4][9]	Structured Credit ($1,000 par, due 10/2034)	6/24/2022	SOFR + 6.96%	12.27%	943	925	0.0%
Bain Capital Credit CLO Ltd, Series 2018-1A [3][4][9]	Structured Credit ($500 par, due 4/2031)	10/15/2020	SOFR + 5.61%	10.96%	428	421	0.0%
Battalion CLO Ltd, Series 2021-21A [3][4][9]	Structured Credit ($1,300 par, due 7/2034)	7/13/2022	SOFR + 3.56%	8.87%	1,167	1,222	0.1%
Benefit Street Partners CLO Ltd, Series 2015-BR [3][4][9]	Structured Credit ($2,500 par, due 7/2034)	7/13/2022	SOFR + 4.11%	9.44%	2,190	2,500	0.2%
Benefit Street Partners CLO Ltd, Series 2015-8A [3][4][9]	Structured Credit ($1,425 par, due 1/2031)	9/13/2022	SOFR + 3.01%	8.34%	1,282	1,334	0.1%

Carlyle Global Market Strategies CLO Ltd, Series 2014-4RA [3][4][9]	Structured Credit ($1,000 par, due 7/2030)	5/26/2022	SOFR + 3.16%	8.47%	917	928	0.1%
Carlyle Global Market Strategies CLO Ltd, Series 2016-1, Ltd [3][4][9]	Structured Credit ($1,600 par, due 4/2034)	2/15/2023	SOFR + 6.86%	12.19%	1,427	1,467	0.1%
Carlyle Global Market Strategies CLO Ltd, Series 2018-1A [3][4][9]	Structured Credit ($1,550 par, due 4/2031)	8/11/2020	SOFR + 6.01%	11.34%	1,259	1,386	0.1%
CarVal CLO III Ltd, Series 2019-2A [3][4][9]	Structured Credit ($1,000 par, due 7/2032)	6/30/2022	SOFR + 6.70%	12.03%	901	957	0.1%
Cedar Funding CLO Ltd, Series 2018-7A [3][4][9]	Structured Credit ($1,000 par, due 1/2031)	7/21/2022	SOFR + 4.81%	10.14%	871	867	0.0%
CIFC CLO Ltd, Series 2018-3A [3][4][9]	Structured Credit ($1,000 par, due 7/2031)	6/16/2022	SOFR + 5.76%	11.07%	902	928	0.1%
CIFC CLO Ltd, Series 2021-4A [3][4][9]	Structured Credit ($1,000 par, due 7/2033)	7/14/2022	SOFR + 6.26%	11.57%	899	950	0.1%
Crown Point CLO Ltd, Series 2021-10A [3][4][9]	Structured Credit ($1,000 par, due 7/2034)	6/14/2022	SOFR + 7.11%	12.44%	903	925	0.1%
Dryden Senior Loan Fund, Series 2018-55A [3][4][9]	Structured Credit ($1,000 par, due 4/2031)	7/25/2022	SOFR + 3.11%	8.42%	925	928	0.1%
Dryden Senior Loan Fund, Series 2020-86A [3][4][9]	Structured Credit ($1,500 par, due 7/2034)	8/17/2022	SOFR + 6.76%	12.07%	1,451	1,358	0.1%
Eaton CLO Ltd, Series 2015-1A [3][4][9]	Structured Credit ($2,500 par, due 1/2030)	6/23/2022	SOFR + 2.76%	8.09%	2,252	2,394	0.2%
Eaton CLO Ltd, Series 2020-1A [3][4][9]	Structured Credit ($1,000 par, due 10/2034)	8/11/2022	SOFR + 6.51%	11.82%	934	962	0.1%
GoldenTree CLO Ltd, Series 2020-7A [3][4][9]	Structured Credit ($1,000 par, due 4/2034)	6/17/2022	SOFR + 6.76%	12.09%	921	984	0.1%
Gulf Stream Meridian, Series 2021-4A [3][4][9]	Structured Credit ($1,015 par, due 7/2034)	6/3/2022	SOFR + 6.61%	11.98%	941	920	0.0%
Gulf Stream Meridian, Series 2021-6A [3][4][9]	Structured Credit ($2,000 par, due 1/2037)	9/12/2022	SOFR + 6.62%	11.93%	1,849	1,785	0.1%
Jefferson Mill CLO Ltd, Series 2015-1A [3][4][9]	Structured Credit ($1,000 par, due 10/2031)	5/23/2022	SOFR + 3.81%	9.14%	906	937	0.0%
KKR CLO Ltd, 49A [3][4][9]	Structured Credit ($1,000 par, due 7/2035)	6/2/2022	SOFR + 8.26%	13.33%	977	959	0.1%
Madison Park CLO, Series 2018-28A [3][4][9]	Structured Credit ($1,000 par, due 7/2030)	6/28/2022	SOFR + 5.51%	10.82%	908	948	0.0%
Magnetite CLO Ltd, Series 2021-30A [3][4][9]	Structured Credit ($1,000 par, due 10/2034)	6/13/2022	SOFR + 6.46%	11.81%	919	956	0.1%
MidOcean Credit CLO Ltd, Series 2016-6A [3][4][9]	Structured Credit ($3,500 par, due 4/2033)	5/23/2022	SOFR + 3.78%	9.11%	3,165	3,231	0.2%
MidOcean Credit CLO Ltd, Series 2018-9A [3][4][9]	Structured Credit ($1,100 par, due 7/2031)	6/1/2022	SOFR + 6.31%	11.64%	964	952	0.1%
Octagon 57 LLC, Series 2021-1A [3][4][9]	Structured Credit ($1,000 par, due 10/2034)	5/24/2022	SOFR + 6.86%	12.17%	949	916	0.0%
Octagon Investment Partners 18 Ltd, Series 2018-18A [3][4][9]	Structured Credit ($1,000 par, due 4/2031)	7/26/2022	SOFR + 2.96%	8.27%	911	925	0.1%
Octagon Investment Partners 38 Ltd, Series 2018-1A [3][4][9]	Structured Credit ($2,800 par, due 7/2030)	9/20/2022	SOFR + 3.21%	8.54%	2,489	2,620	0.2%
Park Avenue Institutional Advisers CLO Ltd, Series 2018-1A [3][4][9]	Structured Credit ($1,000 par, due 10/2031)	9/23/2022	SOFR + 3.59%	8.92%	868	922	0.0%
Pikes Peak CLO, Series 2021-9A [3][4][9]	Structured Credit ($2,000 par, due 10/2034)	8/31/2022	SOFR + 6.84%	12.20%	1,782	1,894	0.1%
RR Ltd, Series 2020-8A [3][4][9]	Structured Credit ($1,000 par, due 4/2033)	8/22/2022	SOFR + 6.66%	11.97%	954	980	0.1%
Signal Peak CLO LLC, Series 2018-5A [3][4][9]	Structured Credit ($333 par, due 4/2031)	8/9/2022	SOFR + 5.91%	11.26%	301	297	0.0%
Southwick Park CLO Ltd, Series 2019-4A [3][4][9]	Structured Credit ($1,000 par, due 7/2032)	5/25/2022	SOFR + 6.51%	11.84%	931	925	0.0%
Stewart Park CLO Ltd, Series 2015-1A [3][4][9]	Structured Credit ($1,000 par, due 1/2030)	7/25/2022	SOFR + 2.86%	8.17%	926	922	0.0%
Voya CLO Ltd, Series 2018-3A [3][4][9]	Structured Credit ($2,750 par, due 10/2031)	6/22/2022	SOFR + 6.01%	11.32%	2,435	2,391	0.2%
Wind River CLO Ltd, Series 2014-2A [3][4][9]	Structured Credit ($1,500 par, due 1/2031)	6/23/2022	SOFR + 3.16%	8.47%	1,405	1,339	0.1%
Wind River CLO Ltd, Series 2017-1A [3][4][9]	Structured Credit ($3,000 par, due 4/2036)	7/14/2022	SOFR + 3.98%	9.29%	2,630	2,721	0.2%
Wind River CLO Ltd, Series 2018-3A [3][4][9]	Structured Credit ($2,000 par, due 1/2031)	12/12/2022	SOFR + 5.91%	11.24%	1,710	1,705	0.1%
					52,718	53,995	3.6%
Total Equity and Other Investments					195,009	204,175	13.7%
Total Investments					**$ 3,085,378**	**$ 3,113,277**	**209.5%**

Interest Rate Swaps as of September 30, 2023

	Company Receives	Company Pays	Maturity Date	Notional Amount	Fair Market Value	Upfront (Payments) / Receipts	Change in Unrealized Gains / (Losses)
Interest rate swap [a]	SOFR + 2.54%	3.875%	11/1/2024	$ 2,500	$ —	$ —	$ —
Interest rate swap [a][b][c][d]	3.875%	SOFR + 2.51%	11/1/2024	300,000	(12,882)	—	3,611
Interest rate swap [a][b][c][d]	3.875%	SOFR + 2.72%	11/1/2024	50,000	(2,258)	—	667
Interest rate swap [a][b]	2.50%	SOFR + 2.17%	8/1/2026	300,000	(34,724)	—	941
Interest rate swap [a][b]	6.95%	SOFR + 2.99%	8/14/2028	300,000	(6,079)	—	(6,079)
Total Hedge Accounting Swaps				952,500	(55,943)	—	(860)
Cash collateral				—	63,368	—	—
Total derivatives				$ 952,500	$ 7,425	$ —	$ (860)

(a)Contains a variable rate structure. Bears interest at a rate determined by SOFR.
(b)Instrument is used in a hedge accounting relationship. The associated change in fair value is recorded along with the change in fair value of the hedged item within interest expense.
(c)$2.5 million in aggregate notional value of these instruments is no longer designated as instruments in a hedge accounting relationship. The associated change in fair value of the de-designated portion is recorded within unrealized gain/(loss).
(d)The fair market value of this instrument is presented net with the $2.5 million in aggregate notional value of instruments no longer designated as instruments in a hedge accounting relationship.

(1)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)Investment contains a variable rate structure, subject to an interest rate floor. Variable rate investments bear interest at a rate that may be determined by reference to either Euro Interbank Offer Rate (“Euribor” or “E”), Canadian Dollar Offered Rate (“CDOR” or “C”), Secured Overnight Financing Rate (“SOFR”) which may also contain a credit spread adjustment depending on the tenor election, Bank Bill Swap Bid Rate (“BBSY” or “B”), Sterling Overnight Interbank Average Rate (“SONIA” or “S”) or an alternate base rate (which can include the Federal Funds Effective Rate or the Prime Rate or “P”), all of which include an available tenor, selected at the borrower’s option, which reset periodically based on the terms of the credit agreement. For investments with multiple interest rate contracts, the interest rate shown is the weighted average interest rate in effect at September 30, 2023.
(4)This portfolio company is not a qualifying asset under Section 55(a) of the Investment Company Act of 1940, as amended (the “1940 Act”). Under the 1940 Act, the Company may not acquire any non-qualifying asset unless, at the time such acquisition is made, qualifying assets represent at least 70% of total assets. Non-qualifying assets represented 11.0% of total assets as of September 30, 2023.

(5)In addition to the interest earned based on the stated interest rate of this investment, which is the amount reflected in this schedule, the Company may be entitled to receive additional interest as a result of an arrangement with other members in the syndicate to the extent an investment has been allocated to “first out” and “last out” tranches, whereby the “first out” tranche will have priority as to the “last out” tranche with respect to payments of principal, interest and any amounts due thereunder and the Company holds the “last out” tranche.
(6)Under the 1940 Act, the Company is deemed to be both an “Affiliated Person” of and “Control,” as such terms are defined in the 1940 Act, this portfolio company, as the Company owns more than 25% of the portfolio company’s outstanding voting securities or has the power to exercise control over management or policies of such portfolio company (including through a management agreement). Transactions during the nine months ended September 30, 2023 in which the Company was an Affiliated Person of and was deemed to Control a portfolio company are as follows:

Controlled, Affiliated Investments during the nine months ended September 30, 2023

Company	Fair Value at December 31, 2022	Gross Additions (a)	Gross Reductions (b)	Net Change In Unrealized Gain/(Loss)	Realized Gain/(Loss)	Transfers	Fair Value at September 30, 2023	Other Income	Interest Income
IRGSE Holding Corp.	$ 70,755	$ 8,005	$ —	$ (17,783)	$ —	$ —	$ 60,977	$ 4	$ 5,599
Total	**$ 70,755**	**$ 8,005**	**$ —**	**$ (17,783)**	**$ —**	**$ —**	**$ 60,977**	**$ 4**	**$ 5,599**

(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 premiums on debt investments, as applicable. When an investment is placed on non-accrual status, any cash flows received by the Company may be applied to the outstanding principal balance.

(7)As of September 30, 2023, the estimated cost basis of investments for U.S. federal tax purposes was $3,096,469, resulting in estimated gross unrealized gains and losses of $147,820 and $125,469, respectively.
(8)In accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 820, *Fair Value Measurements* (“ASC Topic 820”), unless otherwise indicated, the fair values of all investments were determined using significant unobservable inputs and are considered Level 3 investments. See Note 6 for further information related to investments at fair value.
(9)This investment is valued using observable inputs and is considered a Level 2 investment. See Note 6 for further information related to investments at fair value.
(10)This investment is valued using observable inputs and is considered a Level 1 investment. See Note 6 for further information related to investments at fair value.
(11)This investment is non-income producing.
(12)All or a portion of this security was acquired in a transaction exempt from registration under the Securities Act of 1933, and may be deemed to be “restricted securities” under the Securities Act. As of September 30, 2023, the aggregate fair value of these securities is $6,346, or 0.4% of the Company’s net assets.
(13)Ownership of equity investments may occur through a holding company or partnership.
(14)Investment is on non-accrual status as of September 30, 2023.
(15)In addition to the principal amount outstanding and accrued interest owed on this investment, the Company is entitled to a separate Make-Whole Amount (the “Make-Whole”) of $11.4 million. The Make-Whole is a contractual obligation of the borrower and accrues interest on the balance outstanding. The Make-Whole is included on the Company’s consolidated balance sheet within other assets, net of any valuation allowance. Given uncertainty relating to collectability of the Make-Whole, the Company has applied a full valuation allowance against the amount of the Make-Whole balance outstanding.

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

Consolidated Schedule of Investments as of December 31, 2022
(Amounts in thousands, except share amounts)

Company [1][6]	Investment	Initial Acquisition Date	Reference Rate and Spread	Interest Rate	Amortized Cost [2][8]	Fair Value [9]	Percentage of Net Assets
Debt Investments							
Automotive							
Carlstar Group, LLC [3]	First-lien loan ($33,575 par, due 7/2027)	7/8/2022	SOFR + 6.60%	10.92%	$ 32,739	$ 33,049	2.5%
Business services							
Acceo Solutions, Inc. [3][4][5]	First-lien loan (CAD 57,353 par, due 10/2025)	7/6/2018	C + 4.75%	9.49%	43,241	42,540 (CAD 57,640)	3.2%
Alpha Midco, Inc. [3][5]	First-lien loan ($68,720 par, due 8/2025)	8/15/2019	SOFR + 7.63%	12.21%	67,831	69,242	5.2%
Dye & Durham Corp. [3][4]	First-lien loan (CAD 34,220 par, due 12/2027)	12/3/2021	C + 5.75%	10.69%	25,076	24,113 (CAD 32,672)	1.8%
	First-lien revolving loan (CAD 1,448 par, due 12/2026)	12/3/2021	P + 6.75%	11.20%	1,095	1,069 (CAD 1,448)	0.1%
ExtraHop Networks, Inc. [3][5]	First-lien loan ($57,950 par, due 7/2027)	7/22/2021	L + 7.50%	12.23%	56,812	56,791	4.2%
ForeScout Technologies, Inc. [3]	First-lien loan ($2,606 par, due 8/2026)	7/1/2022	L + 9.00%	13.72% (incl. 9.00% PIK)	2,533	2,489	0.2%
	First-lien loan ($6,502 par, due 8/2026)	8/17/2020	L + 9.50%	14.23% (incl. 9.50% PIK)	6,412	6,421	0.5%
Hornetsecurity Holding GmbH [3][4]	First-lien loan (EUR 3,150 par, due 11/2029)	11/14/2022	E + 6.50%	8.26%	3,140	3,213 (EUR 3,011)	0.2%
Information Clearinghouse, LLC and MS Market Service, LLC [3][5]	First-lien loan ($17,820 par, due 12/2026)	12/20/2021	SOFR + 6.65%	11.16%	17,433	17,375	1.3%
Mitnick Corporate Purchaser, Inc. [3][10]	First-lien loan ($333 par, due 5/2029)	5/2/2022	SOFR + 4.85%	8.94%	333	311	0.0%
Netwrix Corp. [3]	First-lien loan ($36,119 par, due 6/2029)	6/9/2022	SOFR + 5.00%	9.70%	35,515	35,119	2.6%
OutSystems Luxco SARL [3][4][5]	First-lien loan (EUR 3,004 par, due 12/2028)	12/8/2022	E + 5.75%	7.74%	3,060	3,112 (EUR 2,916)	0.2%
ReliaQuest Holdings, LLC [3][5]	First-lien loan ($63,477 par, due 10/2026)	10/8/2020	SOFR + 7.25%	11.83%	62,411	63,477	4.7%
TIBCO Software Inc. [10]	First-lien note ($13,000 par, due 3/2029)	9/20/2022	6.50%	6.50%	10,924	10,944	0.8%
	First-lien loan ($12,000 par, due 3/2029) [3]	9/20/2022	SOFR + 4.60%	9.19%	10,947	10,680	0.8%
WideOrbit, Inc. [3]	First-lien loan ($35,548 par, due 7/2025)	7/8/2020	L + 8.50%	12.88%	35,213	36,347	2.7%
					381,976	383,243	28.5%
Chemicals							
Erling Lux Bidco SARL [3][4]	First-lien loan (EUR 7,239 par, due 9/2028)	9/6/2022	E + 6.75%	8.73%	6,908	7,326 (EUR 6,864)	0.5%
	First-lien loan (GBP 10,217 par, due 9/2028)	9/6/2022	S + 6.75%	10.20%	11,245	11,922 (GBP 9,911)	0.9%
					18,153	19,248	1.4%
Communications							
Celtra Technologies, Inc. [3][5]	First-lien loan ($34,650 par, due 11/2026)	11/19/2021	L + 7.00%	11.38%	33,764	33,264	2.5%
IntelePeer Holdings, Inc.	First-lien loan ($34,677 par, due 12/2024) [3]	12/2/2019	L + 8.25%	12.63%	34,633	33,983	2.5%
	Convertible note ($4,382 par, due 5/2028)	5/12/2021	6.50%	6.50% PIK	4,350	4,240	0.3%
					72,747	71,487	5.3%
Education							
Astra Acquisition Corp. [3]	Second-lien loan ($43,479 par, due 10/2029)	10/25/2021	L + 8.88%	13.26%	42,743	40,762	3.0%
Destiny Solutions Parent Holding Company [3][5]	First-lien loan ($60,000 par, due 6/2026)	6/8/2021	L + 5.75%	10.13%	59,046	58,350	4.3%
EMS Linq, Inc. [3]	First-lien loan ($56,216 par, due 12/2027)	12/22/2021	L + 6.25%	10.63%	55,103	53,291	4.0%
					156,892	152,403	11.3%
Financial Services							
BTRS Holdings, Inc. [3]	First-lien loan ($45,180 par, due 12/2028)	12/16/2022	SOFR + 8.00%	12.50%	43,688	43,465	3.2%
Bear OpCo, LLC [3][5]	First-lien loan ($20,169 par, due 10/2024)	10/10/2019	SOFR + 7.65%	11.97%	19,953	20,169	1.5%
BlueSnap, Inc. [3][5]	First-lien loan ($42,000 par, due 10/2024)	10/25/2019	L + 6.75%	11.48%	41,646	41,889	3.1%
G Treasury SS, LLC [3][5]	First-lien loan ($65,859 par, due 4/2024)	4/9/2018	SOFR + 8.40%	12.94%	65,709	65,859	4.9%
Ibis Intermediate Co. [3][5]	First-lien loan ($1,526 par, due 5/2027)	5/28/2021	L + 5.00%	9.73%	1,416	1,565	0.1%
Ibis US Blocker Co. [3]	First-lien loan ($13,957 par, due 5/2028)	5/28/2021	L + 8.25%	12.98% PIK	13,713	13,643	1.0%
Jonas Collections and Recovery, Inc. [3][5]	First-lien loan ($19,125 par, due 6/2026)	6/21/2021	L + 5.25%	10.40%	18,832	18,790	1.4%
Kyriba Corp. [3]	First-lien loan ($19,051 par, due 4/2025)	4/9/2019	L + 9.00%	13.73% (incl. 9.00% PIK)	18,870	19,147	1.4%
	First-lien loan (EUR 9,924 par, due 4/2025)	4/9/2019	E + 9.00%	11.20% (incl. 9.00% PIK)	11,004	10,645 (EUR 9,974)	0.8%
	First-lien revolving loan ($1,411 par, due 4/2025)	4/9/2019	L + 7.25%	11.98%	1,394	1,418	0.1%
	First-lien revolving loan (EUR 336 par, due 4/2025)	4/9/2019	E + 7.25%	9.45%	372	358 (EUR 336)	0.0%
Passport Labs, Inc. [3]	First-lien loan ($23,390 par, due 4/2026)	4/28/2021	L + 8.25%	12.58% (incl. 4.125% PIK)	23,169	22,783	1.7%
Ping Identity Holding Corp. [3]	First-lien loan ($22,727 par, due 10/2029)	10/17/2022	SOFR + 7.00%	11.32%	22,116	21,977	1.6%
PrimeRevenue, Inc. [3]	First-lien loan ($22,507 par, due 12/2023)	12/31/2018	L + 7.00%	11.38%	22,434	22,507	1.7%
TradingScreen, Inc. [3][5]	First-lien loan ($44,663 par, due 4/2027)	4/30/2021	L + 6.25%	10.66%	43,648	43,769	3.3%
					347,964	347,984	25.8%

Company [1][6]	Investment	Initial Acquisition Date	Reference Rate and Spread	Interest Rate	Amortized Cost [2][8]	Fair Value [9]	Percentage of Net Assets
Healthcare							
BCTO Ace Purchaser, Inc. [3][5]	First-lien loan ($63,565 par, due 11/2026)	11/23/2020	SOFR + 7.70%	12.10%	62,440	62,930	4.7%
Caris Life Sciences, Inc.	First-lien loan ($5,000 par, due 9/2023)	9/21/2018	11.30%	11.30%	4,967	5,100	0.4%
	First-lien loan ($3,750 par, due 4/2025)	4/2/2020	11.30%	11.30%	3,601	3,900	0.3%
	Convertible note ($2,602 par, due 9/2023)	9/21/2018	8.00%	8.00%	2,602	5,848	0.4%
Homecare Software Solutions, LLC [3][5]	First-lien loan ($65,000 par, due 10/2026)	10/6/2021	SOFR + 5.70%	10.02%	63,733	63,213	4.7%
Integrated Practice Solutions, Inc. [3][5]	First-lien loan ($46,312 par, due 10/2024)	6/30/2017	L + 7.50%	11.89%	45,590	46,312	3.5%
Merative L.P. [3][5]	First-lien loan ($70,103 par, due 6/2028)	6/30/2022	SOFR + 7.25%	11.84%	67,906	67,299	5.0%
					250,839	254,602	19.0%
Hotel, Gaming and Leisure							
ASG II, LLC [3][5]	First-lien loan ($58,048 par, due 5/2028)	5/25/2022	SOFR + 6.35%	10.67%	56,609	56,260	4.2%
IRGSE Holding Corp. [3][7]	First-lien loan ($30,261 par, due 6/2023)	9/29/2015	L + 9.50%	14.19%	28,595	29,807	2.2%
	First-lien revolving loan ($16,747 par, due 6/2023)	9/29/2015	L + 9.50%	14.23%	16,747	16,492	1.2%
					101,951	102,559	7.6%
Human Resource Support Services							
Axonify, Inc. [3][4][5]	First-lien loan ($47,122 par, due 5/2026)	5/5/2021	SOFR + 7.65%	11.83%	46,204	46,190	3.4%
bswift, LLC [3][5]	First-lien loan ($44,806 par, due 11/2028)	11/7/2022	SOFR + 6.63%	10.81%	43,430	43,574	3.2%
Elysian Finco Ltd. [3][4][5]	First-lien loan ($17,314 par, due 1/2028)	1/31/2022	SOFR + 6.65%	10.99%	16,831	17,107	1.3%
Employment Hero Holdings Pty Ltd. [3][4]	First-lien loan (AUD 50,000 par, due 12/2026)	12/6/2021	B + 6.50%	9.77%	34,664	32,839 (AUD 51,076)	2.4%
PageUp People, Ltd. [3][4][5]	First-lien loan (AUD 14,520 par, due 12/2025)	1/11/2018	B + 5.50%	9.28%	10,899	9.534 (AUD 14,059)	0.7%
	First-lien loan (GBP 3,766 par, due 12/2025)	10/28/2021	S + 5.62%	8.55%	5,184	4,439 (GBP 3,690)	0.3%
	First-lien loan ($12,011 par, due 12/2025)	10/28/2021	L + 5.50%	10.65%	11,997	11,771	0.9%
PayScale Holdings, Inc. [3][5]	First-lien loan ($68,775 par, due 5/2024)	5/3/2019	L + 5.75%	10.48%	68,199	67,572	5.0%
PrimePay Intermediate, LLC [3][5]	First-lien loan ($32,242 par, due 12/2026)	12/17/2021	SOFR + 7.15%	11.73%	31,297	31,355	2.3%
Modern Hire, Inc. [3][5]	First-lien loan ($28,878 par, due 5/2024)	5/15/2019	L + 7.00%	11.38%	28,624	28,950	2.2%
Workwell Acquisition Co. [3][5]	First-lien loan ($23,798 par, due 10/2025)	10/19/2020	SOFR + 7.40%	11.80%	23,433	23,441	1.7%
					320,762	316,772	23.4%
Internet Services							
Bayshore Intermediate #2, L.P. [3]	First-lien loan ($32,194 par, due 10/2028)	10/1/2021	L + 7.75%	12.04% PIK	31,631	31,308	2.3%
	First-lien revolving loan ($780 par, due 10/2027)	10/1/2021	L + 6.75%	10.89%	737	714	0.1%
CrunchTime Information, Systems, Inc. [3][5]	First-lien loan ($53,121 par, due 6/2028)	6/17/2022	SOFR + 6.00%	10.32%	51,969	51,766	3.9%
EDB Parent, LLC [3][5]	First-lien loan ($56,963 par, due 7/2028)	7/7/2022	SOFR + 7.00%	11.58%	55,607	55,539	4.1%
Higher Logic, LLC [3][5]	First-lien loan ($55,820 par, due 1/2025)	6/18/2018	SOFR + 7.25%	11.83%	55,506	55,541	4.1%
LeanTaaS Holdings, Inc. [3][5]	First-lien loan ($27,782 par, due 7/2028)	7/12/2022	SOFR + 7.50%	12.08%	26,906	26,709	2.0%
Lithium Technologies, LLC [3]	First-lien loan ($54,700 par, due 1/2024)	10/3/2017	SOFR + 8.00%	12.06%	54,651	53,469	4.0%
	First-lien revolving loan ($1,320 par, due 1/2024)	10/3/2017	SOFR + 8.00%	12.06%	1,323	1,245	0.1%
Lucidworks, Inc. [3][5]	First-lien loan ($8,330 par, due 2/2027)	2/11/2022	SOFR + 7.50%	11.82% (incl. 3.50% PIK)	8,330	8,170	0.6%
Piano Software, Inc. [3][5]	First-lien loan ($51,312 par, due 2/2026)	2/25/2021	SOFR + 7.10%	11.42%	50,454	50,029	3.7%
SMA Technologies Holdings, LLC [3][5]	First-lien loan ($36,833 par, due 10/2028)	10/31/2022	SOFR + 6.75%	11.07%	35,258	35,268	2.6%
					372,372	369,758	27.5%
Manufacturing							
Avalara, Inc [3]	First-lien loan ($38,636 par, due 10/2028)	10/19/2022	SOFR + 7.25%	11.83%	37,601	37,255	2.8%
Office Products							
USR Parent, Inc. [3][5]	ABL FILO term loan ($19,000 par, due 4/2027)	4/25/2022	SOFR + 6.50%	10.62%	18,634	18,478	1.4%
Oil, Gas and Consumable Fuels							
Murchison Oil and Gas, LLC [3]	First-lien loan ($26,873 par, due 6/2026)	6/30/2022	SOFR + 8.65%	13.23%	26,345	26,781	2.0%
TRP Assets, LLC [3]	First-lien loan ($57,818 par, due 12/2025)	12/3/2021	SOFR + 7.76%	12.34%	56,927	58,468	4.4%
					83,272	85,249	6.4%
Other							
Omnigo Software, LLC [3][5]	First-lien loan ($40,353 par, due 3/2026)	3/31/2021	SOFR + 6.60%	10.92%	39,655	39,445	2.9%
Retail and Consumer Products							
99 Cents Only Stores LLC [3]	ABL FILO term loan ($25,000 par, due 5/2025)	9/6/2017	L + 8.50%	13.23%	24,782	25,063	1.9%
American Achievement, Corp. [3]	First-lien loan ($27,171 par, due 9/2026)	9/30/2015	L + 6.25%	10.38% (incl. 9.88% PIK)	26,339	20,922	1.6%
	First-lien loan ($1,363 par, due 9/2026) [15]	6/10/2021	L + 14.00%	18.13% (incl. 17.63% PIK)	1,362	78	0.0%

Company [1][6]	Investment	Initial Acquisition Date	Reference Rate and Spread	Interest Rate	Amortized Cost [2][8]	Fair Value [9]	Percentage of Net Assets
	Subordinated note ($4,740 par, due 9/2026) [15]	3/16/2021	L + 1.00%	4.75% PIK	545	71	0.0%
Bed Bath and Beyond Inc. [3]	ABL FILO term loan ($55,000 par, due 8/2027)	9/2/2022	SOFR + 7.90%	12.30%	53,696	53,900	4.0%
Cordance Operations, LLC [3]	First-lien loan ($32,907 par, due 7/2028)	7/25/2022	SOFR + 8.75%	13.27%	32,091	32,135	2.4%
Neuintel, LLC [3][5]	First-lien loan ($56,400 par, due 12/2026)	12/20/2021	L + 6.25%	10.76%	55,414	55,272	4.1%
Project P Intermediate 2, LLC [3]	ABL FILO term loan ($73,125 par, due 5/2026)	11/8/2021	L + 8.00%	12.41%	71,976	72,943	5.4%
Tango Management Consulting, LLC [3][5]	First-lien loan ($44,674 par, due 12/2027)	12/1/2021	L + 6.75%	10.49%	43,752	42,997	3.2%
					309,957	303,381	22.6%
Transportation							
Project44, Inc. [3][5]	First-lien loan ($35,139 par, due 11/2027)	11/12/2021	L + 6.25%	11.41%	34,043	33,901	2.5%
Total Debt Investments					2,579,557	2,568,814	188.1%
Equity and Other Investments							
Business Services							
Dye & Durham, Ltd. [4][11]	Common Shares (126,968 shares)	12/3/2021			3,909	1,538 (CAD 2,284)	0.1%
Mitnick TA Aggregator, LP [12][13][14]	Membership Interest (0.43% ownership)	5/2/2022			5,243	5,243	0.4%
ReliaQuest, LLC [12][14]	Class A-1 Units (567,683 units)	11/23/2021			1,120	1,512	0.1%
	Class A-2 Units (2,580 units)[13]	6/21/2022			6	9	0.0%
Sprinklr, Inc. [11][12]	Common Shares (484,700 shares)	6/24/2021			4,180	3,960	0.3%
WideOrbit, Inc. [12]	1,567,807 Warrants	7/8/2020			327	4,869	0.4%
					14,785	17,131	1.3%
Communications							
Celtra Technologies, Inc. [12]	Class A Units (1,250,000 units)	11/19/2021			1,250	1,250	0.1%
IntelePeer Holdings, Inc. [12]	Series C Preferred Shares (1,816,295 shares)	4/8/2021			1,816	1,794	0.1%
	Series D Preferred Shares (1,598,874 shares)	4/8/2021			2,925	1,923	0.1%
	280,000 Warrants	2/28/2020			183	—	0.0%
	106,592 Warrants	4/8/2021			—	—	0.0%
					6,174	4,967	0.3%
Education							
Astra 2L Holdings II LLC [12][13]	Membership Interest (10.17% ownership)	1/13/2022			3,255	2,555	0.2%
EMS Linq, Inc. [12]	Class B Units (5,522,526 units)	12/22/2021			5,523	4,763	0.4%
RMCF IV CIV XXXV, LP. [12]	Partnership Interest (11.94% ownership)	6/8/2021			1,000	1,190	0.1%
					9,778	8,508	0.7%
Financial Services							
AvidXchange, Inc. [11][12]	Common Shares (200,721 shares)	10/15/2021			1,022	1,995	0.1%
Newport Parent Holdings, LP [12]	Class A-2 Units (131,569 units)	12/10/2020			4,177	4,845	0.4%
Oxford Square Capital Corp. [4][11]	Common Shares (1,620 shares)	8/5/2015			6	5	0.0%
Passport Labs, Inc. [12]	17,534 Warrants	4/28/2021			192	71	0.0%
TradingScreen, Inc. [12][14]	Class A Units (600,000 units)	5/14/2021			600	600	0.0%
					5,997	7,516	0.5%
Healthcare							
Caris Life Sciences, Inc. [12]	Series C Preferred Shares (362,319 shares)	10/13/2020			1,000	1,310	0.1%
	Series D Preferred Shares (1,240,740 shares)	5/11/2021			10,050	8,668	0.6%
	633,376 Warrants	9/21/2018			192	1,270	0.1%
	569,991 Warrants	4/2/2020			250	959	0.1%
Merative L.P. [12][13][14]	989,691 Class A-1 Units	6/30/2022			9,897	9,897	0.7%
					21,389	22,104	1.6%
Hotel, Gaming and Leisure							
IRGSE Holding Corp. [7][12]	Class A Units (33,790,171 units)	12/21/2018			21,842	24,413	1.8%
	Class C-1 Units (8,800,000 units)	12/21/2018			100	43	0.0%
					21,942	24,456	1.8%
Human Resource Support Services							
Axonify, Inc. [4][12][14]	Class A-1 Units (3,780,000 units)	5/5/2021			3,780	4,262	0.3%
bswift, LLC [12][13]	Class A-1 Units (2,393,509 units)	11/7/2022			2,394	2,394	0.2%
ClearCompany, LLC [12][14]	Series A Preferred Units (1,429,228 units)	8/24/2018			2,014	4,869	0.4%
DaySmart Holdings, LLC [12][14]	Class A Units (166,811 units)	10/1/2019			1,347	1,798	0.1%
Employment Hero Holdings Pty Ltd. [4][12][13]	Series E Preferred Shares (113,250 shares)	3/1/2022			2,134	2,034 (AUD 3,164)	0.2%
					11,669	15,357	1.2%
Internet Services							
Bayshore Intermediate #2, L.P. [12][14]	Common Units (12,330,709 units)	10/1/2021			12,331	11,375	0.8%
Lucidworks, Inc. [12]	Series F Preferred Shares (199,054 shares)	8/2/2019			800	800	0.1%
Piano Software, Inc. [12]	Series C-1 Preferred Shares (418,527 shares)	12/22/2021			3,000	3,000	0.2%
	Series C-2 Preferred Shares (27,588 shares)[13]	11/18/2022			198	198	0.0%

Company [1][6]	Investment	Initial Acquisition Date	Reference Rate and Spread	Interest Rate	Amortized Cost [2][8]	Fair Value [9]	Percentage of Net Assets
SMA Technologies Holdings, LLC [12][13]	Class A Units (1,300 shares)	11/21/2022			1,300	1,300	0.1%
	Class B Units (923,250 shares)	11/21/2022			—	—	0.0%
					17,629	16,673	1.2%
Marketing Services							
Validity, Inc. [12]	Series A Preferred Shares (3,840,000 shares)	5/31/2018			3,840	11,520	0.9%
Oil, Gas and Consumable Fuels							
Murchison Oil and Gas, LLC [13][14]	13,355 Preferred Units	6/30/2022			13,355	13,088	1.0%
TRP Assets, LLC [12][13][14]	Partnership Interest (1.89% ownership)	8/25/2022			8,067	10,205	0.8%
					21,422	23,293	1.8%
Pharmaceuticals							
TherapeuticsMD, Inc. [4][12]	14,256 Warrants	8/5/2020			1,028	—	0.0%
	65,250 Warrants [13]	7/29/2022			409	365	0.0%
					1,437	365	—
Retail and Consumer Products							
American Achievement, Corp. [12]	Class A Units (687 units)	3/16/2021			—	50	0.0%
Copper Bidco, LLC [10]	Trust Certificates (132,928 Certificates)	12/7/2020			—	665	0.0%
	Trust Certificates (996,958 Certificates)	1/30/2021			3,041	12,462	0.9%
Neuintel, LLC [12][14]	Class A Units (1,176,494 units)	12/21/2021			3,000	2,618	0.2%
					6,041	15,795	1.1%
Structured Credit							
Allegro CLO Ltd, Series 2018-1A, [3][4][10]	Structured Product ($1,000 par, due 6/2031)	5/26/2022	L + 2.85%	5.36%	924	848	0.1%
American Money Management Corp CLO Ltd, Series 2016-18A [3][4][10]	Structured Product ($1,500 par, due 5/2031)	6/22/2022	L + 3.05%	6.06%	1,347	1,309	0.1%
Ares CLO Ltd, Series 2021-59A [3][4][10]	Structured Product ($1,000 par, due 4/2034)	6/23/2022	L + 6.25%	9.03%	894	875	0.1%
Ares Loan Funding I Ltd, Series 2021-ALFA, Class E [3][4][10]	Structured Product ($1,000 par, due 10/2034)	6/24/2022	L + 6.70%	9.21%	918	881	0.1%
Bain Capital Credit CLO Ltd, Series 2018-1A [3][4][10]	Structured Product ($500 par, due 4/2031)	10/15/2020	L + 5.35%	8.13%	424	383	0.0%
Battalion CLO Ltd, Series 2021-21A [3][4][10]	Structured Product ($1,300 par, due 7/2034)	7/13/2022	L + 3.30%	5.81%	1,158	1,158	0.1%
Benefit Street Partners CLO Ltd, Series 2015-BR [3][4][10]	Structured Product ($2,500 par, due 7/2034)	7/13/2022	L + 3.85%	6.56%	2,179	2,285	0.2%
Benefit Street Partners CLO Ltd, Series 2015-8A [3][4][10]	Structured Product ($1,425 par, due 1/2031)	9/13/2022	L + 2.75%	5.46%	1,265	1,214	0.1%
Carlyle Global Market Strategies CLO Ltd, Series 2014-4RA [3][4][10]	Structured Product ($1,000 par, due 7/2030)	5/26/2022	L + 2.90%	5.41%	892	844	0.1%
Carlyle Global Market Strategies CLO Ltd, Series 2018-1A [3][4][10]	Structured Product ($1,550 par, due 4/2031)	8/11/2020	L + 5.75%	8.46%	1,246	1,241	0.1%
CarVal CLO III Ltd, Series 2019-2A [3][4][10]	Structured Product ($1,000 par, due 7/2032)	6/30/2022	L + 6.44%	9.15%	897	887	0.1%
Cedar Funding CLO Ltd, Series 2018-7A [3][4][10]	Structured Product ($1,000 par, due 1/2031)	7/21/2022	L + 4.55%	7.26%	861	847	0.1%
CIFC CLO Ltd, Series 2018-3A [3][4][10]	Structured Product ($1,000 par, due 7/2031)	6/16/2022	L + 5.50%	8.24%	897	850	0.1%
CIFC CLO Ltd, Series 2021-4A [3][4][10]	Structured Product ($1,000 par, due 7/2033)	7/14/2022	L + 6.00%	8.51%	879	909	0.1%
Crown Point CLO Ltd, Series 2021-10A [3][4][10]	Structured Product ($1,000 par, due 7/2034)	6/14/2022	L + 6.85%	9.56%	900	871	0.1%
Dryden Senior Loan Fund, Series 2018-55A [3][4][10]	Structured Product ($1,000 par, due 4/2031)	7/25/2022	L + 2.85%	5.36%	900	883	0.1%
Dryden Senior Loan Fund, Series 2020-86A [3][4][10]	Structured Product ($1,500 par, due 7/2034)	8/17/2022	L + 6.50%	9.24%	1,417	1,307	0.1%
Eaton CLO Ltd, Series 2015-1A [3][4][10]	Structured Product ($2,500 par, due 1/2030)	6/23/2022	L + 2.50%	5.21%	2,227	2,183	0.2%
Eaton CLO Ltd, Series 2020-1A [3][4][10]	Structured Product ($1,000 par, due 10/2034)	8/11/2022	L + 6.25%	8.76%	931	888	0.1%
GoldenTree CLO Ltd, Series 2020-7A [3][4][10]	Structured Product ($1,000 par, due 4/2034)	6/17/2022	L + 6.50%	9.21%	918	914	0.1%
Gulf Stream Meridian, Series 2021-4A [3][4][10]	Structured Product ($1,015 par, due 7/2034)	6/3/2022	L + 6.35%	8.86%	932	872	0.1%
Gulf Stream Meridian, Series 2021-6A [3][4][10]	Structured Product ($2,000 par, due 1/2037)	9/12/2022	L + 6.36%	8.87%	1,799	1,718	0.1%
Jefferson Mill CLO Ltd, Series 2015-1A [3][4][10]	Structured Product ($1,000 par, due 10/2031)	5/23/2022	L + 3.55%	6.26%	901	870	0.1%
KKR CLO Ltd, 49A [3][4][10]	Structured Product ($1,000 par, due 7/2035)	6/2/2022	L + 8.00%	10.17%	966	909	0.1%
Madison Park CLO, Series 2018-28A [3][4][10]	Structured Product ($1,000 par, due 7/2030)	6/28/2022	L + 5.25%	7.76%	881	877	0.1%

Company (1)(6)	Investment	Initial Acquisition Date	Reference Rate and Spread	Interest Rate	Amortized Cost (2)(8)	Fair Value (9)	Percentage of Net Assets
Magnetite CLO Ltd, Series 2021-30A (3)(4)(10)	Structured Product ($1,000 par, due 10/2034)	6/13/2022	L + 6.20%	8.98%	917	909	0.1%
MidOcean Credit CLO Ltd, Series 2016-6A (3)(4)(10)	Structured Product ($3,500 par, due 4/2033)	5/23/2022	L + 3.52%	6.23%	3,151	2,971	0.2%
MidOcean Credit CLO Ltd, Series 2018-9A (3)(4)(10)	Structured Product ($1,100 par, due 7/2031)	6/1/2022	L + 6.05%	8.76%	959	828	0.1%
Octagon 57 LLC, Series 2021-1A (3)(4)(10)	Structured Product ($1,000 par, due 10/2034)	5/24/2022	L + 6.60%	9.11%	924	872	0.1%
Octagon Investment Partners 18 Ltd, Series 2018-18A (3)(4)(10)	Structured Product ($1,000 par, due 4/2031)	7/26/2022	L + 2.70%	5.44%	890	855	0.1%
Octagon Investment Partners 38 Ltd, Series 2018-1A (3)(4)(10)	Structured Product ($2,800 par, due 7/2030)	9/20/2022	L + 2.95%	5.66%	2,456	2,436	0.2%
Park Avenue Institutional Advisers CLO Ltd, Series 2018-1A (3)(4)(10)	Structured Product ($1,000 par, due 10/2031)	9/23/2022	L + 3.33%	6.04%	863	870	0.1%
Pikes Peak CLO, Series 2021-9A (3)(4)(10)	Structured Product ($2,000 par, due 10/2034)	8/31/2022	L + 6.58%	9.35%	1,782	1,721	0.1%
RR Ltd, Series 2020-8A (3)(4)(10)	Structured Product ($1,000 par, due 4/2033)	8/22/2022	L + 6.40%	8.91%	929	909	0.1%
Shackelton CLO Ltd, Series 2015-7RA (3)(4)(10)	Structured Product ($1,000 par, due 7/2031)	5/23/2022	L + 3.33%	5.84%	890	855	0.1%
Signal Peak CLO LLC, Series 2018-5A (3)(4)(10)	Structured Product ($1,000 par, due 4/2031)	8/9/2022	L + 5.65%	8.43%	896	824	0.1%
Southwick Park CLO Ltd, Series 2019-4A (3)(4)(10)	Structured Product ($1,000 par, due 7/2032)	5/25/2022	L + 6.25%	8.96%	928	867	0.1%
Stewart Park CLO Ltd, Series 2015-1A (3)(4)(10)	Structured Product ($1,000 par, due 1/2030)	7/25/2022	L + 2.60%	5.11%	897	888	0.1%
Voya CLO Ltd, Series 2018-3A (3)(4)(10)	Structured Product ($2,750 par, due 10/2031)	6/22/2022	L + 5.75%	8.26%	2,382	2,166	0.1%
Whitebox CLO I Ltd, Series 2020-2A (3)(4)(10)	Structured Product ($1,125 par, due 10/2034)	7/12/2022	L + 3.35%	6.13%	1,005	1,056	0.0%
Wind River CLO Ltd, Series 2014-2A (3)(4)(10)	Structured Product ($1,500 par, due 1/2031)	6/23/2022	L + 2.90%	5.41%	1,347	1,293	0.0%
Wind River CLO Ltd, Series 2017-1A (3)(4)(10)	Structured Product ($3,000 par, due 4/2036)	7/14/2022	L + 3.72%	6.46%	2,617	2,624	0.1%
Wind River CLO Ltd, Series 2018-3A (3)(4)(10)	Structured Product ($2,000 par, due 1/2031)	12/12/2022	L + 5.65%	6.46%	1,680	1,659	0.1%
					53,066	51,426	4.4%
Total Equity and Other Investments					195,169	219,111	16.8%
Total Investments					**$ 2,774,726**	**$ 2,787,925**	**204.9%**

Interest Rate Swaps as of December 31, 2022

	Company Receives	Company Pays	Maturity Date	Notional Amount	Fair Market Value	Upfront (Payments) / Receipts	Change in Unrealized Gains / (Losses)
Interest rate swap (a)	4.50%	L + 1.99%	1/22/2023	$ 150,000	$ (231)	$ —	$ (3,292)
Interest rate swap (a)(e)	L + 2.28%	3.875%	11/1/2024	2,500	—	128	—
Interest rate swap (a)(b)	4.50%	L + 2.37%	8/1/2022	—	—	—	(1,192)
Interest rate swap (a)(b)	4.50%	L + 1.59%	8/1/2022	—	—	—	(751)
Interest rate swap (a)(b)	4.50%	L + 1.60%	8/1/2022	—	—	—	(112)
Interest rate swap (a)(b)	L + 2.11%	4.50%	8/1/2022	—	—	1,252	(924)
Interest rate swap (a)(b)	L + 2.11%	4.50%	8/1/2022	—	—	96	(70)
Interest rate swap (a)(b)	L + 2.11%	4.50%	8/1/2022	—	—	904	(394)
Interest rate swap (a)(b)	L	0.16%	7/30/2022	—	—	—	(13)
Total Non Hedge Accounting Swaps				152,500	(231)	2,380	(6,748)
Interest rate swap (a)(c)(d)	3.875%	L + 2.25%	11/1/2024	300,000	(16,493)	—	(20,489)
Interest rate swap (a)(c)(d)	3.875%	L + 2.46%	11/1/2024	50,000	(2,925)	—	(3,302)
Interest rate swap (a)(c)	2.50%	L + 1.91%	8/1/2026	300,000	(35,665)	—	(25,426)
Total Hedge Accounting Swaps				650,000	(55,083)	—	(49,217)
Cash collateral				—	57,786	—	—
Total				$ 802,500	$ 2,472	$ 2,380	$ (55,965)

a)Contains a variable rate structure. Bears interest at a rate determined by three-month LIBOR.
b)Interest rate swap was terminated or matured during the period.
c)Instrument is used in a hedge accounting relationship. The associated change in fair value is recorded along with the change in fair value of the hedged item within interest expense.
d)$2.5 million in aggregate notional value of these instruments is no longer designated as instruments in a hedge accounting relationship. The associated change in fair value of the de-designated portion is recorded within unrealized gain/(loss).
e)The fair market value of this instrument is presented net with the $2.5 million in aggregate notional value of instruments no longer designated as instruments in a hedge accounting relationship.

(1)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)Investment contains a variable rate structure, subject to an interest rate floor. Variable rate investments bear interest at a rate that may be determined by reference to either London Interbank Offered Rate ("LIBOR" or "L"), Euro Interbank Offer Rate ("Euribor" or "E"), Canadian Dollar Offered Rate ("CDOR" or "C"), Secured Overnight Financing Rate ("SOFR") which may also contain a credit spread adjustment depending on the tenor election, Bank Bill Swap Bid Rate ("BBSY" or "B"), Sterling Overnight Interbank Average Rate ("SONIA" or "S") or an alternate base rate (which can include the Federal Funds Effective Rate, the Canadian Prime rate, or the Prime Rate or "P"), all of which include an available tenor, selected at the borrower's option, which reset periodically based on the terms of the credit agreement. For investments with multiple interest rate contracts, the interest rate shown is the weighted average interest rate in effect at December 31, 2022.
(4)This portfolio company is not a qualifying asset under Section 55(a) of the Investment Company Act of 1940, as amended (the "1940 Act"). Under the 1940 Act, the Company may not acquire any non-qualifying asset unless, at the time such acquisition is made, qualifying assets represent at least 70% of total assets. Non-qualifying assets represented 9.7% of total assets as of December 31, 2022.
(5)In addition to the interest earned based on the stated interest rate of this investment, which is the amount reflected in this schedule, the Company may be entitled to receive additional interest as a result of an arrangement with other members in the syndicate to the extent an investment has been allocated to "first out" and "last out" tranches, whereby the "first out" tranche will have priority as to the "last out" tranche with respect to payments of principal, interest and any amounts due thereunder and the Company holds the "last out" tranche.
(6)Under the 1940 Act, the Company is deemed to be an "Affiliated Person" of, as defined in the 1940 Act, this portfolio company, as the Company owns more than 5% of the portfolio company's outstanding voting securities. Transactions during the year ended December 31, 2022 in which the Company was an Affiliated Person of the portfolio company are as follows:

Non-controlled, Affiliated Investments during the year ended December 31, 2022

Company	Fair Value at December 31, 2021	Gross Additions (a)	Gross Reductions (b)	Net Change In Unrealized Gain/(Loss)	Realized Gain/(Loss)	Transfers	Fair Value at December 31, 2022	Other Income	Interest Income
MD America Energy, LLC [(c)]	$ 27,017	$ —	$ (12,667)	$ (14,350)	$ 13,608	$ —	$ —	$ —	$ 133
Total	**$ 27,017**	**$ —**	**$ (12,667)**	**$ (14,350)**	**$ 13,608**	**$ —**	**$ —**	**$ —**	**$ 133**

(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 premiums on debt investments, as applicable. When an investment is placed on non-accrual status, any cash flows received by the Company are applied to the outstanding principal balance.
(c)Includes investment in SMPA Holdings, LLC of 15,000 common equity units.

(7)Under the 1940 Act, the Company is deemed to be both an "Affiliated Person" of and "Control," as such terms are defined in the 1940 Act, this portfolio company, as the Company owns more than 25% of the portfolio company's outstanding voting securities or has the power to exercise control over management or policies of such portfolio company (including through a management agreement). Transactions during the year ended December 31, 2022 in which the Company was an Affiliated Person of and was deemed to Control a portfolio company are as follows:

Controlled, Affiliated Investments during the year ended December 31, 2022

Company	Fair Value at December 31, 2021	Gross Additions (a)	Gross Reductions (b)	Net Change In Unrealized Gain/(Loss)	Realized Gain/(Losses)	Transfers	Fair Value at December 31, 2022	Other Income	Interest Income
IRGSE Holding Corp.	$ 59,779	$ 4,420	$ —	$ 6,556	$ —	$ —	$ 70,755	$ 5	$ 5,064
Mississippi Resources, LLC	—	—	(1,553)	1,498	55	—	—	—	—
Total	**$ 59,779**	**$ 4,420**	**$ (1,553)**	**$ 8,054**	**$ 55**	**$ —**	**$ 70,755**	**$ 5**	**$ 5,064**

(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 premiums on debt investments, as applicable. When an investment is placed on non-accrual status, any cash flows received by the Company are applied to the outstanding principal balance.

(8)As of December 31, 2022, the estimated cost basis of investments for U.S. federal tax purposes was $2,787,005 resulting in estimated gross unrealized gains and losses of $109,609 and $105,786, respectively.
(9)In accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 820, *Fair Value Measurements* ("ASC Topic 820"), unless otherwise indicated, the fair values of all investments were determined using significant unobservable inputs and are considered Level 3 investments. See Note 6 for further information related to investments at fair value.
(10)This investment is valued using observable inputs and is considered a Level 2 investment. See Note 6 for further information related to investments at fair value.
(11)This investment is valued using observable inputs and is considered a Level 1 investment. See Note 6 for further information related to investments at fair value.
(12)This investment is non-income producing.
(13)All or a portion of this security was acquired in a transaction exempt from registration under the Securities Act of 1933, and may be deemed to be "restricted securities" under the Securities Act. As of December 31, 2022, the aggregate fair value of these securities is $47,288, or 3.5% of the Company's net assets.
(14)Ownership of equity investments may occur through a holding company or partnership.
(15)Investment is on non-accrual status as of December 31, 2022.

Sixth Street Specialty Lending, Inc.

Consolidated Statements of Changes in Net Assets
(Amounts in thousands, except share amounts)
(Unaudited)

	Common Stock		Treasury Stock				
	Shares	**Par Amount**	**Shares**	**Cost**	**Paid in Capital in Excess of Par**	**Distributable Earnings**	**Total Net Assets**
Balance at December 31, 2022	81,389,287	$ 821	664,250	$ (10,459)	$ 1,294,751	$ 56,456	$ 1,341,569
Net increase (decrease) in net assets resulting from operations:							
Net investment income	—	—	—	—	—	42,937	42,937
Net change in unrealized gains (losses) on investments and foreign currency translation	—	—	—	—	—	4,777	4,777
Net realized gains (losses) on investments and foreign currency transactions	—	—	—	—	—	5,238	5,238
Dividends to stockholders:							
Stock issued in connection with dividend reinvestment plan	362,578	3	—	—	6,245	—	6,248
Dividends declared from distributable earnings	—	—	—	—	—	(44,764)	(44,764)
Tax reclassification of stockholders' equity in accordance with GAAP (1)	—	—	—	—	(403)	403	—
Balance at March 31, 2023	**81,751,865**	**$ 824**	**664,250**	**$ (10,459)**	**$ 1,300,593**	**$ 65,047**	**$ 1,356,005**
Net increase (decrease) in net assets resulting from operations:							
Net investment income	—	—	—	—	—	48,784	48,784
Net change in unrealized gains (losses) on investments and foreign currency translation	—	—	—	—	—	2,822	2,822
Net realized gains (losses) on investments and foreign currency transactions	—	—	—	—	—	1,484	1,484
Increase (decrease) in Net Assets Resulting from Capital Share Transactions:							
Issuance of common stock, net of offering and underwriting costs	5,175,000	52	—	—	89,238	—	89,290
Dividends to stockholders:							
Stock issued in connection with dividend reinvestment plan	314,366	3	—	—	5,578	—	5,581
Dividends declared from distributable earnings	—	—	—	—	—	(43,437)	(43,437)
Balance at June 30, 2023	**87,241,231**	**$ 879**	**664,250**	**$ (10,459)**	**$ 1,395,409**	**$ 74,700**	**$ 1,460,529**
Net increase (decrease) in net assets resulting from operations:							
Net investment income	—	—	—	—	—	49,994	49,994
Net change in unrealized gains (losses) on investments and foreign currency translation	—	—	—	—	—	9,740	9,740
Net realized gains (losses) on investments and foreign currency transactions	—	—	—	—	—	5,086	5,086
Increase (decrease) in Net Assets Resulting from Capital Share Transactions:							
Issuance of common stock, net of offering and underwriting costs	—	—	—	—	(85)	—	(85)
Dividends to stockholders:							
Stock issued in connection with dividend reinvestment plan	305,267	3	—	—	5,921	—	5,924
Dividends declared from distributable earnings	—	—	—	—	—	(45,366)	(45,366)
Balance at September 30, 2023	**87,546,498**	**$ 882**	**664,250**	**$ (10,459)**	**$ 1,401,245**	**$ 94,154**	**$ 1,485,822**

(1)The Company’s tax year end is March 31st.

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

	Common Stock		Treasury Stock				
	Shares	Par Amount	Shares	Cost	Paid in Capital in Excess of Par	Distributable Earnings	Total Net Assets
Balance at December 31, 2021	75,771,542	$ 761	296,044	$ (4,291)	$ 1,189,275	$ 90,103	$ 1,275,848
Net increase (decrease) in net assets resulting from operations:							
Net investment income	—	—	—	—	—	35,712	35,712
Net change in unrealized gains (losses) on investments and foreign currency translation	—	—	—	—	—	(8,495)	(8,495)
Net realized gains (losses) on investments and foreign currency transactions	—	—	—	—	—	13,668	13,668
Dividends to stockholders:							
Stock issued in connection with dividend reinvestment plan	299,138	3	—	—	6,771	—	6,774
Dividends declared from distributable earnings	—	—	—	—	—	(39,522)	(39,522)
Tax reclassification of stockholders' equity in accordance with GAAP [(1)]	—	—	—	—	(351)	351	—
Balance at March 31, 2022	**76,070,680**	**$ 764**	**296,044**	**$ (4,291)**	**$ 1,195,695**	**$ 91,817**	**$ 1,283,985**
Net increase (decrease) in net assets resulting from operations:							
Net investment income	—	—	—	—	—	40,822	40,822
Net change in unrealized gains (losses) on investments and foreign currency translation	—	—	—	—	—	(54,751)	(54,751)
Net realized gains (losses) on investments and foreign currency transactions	—	—	—	—	—	404	404
Dividends to stockholders:							
Stock issued in connection with dividend reinvestment plan	268,835	2	—	—	5,836	—	5,838
Dividends declared from distributable earnings	—	—	—	—	—	(34,339)	(34,339)
Balance at June 30, 2022	**76,339,515**	**$ 766**	**296,044**	**$ (4,291)**	**$ 1,201,531**	**$ 43,953**	**$ 1,241,959**
Net increase (decrease) in net assets resulting from operations:							
Net investment income	—	—	—	—	—	37,180	37,180
Net change in unrealized gains (losses) on investments and foreign currency translation	—	—	—	—	—	(5,134)	(5,134)
Net realized gains (losses) on investments and foreign currency transactions	—	—	—	—	—	2,385	2,385
Increase in Net Assets Resulting from Capital share Transactions:							
Conversion of convertible notes	4,360,125	44	—	—	77,598	—	77,642
Decrease in Net Assets Resulting from Capital share Transactions:							
Purchases of treasury stock	(180,542)	—	180,542	(3,000)	—	—	(3,000)
Dividends to stockholders:							
Stock issued in connection with dividend reinvestment plan	651,867	6	—	—	11,032	—	11,038
Dividends declared from net investment income	—	—	—	—	—	(34,018)	(34,018)
Balance at September 30, 2022	**81,170,965**	**$ 816**	**476,586**	**$ (7,291)**	**$ 1,290,161**	**$ 44,366**	**$ 1,328,052**

(1)The Company’s tax year end is March 31st.

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

Sixth Street Specialty Lending, Inc.

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

	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022
Cash Flows from Operating Activities		
Increase (decrease) in net assets resulting from operations	$ 170,862	$ 61,791
Adjustments to reconcile increase (decrease) in net assets resulting from operations to net cash provided by (used in) operating activities:		
Net change in unrealized (gains) losses on investments	(14,700)	76,290
Net change in unrealized (gains) losses on foreign currency transactions	(2,466)	(15,095)
Net change in unrealized (gains) losses on interest rate swaps	(174)	7,184
Net realized (gains) losses on investments	(11,768)	(14,436)
Net realized (gains) losses on foreign currency transactions	(371)	(63)
Net realized (gains) losses on interest rate swaps	—	(2,251)
Net amortization of discount on investments	(12,798)	(12,957)
Amortization of deferred financing costs	3,725	4,306
Amortization of discount on debt	623	571
Purchases and originations of investments, net	(634,940)	(735,864)
Proceeds from investments, net	41,412	19,657
Repayments on investments	318,913	392,576
Paid-in-kind interest	(11,667)	(9,623)
Changes in operating assets and liabilities:		
Interest receivable	(3,472)	(9,439)
Interest receivable paid-in-kind	(1,142)	384
Prepaid expenses and other assets	(2,929)	(26)
Management fees payable to affiliate	1,135	761
Incentive fees on net investment income payable to affiliate	233	(1,907)
Incentive fees on net capital gains accrued to affiliate	5,083	(7,721)
Payable to affiliate	991	1,281
Other liabilities	3,530	(34,241)
Net Cash Provided by (Used in) Operating Activities	(149,920)	(278,822)
Cash Flows from Financing Activities		
Borrowings on debt	1,227,844	1,024,568
Repayments on debt	(1,037,681)	(586,635)
Deferred financing costs	(9,402)	(4,296)
Equity offering expenses	(479)	—
Public offering	89,684	—
Conversion of convertible notes	—	(22,348)
Purchases of treasury stock	—	(3,000)
Dividends paid to stockholders	(115,813)	(115,154)
Net Cash Provided by (Used in) Financing Activities	154,153	293,135
Net Increase (Decrease) in Cash, Cash Equivalents, and Restricted Cash	4,233	14,313
Cash, cash equivalents, and restricted cash, beginning of period	25,647	15,967
Cash, Cash Equivalents, and Restricted Cash, End of Period	$ 29,880	$ 30,280
Supplemental Information:		
Interest paid during the period	$ 88,765	$ 34,012
Excise and other taxes paid during the period	$ 2,427	$ 1,607
Dividends declared during the period	$ 133,567	$ 107,879
Non-Cash Financing Activities:		
Reinvestment of dividends during the period	$ 17,753	$ 23,651
Common stock issued in settlement of convertible notes during the period	$ —	$ 77,642

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

1. Organization and Basis of Presentation

Organization

Sixth Street Specialty Lending, Inc. (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 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"). The Company is managed by Sixth Street Specialty Lending 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, Sixth Street SL SPV, LLC, a Delaware limited liability company. On May 19, 2014, the Company formed a wholly-owned subsidiary, Sixth Street SL Holding, LLC, a Delaware limited liability company. On December 9, 2020, the Company formed a wholly-owned subsidiary, Sixth Street Specialty Lending Sub, LLC, a Cayman Islands limited liability company.

On March 21, 2014, the Company completed its initial public offering ("IPO") and the Company's shares began trading on the New York Stock Exchange ("NYSE") under the symbol "TSLX."

Basis of Presentation

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

Certain financial information that is normally included in annual financial statements, including certain financial statement footnotes, prepared in accordance with U.S. GAAP, is not required for interim reporting purposes and has been condensed or omitted herein. These consolidated 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, 2022, which was filed with the Securities and Exchange Commission ("SEC"), on February 16, 2023.

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

Fiscal Year End

The Company's fiscal year ends on December 31.

2. Significant Accounting Policies

Use of Estimates

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

Cash and Cash Equivalents

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

Investments at Fair Value

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

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

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

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

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

The Company conducts this valuation process on a quarterly basis.

The Board has engaged independent third-party valuation firms to perform certain limited procedures that the Board has identified and requested them to perform in connection with the valuation process of investments for which no market quotations are readily available. At September 30, 2023, the independent third-party valuation firms performed their procedures over substantially all of the Company's investments. Upon completion of such limited procedures, the third-party valuation firms concluded that the fair value, as determined by the Board, of those investments subjected to their limited procedures, appeared reasonable.

The Company applies Financial Accounting Standards Board Accounting Standards Codification Topic 820, *Fair Value Measurement* ("ASC Topic 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 Topic 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 Topic 820, the Company considers its principal market to be the market that has the greatest volume and level of activity. ASC Topic 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 Topic 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 Topic 820. Consistent with the valuation policy, the Company evaluates the source of inputs, including any markets in which its investments are trading (or any markets in which securities with similar attributes are trading), in determining fair value. When a security is valued based on prices provided by reputable dealers or pricing services (that is, broker quotes), the Company subjects those prices to various additional criteria in making the determination as to whether a particular investment would qualify for treatment as a Level 2 or Level 3 investment. For example, the Company reviews pricing 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, such as the depth of the relevant market relative to the size of the Company's position.

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 including the impact of changes in broader market indices and credit spreads and other events that may occur over the life of the investments may cause the gains or losses ultimately realized on these investments to be different than the unrealized gains or losses reflected herein.

Financial and Derivative Instruments

The Company recognizes all derivative instruments as assets or liabilities at fair value in its consolidated financial statements, pursuant to ASC Topic 815 Derivatives and Hedging, further clarified by the FASB's issuance of the Accounting Standards Update ("ASU") No. 2017-12, Derivatives and Hedging, which was adopted in 2019 by the Company. For all derivative instruments designated in a hedge accounting relationship, the entire change in the fair value of the hedging instrument shall be recorded in the same line item of the Consolidated Statements of Operations as the hedged item. The Company uses certain interest rate swaps as derivative instruments to hedge the Company's fixed rate debt, and therefore both the periodic payment and the change in fair value for the effective hedge, if applicable, will be recognized as components of interest expense in the Consolidated Statements of Operations. For derivative contracts entered into by the Company that are not designated in a hedge accounting relationship, the Company presents changes in the fair value through current period earnings.

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

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

Offsetting Assets and Liabilities

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

Foreign Currency

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

•cash and cash equivalents, market value of investments, outstanding debt on revolving credit facilities, other assets and liabilities: at the spot exchange rate on the last business day of the period; and

•purchases and sales of investments, borrowings and repayments of such borrowings, income and expenses: at the rates of exchange prevailing on the respective dates of such transactions.

Although net assets and fair values are presented based on the applicable foreign exchange rates described above, the Company does not isolate that portion of the results of operations resulting from changes in foreign exchange rates on investments from the fluctuations arising from changes in fair values of investments held. Such fluctuations are included with the net realized and unrealized gain or loss from investments. The Company's current approach to hedging the foreign currency exposure in its non-U.S. dollar denominated investments is primarily to borrow the par amount in local currency under the Company's Revolving Credit Facility to fund these investments. Fluctuations arising from the translation of foreign currency borrowings are included with the net change in unrealized gains (losses) on translation of assets and liabilities in foreign currencies on the Consolidated Statements of Operations.

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

Equity Offering Expenses

The Company records expenses related to equity offerings as a reduction of capital upon completion of an offering of registered securities. The costs associated with renewals of the Company's shelf registration statement are expensed as incurred.

Debt Issuance Costs

The Company records origination and other expenses related to its debt obligations as deferred financing costs, which are presented as a direct deduction from the carrying value of the related debt liability. These expenses are deferred and amortized using the effective interest method, or straight-line method, over the stated maturity of the debt obligation.

Interest and Dividend Income Recognition

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

Unless providing services in connection with an investment, such as syndication, structuring or diligence, all or a portion of any loan fees received by the Company will be deferred and amortized over the investment's life using the effective interest method.

Loans are generally placed on non-accrual status when principal or interest payments are past due 30 days or more or when management has reasonable doubt that the borrower will pay principal or interest 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 has been paid and, in management's judgment, the borrower is likely to make principal and interest payments in the future. Management may determine to not place a loan on non-accrual status if, notwithstanding any failure to pay, the loan has sufficient collateral value and is in the process of collection.

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

Other Income

From time to time, the Company may receive fees for services provided to portfolio companies by the Adviser. The services that the Adviser provides vary by investment, but may include syndication, structuring, diligence fees, or other service-based fees and fees for providing managerial assistance to our portfolio companies and are recognized as revenue when earned.

Earnings per share

The Company's earnings per share ("EPS") amounts have been computed based on the weighted-average number of shares of common stock outstanding for the period. Basic EPS is computed by dividing net increase (decrease) in net assets resulting from operations by the weighted average number of shares of common stock outstanding during the period.

Reimbursement of Transaction-Related Expenses

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

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

Income Taxes, Including Excise Taxes

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

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 reserved 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.

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

For the three and nine months ended September 30, 2023, the Company recorded a net expense of $0.5 million and $1.8 million, respectively, for U.S. federal excise tax and other taxes. For the three and nine months ended September 30, 2022, the Company recorded a net expense of $0.4 million and $1.5 million, respectively, for U.S. federal excise tax and other taxes.

Dividends to Common Stockholders

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

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

Recent Accounting Standards and Regulatory Updates

In December 2022, the Financial Accounting Standards Board issued Accounting Standards Update 2022-06 ("ASU 2022-06") "Reference Rate Reform (Topic 848): Deferral of the Sunset Date of Topic 848." Topic 848 provides optional expedients and exceptions for applying generally accepted accounting principles to contract modifications and hedging relationships, subject to meeting certain criteria, that reference LIBOR or another reference rate expected to be discontinued. ASU 2022-06 defers the sunset date of Topic 848 from December 31, 2022, to December 31, 2024, after which entities will no longer be permitted to apply the relief in Topic 848. ASU 2022-06 is effective for all entities in scope upon issuance of ASU 2022-06. The adoption of this guidance did not have a material impact on the Company's financial position, result of operations or cash flows.

3. Agreements and Related Party Transactions

Administration Agreement

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

In February 2017, the Board of Directors of the Company and the Adviser entered into an amended and restated administration agreement (the “Administration Agreement”) reflecting certain clarifications to the agreement to provide greater detail regarding the scope of the reimbursable costs and expenses of the Administrator’s services.

In November 2023, the Board renewed the Administration Agreement. Unless earlier terminated as described below, the Administration Agreement will remain in effect until November 2024, and may be extended subject to required approvals. The Administration Agreement may be terminated by either party without penalty on 60 days’ written notice to the other party.

No person who is an officer, director or employee of the Adviser or its affiliates and who serves as a director of the Company receives any compensation from the Company for his or her services as a director. However, the Company reimburses the Adviser (or its affiliates) for the allocable portion of the costs of compensation, benefits, and related administrative expenses of the Company’s officers who provide operational and administrative services to the Company pursuant to the Administration Agreement, their respective staffs and other professionals who provide services to the Company (including, in each case, employees of the Adviser or an affiliate). Such reimbursable amounts include the allocable portion of the compensation paid by the Adviser or its affiliates to the Company’s Chief Financial Officer, Chief Compliance Officer, and other professionals who provide operational and administrative services to the Company pursuant to the Administration Agreement, including individuals who provide “back office” or “middle office” financial, operational, legal and/or compliance services to the Company. The Company reimburses the Adviser (or its affiliates) for the allocable portion of the compensation paid by the Adviser (or its affiliates) to such individuals based on the percentage of time those individuals devote, on an estimated basis, to the business and affairs of the Company and in acting on behalf of the Company. The Company may also reimburse the Adviser or its affiliates for the allocable portion of overhead expenses (including rent, office equipment and utilities) attributable thereto. Directors who are not affiliated with the Adviser receive compensation for their services and reimbursement of expenses incurred to attend meetings.

For the three and nine months ended September 30, 2023 the Company incurred expenses of $0.9 million and $2.1 million, respectively, for administrative services payable to the Adviser under the terms of the Administration Agreement, which is included in Other general and administrative expenses in the Consolidated Statements of Operations. For the three and nine months ended September 30, 2022, the Company incurred expenses of $0.8 million and $2.2 million, respectively, for administrative services payable to the Adviser under the terms of the Administration Agreement.

Investment Advisory Agreement

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

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

For the three and nine months ended September 30, 2023 Management Fees (gross of waivers) were $11.9 million and $34.1 million, respectively. For the three and nine months ended September 30, 2022, Management Fees (gross of waivers) were $10.3 million and $29.1 million, respectively.

Any waived Management Fees are not subject to recoupment by the Adviser.

The Adviser intends to waive a portion of the Management Fee payable under the Investment Advisory Agreement by reducing the Management Fee on assets financed using leverage over 200% asset coverage (in other words, over 1.0x debt to equity) (the

“Leverage Waiver”). Pursuant to the Leverage Waiver, the Adviser intends to waive the portion of the Management Fee in excess of an annual rate of 1.0% (0.250% per quarter) on the average value of the Company's gross assets as of the end of the two most recently completed calendar quarters that exceeds the product of (i) 200% and (ii) the average value of our net asset value at the end of the two most recently completed calendar quarters. For the three and nine months ended September 30, 2023, the Adviser waived Management Fees of $0.3 million and $0.8 million, respectively, pursuant to the Leverage Waiver. For the three and nine months ended September 30, 2022, the Advisor waived Management Fees of $0.2 million pursuant to the Leverage Waiver.

The Incentive Fee consists of two parts, as follows:

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

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

2.The second component, payable at the end of each fiscal year in arrears, equaled 15% through March 31, 2014 and, beginning April 1, 2014, equals a weighted percentage of cumulative realized capital gains from the Company’s inception to the end of that fiscal year, less cumulative realized capital losses and unrealized capital losses. This component of the Incentive Fee is referred to as the Capital Gains Fee. Each year, the fee paid for this component of the Incentive Fee is net of the aggregate amount of any previously paid Capital Gains Fee for prior periods. For capital gains that accrue following March 31, 2014, the Incentive Fee rate is 17.5%. The Company accrues, but does not pay, a capital gains Incentive Fee with respect to unrealized capital gains because a capital gains Incentive Fee would be owed to the Adviser if the Company were to sell the relevant investment and realize a capital gain. The weighted percentage is intended to ensure that for each fiscal year following the completion of the IPO, the portion of the Company’s realized capital gains that accrued prior to March 31, 2014, is subject to an Incentive Fee rate of 15% and the portion of the Company’s realized capital gains that accrued beginning April 1, 2014 is subject to an Incentive Fee rate of 17.5%. As of March 31, 2020, there were no remaining investments that were made prior to April 1, 2014, and as a result, the Incentive Fee rate of 17.5% is applicable to any future realized capital gains.

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

Section 205(b)(3) of the Investment Advisers Act of 1940, as amended, or the Advisers Act, prohibits the Adviser from receiving the payment of fees on unrealized gains until those gains are realized, if ever. There can be no assurance that such unrealized gains will be realized in the future.

For three and nine months ended September 30, 2023, Incentive Fees were $13.7 million and $36.2 million, respectively, of which $11.2 million and $31.1 million, respectively, were realized and payable to the Adviser. For the three and nine months ended September 30, 2022, Incentive Fees were $7.9 million and $14.8 million, respectively, of which $7.9 million and $22.5 million, respectively, were realized and payable to the Adviser. For the three and nine months ended September 30, 2023, $2.6 million and $5.1 million, respectively, of Incentive Fees was accrued related to Capital Gains Fees. For the three and nine months ended September 30, 2022, less than ($0.1) million and ($7.7) million, respectively, of Incentive Fees was accrued related to the reversal of Capital Gains Fees. As of September 30, 2023, the Capital Gains Fees accrued are not contractually payable to the Adviser.

Any waived Incentive Fees are not subject to recoupment by the Adviser.

Since the Company’s IPO, with the exception of its waiver of Management Fees and certain Incentive Fees attributable to the Company’s ownership of certain investments and the Leverage Waiver, the Adviser has not waived its right to receive any Management Fees or Incentive Fees payable pursuant to the Investment Advisory Agreement.

In November 2023, the Board renewed the Investment Advisory Agreement. Unless earlier terminated as described below, the Investment Advisory Agreement will remain in effect until November 2024, and may be extended subject to required approvals. The Investment Advisory Agreement will automatically terminate in the event of an assignment and may be terminated by either party without penalty on 60 days' written notice to the other party.

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

4. Investments at Fair Value

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

Investments at fair value consisted of the following at September 30, 2023 and December 31, 2022:

	September 30, 2023		
	Amortized Cost [(1)]	Fair Value	Net Unrealized Gain (Loss)
First-lien debt investments	$ 2,806,313	$ 2,832,772	$ 26,459
Second-lien debt investments	48,062	39,940	(8,122)
Mezzanine debt investments	35,994	36,390	396
Equity and other investments	142,292	150,179	7,887
Structured credit investments	52,717	53,996	1,279
Total Investments	$ 3,085,378	$ 3,113,277	$ 27,899

	December 31, 2022		
	Amortized Cost [(1)]	Fair Value	Net Unrealized Gain (Loss)
First-lien debt investments	$ 2,529,317	$ 2,517,894	$ (11,423)
Second-lien debt investments	42,743	40,762	(1,981)
Mezzanine debt investments	7,497	10,158	2,661
Equity and other investments	142,103	167,685	25,582
Structured credit investments	53,066	51,426	(1,640)
Total Investments	$ 2,774,726	$ 2,787,925	$ 13,199

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

The industry composition of investments at fair value at September 30, 2023 and December 31, 2022 is as follows:

	September 30, 2023	December 31, 2022
Automotive	2.1 %	1.2 %
Business Services	14.9 %	14.4 %
Chemicals	0.8 %	0.7 %
Communications	3.1 %	2.7 %
Education	5.0 %	5.8 %
Financial Services	10.0 %	12.8 %
Healthcare	9.3 %	9.9 %
Hotel, Gaming and Leisure	3.9 %	4.5 %
Human Resource Support Services	10.6 %	11.9 %
Insurance	0.1 %	—
Internet Services	15.7 %	13.9 %
Manufacturing	2.6 %	1.3 %
Marketing Services	0.4 %	0.4 %
Office Products	0.6 %	0.7 %
Oil, Gas and Consumable Fuels	4.8 %	3.9 %
Other	3.0 %	3.3 %
Retail and Consumer Products	10.9 %	11.4 %
Transportation	2.2 %	1.2 %
Total	100.0 %	100.0 %

The geographic composition of investments at fair value at September 30, 2023 and December 31, 2022 is as follows:

	September 30, 2023	December 31, 2022
United States		
Midwest	11.1 %	11.6 %
Northeast	25.9 %	25.4 %
South	21.5 %	24.3 %
West	31.0 %	30.7 %
Australia	1.9 %	2.2 %
Canada	4.4 %	4.3 %
Finland (1)	0.0 %	—
Germany	0.3 %	0.1 %
Luxembourg	0.1 %	0.1 %
Netherlands	0.1 %	—
Norway	0.7 %	0.7 %
United Kingdom	3.0 %	0.6 %
Total	100.0 %	100.0 %

(1)Value sums to less than 0.1%.

5. Derivatives

Interest Rate Swaps

The Company enters into interest rate swap transactions from time to time to hedge fixed rate debt obligations and certain fixed rate debt investments. The Company's interest rate swaps are all with one counterparty and are centrally cleared through a registered commodities exchange. Refer to the consolidated schedule of investments for additional disclosure regarding these interest rate swaps.

Cash flows related to the Company's derivatives are included within operating activities on the Consolidated Statements of Cash Flows. The following tables present the amounts paid and received on the Company’s interest rate swap transactions, excluding upfront fees, for the three and nine months ended September 30, 2023 and 2022:

			For the Three Months Ended September 30, 2023			For the Nine Months Ended September 30, 2023		
	Maturity Date	Notional Amount	Paid	Received	Net	Paid	Received	Net
Interest rate swap [1]	1/22/2023	$ —	$ —	$ —	$ —	$ (663)	$ 431	$ (232)
Interest rate swap	11/1/2024	300,000	(5,911)	2,906	(3,005)	(16,744)	8,719	(8,025)
Interest rate swap	11/1/2024	50,000	(1,011)	484	(527)	(2,859)	1,453	(1,406)
Interest rate swap	11/1/2024	2,500	(24)	49	25	(72)	140	68
Interest rate swap	8/1/2026	300,000	(5,651)	1,854	(3,797)	(15,913)	5,563	(10,350)
Interest rate swap	8/14/2028	300,000	(2,909)	2,375	(534)	(2,909)	2,375	(534)
Total		$ 952,500	$ (15,506)	$ 7,668	$ (7,838)	$ (39,160)	$ 18,681	$ (20,479)

(1)As of September 30, 2023, this interest rate swap had either matured or been terminated due to repayment of the underlying investment or security.

			For the Three Months Ended September 30, 2022			For the Nine Months Ended September 30, 2022		
	Maturity Date	Notional Amount	Paid	Received	Net	Paid	Received	Net
Interest rate swap	8/1/2022	$ 115,000	$ (427)	$ 460	$ 33	$ (2,159)	$ 3,048	$ 889
Interest rate swap	8/1/2022	50,000	(150)	200	50	(706)	1,325	619
Interest rate swap	8/1/2022	7,500	(23)	30	7	(106)	198	92
Interest rate swap	8/1/2022	27,531	(117)	101	(16)	(730)	474	(256)
Interest rate swap	8/1/2022	2,160	(9)	8	(1)	(57)	37	(20)
Interest rate swap	8/1/2022	42,819	(171)	149	(22)	(1,134)	737	(397)
Interest rate swap	1/22/2023	150,000	(1,620)	1,688	68	(3,591)	5,063	1,472
Interest rate swap	11/1/2024	300,000	(3,374)	2,907	(467)	(7,708)	8,719	1,011
Interest rate swap	11/1/2024	50,000	(589)	484	(105)	(1,356)	1,453	97
Interest rate swap	11/1/2024	2,500	(24)	28	4	(72)	64	(8)
Interest rate swap	8/1/2026	300,000	(3,115)	1,854	(1,261)	(6,894)	5,563	(1,331)
Total		$ 1,047,510	$ (9,619)	$ 7,909	$ (1,710)	$ (24,513)	$ 26,681	$ 2,168

For the three and nine months ended September 30, 2023, the Company recognized no net unrealized gains/losses and $0.2 million in net unrealized gains, respectively, on interest rate swaps not designated as hedging instruments in the Consolidated Statements of Operations related to the swap transactions. For the three and nine months ended September 30, 2023, the Company recognized net unrealized gains of $3.3 million and $0.9 million, respectively, on interest rate swaps designated as hedging instruments in the Consolidated Statements of Operations. For the three and nine months ended September 30, 2023, this amount is offset by an increase of $2.5 million and an increase of $4.3 million, respectively, for a change in the carrying value of the 2024 Notes, an increase of $0.3 million and an increase of $0.9 million, respectively, for a change in carrying value of the 2026 Notes and a decrease of $(6.1) million for a change in carrying value of the 2028 Notes.

For the three and nine months ended September 30, 2022, the Company recognized $2.6 million and $7.2 million, respectively, in net change in unrealized losses, on interest rate swaps not designated as hedging instruments in the Consolidated Statement of Operations related to the swap transactions. For the three and nine months ended September 30, 2022, the Company recognized $2.3 million in realized gains on interest rate swaps not designated as hedging instruments in the Consolidated Statement of Operations related to the unwind of unrealized gains on interest rate swaps related to upfront fee payments received on interest rates swaps associated with the 2022 Convertible Notes. For the three and nine months ended September 30, 2022, the Company recognized $17.1 million and $52.4 million in net change in unrealized losses, respectively, on interest rate swaps designated as hedging instruments as a component of interest expense in the Consolidated Statement of Operations. For the three and nine months ended September 30, 2022, this amount is offset by a decrease of $7.4 million and $24.3 million, respectively, for a change in the carrying value of the 2024 Notes and a decrease of $9.7 million and $28.1 million, respectively, for a change in carrying value of the 2026 Notes.

As of September 30, 2023, the swap transactions had a fair value of $(55.9) million which is netted against cash collateral on the Company's consolidated balance sheet. As of December 31, 2022, the swap transactions had a fair value of $(55.3) million which is netted against cash collateral on the Company's consolidated balance sheet.

The Company is required under the terms of its derivatives agreements to pledge assets as collateral to secure its obligations underlying the derivatives. The amount of collateral required varies over time based on the mark-to-market value, notional amount and remaining term of the derivatives, and may exceed the amount owed by the Company on a mark-to-market basis. Any failure by the Company to fulfill any collateral requirement (e.g., a so-called "margin call") may result in a default. In the event of a default by a counterparty, the Company would be an unsecured creditor to the extent of any such overcollateralization.

As of September 30, 2023, $26.9 million of cash was pledged as collateral under the Company's derivative agreements and is included in restricted cash as a component of cash and cash equivalents on the Company's Consolidated Balance Sheet. As of December 31, 2022, $15.4 million of cash was pledged as collateral under the Company's derivative agreements and is included in restricted cash as a component of cash and cash equivalents on the Company's Consolidated Balance Sheet.

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

6. Fair Value of Financial Instruments

Investments

The following tables present fair value measurements of investments as of September 30, 2023 and December 31, 2022:

	Fair Value Hierarchy at September 30, 2023			
	Level 1	Level 2	Level 3	Total
First-lien debt investments	$ —	$ 1,726	$ 2,831,046	$ 2,832,772
Second-lien debt investments	—	—	39,940	39,940
Mezzanine debt investments	—	123	36,267	36,390
Equity and other investments	6,088	10,728	133,363	150,179
Structured credit investments	—	53,996	—	53,996
Total investments at fair value	$ 6,088	$ 66,573	$ 3,040,616	$ 3,113,277
Interest rate swaps	—	(55,943)	—	(55,943)
Total	$ 6,088	$ 10,630	$ 3,040,616	$ 3,057,334

	Fair Value Hierarchy at December 31, 2022			
	Level 1	Level 2	Level 3	Total
First-lien debt investments	$ —	$ 21,935	$ 2,495,959	$ 2,517,894
Second-lien debt investments	—	—	40,762	40,762
Mezzanine debt investments	—	—	10,158	10,158
Equity and other investments	7,498	13,128	147,059	167,685
Structured credit investments	—	51,426	—	51,426
Total investments at fair value	$ 7,498	$ 86,489	$ 2,693,938	$ 2,787,925
Interest rate swaps	—	(55,314)	—	(55,314)
Total	$ 7,498	$ 31,175	$ 2,693,938	$ 2,732,611

Transfers between levels, if any, are recognized at the beginning of the quarter in which the transfers occur.

The following tables present the changes in the fair value of investments for which Level 3 inputs were used to determine the fair value as of and for the three and nine months ended September 30, 2023:

	As of and for the Three Months Ended September 30, 2023				
	First-lien debt investments	Second-lien debt investments	Mezzanine debt investments	Equity and other investments	Total
Balance, beginning of period	$ 2,777,390	$ 39,708	$ 40,237	$ 136,186	$ 2,993,521
Purchases or originations	176,758	—	—	1,062	177,820
Repayments / redemptions	(142,031)	—	(102)	—	(142,133)
Sales Proceeds	—	—	—	(5,380)	(5,380)
Paid-in-kind interest	3,830	207	996	—	5,033
Net change in unrealized gains (losses)	10,480	1	(2,373)	(4,371)	3,737
Net realized gains (losses)	(173)	—	—	3,366	3,193
Net amortization of discount on securities	4,792	24	9	—	4,825
Transfers within Level 3	—	—	(2,500)	2,500	—
Transfers into (out of) Level 3	—	—	—	—	—
Balance, End of Period	$ 2,831,046	$ 39,940	$ 36,267	$ 133,363	$ 3,040,616

	As of and for the Nine Months Ended September 30, 2023				
	First-lien debt investments	Second-lien debt investments	Mezzanine debt investments	Equity and other investments	Total
Balance, beginning of period	$ 2,495,959	$ 40,762	$ 10,158	$ 147,059	$ 2,693,938
Purchases or originations	594,216	4,850	29,806	3,122	631,994
Repayments / redemptions	(318,424)	—	(102)	—	(318,526)
Sales Proceeds	—	—	—	(11,188)	(11,188)
Paid-in-kind interest	10,127	401	1,139	—	11,667
Net change in unrealized gains (losses)	37,626	(6,140)	(2,270)	(17,299)	11,917
Net realized gains (losses)	(198)	—	—	8,438	8,240
Net amortization of discount on securities	11,740	67	36	—	11,843
Transfers within Level 3	—	—	(2,500)	2,500	—
Transfers into (out of) Level 3	—	—	—	731	731
Balance, End of Period	$ 2,831,046	$ 39,940	$ 36,267	$ 133,363	$ 3,040,616

Certain of the Company's investment positions in Copper Bidco, LLC were transferred into Level 3 from Level 2 for fair value measurement purposes during the nine months ended September 30, 2023, as a result of changes in the observability of inputs into the security valuation for this portfolio company.

The following tables present the changes in the fair value of investments for which Level 3 inputs were used to determine the fair value as of and for the three and nine months ended September 30, 2022:

	As of and for the Three Months Ended September 30, 2022				
	First-lien debt investments	Second-lien debt investments	Mezzanine debt investments	Equity and other investments	Total
Balance, beginning of period	$ 2,295,057	$ 41,523	$ 10,397	$ 137,581	$ 2,484,558
Purchases or originations	243,794	—	—	8,355	252,149
Repayments / redemptions	(21,559)	—	—	—	(21,559)
Sale Proceeds	—	—	—	—	—
Paid-in-kind interest	2,796	—	65	—	2,861
Net change in unrealized gains (losses)	(7,332)	(344)	(494)	(3,547)	(11,717)
Net realized gains	55	—	—	—	55
Net amortization of discount on securities	3,328	18	1	—	3,347
Transfers within Level 3	—	—	—	—	—
Transfers into (out of) Level 3	—	—	—	—	—
Balance, End of Period	$ 2,516,139	$ 41,197	$ 9,969	$ 142,389	$ 2,709,694

	As of and for the Nine Months Ended September 30, 2022				
	First-lien debt investments	Second-lien debt investments	Mezzanine debt investments	Equity and other investments	Total
Balance, beginning of period	$ 2,298,856	$ —	$ 18,549	$ 117,233	$ 2,434,638
Purchases or originations	622,416	54	—	41,131	663,601
Repayments / redemptions	(383,428)	(10)	—	—	(383,438)
Sale Proceeds	—	—	—	(18,315)	(18,315)
Paid-in-kind interest	9,433	—	190	—	9,623
Net change in unrealized gains (losses)	(43,946)	(1,629)	(6,640)	(13,816)	(66,031)
Net realized gains	168	—	—	14,022	14,190
Net amortization of discount on securities	12,640	53	4	—	12,697
Transfers within Level 3	—	—	(2,134)	2,134	—
Transfers into (out of) Level 3	—	42,729	—	—	42,729
Balance, End of Period	$ 2,516,139	$ 41,197	$ 9,969	$ 142,389	$ 2,709,694

Astra Acquisition Corp. was transferred into Level 3 from Level 2 for fair value measurement purposes during the nine months ended September 30, 2022, as a result of changes in the observability of inputs into the security valuation for this portfolio company.

The following table presents information with respect to the net change in unrealized gains or losses on investments for which Level 3 inputs were used in determining fair value that are still held by the Company at September 30, 2023 and 2022:

	Net Change in Unrealized Gains or (Losses) for the Three Months Ended September 30, 2023 on Investments Held at September 30, 2023	Net Change in Unrealized Gains or (Losses) for the Three Months Ended September 30, 2022 on Investments Held at September 30, 2022
First-lien debt investments	$ 11,306	$ (8,880)
Second-lien debt investments	1	(344)
Mezzanine debt investments	411	(494)
Equity and other investments	(1,400)	(3,547)
Total	$ 10,318	$ (13,265)

	Net Change in Unrealized Gains or (Losses) for the Nine Months Ended September 30, 2023 on Investments Held at September 30, 2023	Net Change in Unrealized Gains or (Losses) for the Nine Months Ended September 30, 2022 on Investments Held at September 30, 2022
First-lien debt investments	$ 40,214	$ (39,664)
Second-lien debt investments	(6,140)	(1,629)
Mezzanine debt investments	976	(6,639)
Equity and other investments	(9,947)	797
Total	$ 25,103	$ (47,135)

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 September 30, 2023 and December 31, 2022. The tables are not intended to be all-inclusive, but instead capture the significant unobservable inputs relevant to the Company's determination of fair values.

	September 30, 2023				
	Fair Value	Valuation Technique	Unobservable Input	Range (Weighted Average)	Impact to Valuation from an Increase to Input
First-lien debt investments	$ 2,831,046	Income approach (1)	Discount rate	9.8% — 18.0% (14.5%)	Decrease
Second-lien debt investments	39,940	Income approach (2)	Discount rate	15.5% — 15.5% (15.5%)	Decrease
Mezzanine debt investments	36,267	Income approach (3)	Discount rate	15.0% — 22.5% (15.6%)	Decrease
Equity and other investments	133,363	Market Multiple (4)	Comparable multiple	2.0x — 22.5x (6.8x)	Increase
Total	$ 3,040,616				

(1)Includes $20.6 million of debt investments which were valued using an asset valuation waterfall.

(2)Includes $34.6 million of debt investments which were valued using an asset valuation waterfall.

(3)Includes $0.1 million of debt investments which were valued using an asset valuation waterfall.

(4)Includes $10.3 million of equity investments which were valued using an asset valuation waterfall, $2.1 million of equity investments using a Black-Scholes model, and $14.9 million using discounted cash flow analysis.

	December 31, 2022				
	Fair Value	Valuation Technique	Unobservable Input	Range (Weighted Average)	Impact to Valuation from an Increase to Input
First-lien debt investments	$ 2,495,959	Income approach (1)	Discount rate	9.3% — 18.5% (15.1%)	Decrease
Second-lien debt investments	40,762	Income approach	Discount rate	19.6% — 19.6% (19.6%)	Decrease
Mezzanine debt investments	10,158	Income approach (2)	Discount rate	14.5% — 18.0% (16.0%)	Decrease
Equity and other investments	147,059	Market Multiple (3)	Comparable multiple	2.0x — 26.6x (7.9x)	Increase
Total	$ 2,693,938				

(1)Includes $21.0 million of first-lien debt investments which were valued using an asset valuation waterfall.

(2)Includes $0.1 million of debt investments which were valued using an asset valuation waterfall.

(3)Includes $38.4 million of equity investments which were valued using an asset valuation waterfall, $7.5 million of equity investments using a Black-Scholes model, and $13.1 million using a discounted cash flow analysis.

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

Significant unobservable quantitative inputs typically considered in the fair value measurement of the Company's Level 3 debt investments primarily include current market yields, including relevant market indices, but may also include quotes from brokers, dealers, and pricing services as indicated by comparable investments. If debt investments are credit impaired, an enterprise value analysis may be used to value such debt investments; however, in addition to the methods outlined above, other methods such as a liquidation or wind-down analysis may be utilized to estimate enterprise value. For the Company's Level 3 equity investments, multiples of similar companies' revenues, earnings before income taxes, depreciation and amortization ("EBITDA") or some combination thereof and comparable market transactions are typically used.

Financial Instruments Not Carried at Fair Value

Debt

The fair value of the Company's Revolving Credit Facility, which is categorized as Level 3 within the fair value hierarchy, as of September 30, 2023 and December 31, 2022, approximates its carrying value as the outstanding balance is callable at carrying value.

The following table presents the fair value of the Company's 2023 Notes, 2024 Notes, 2026 Notes and 2028 Notes, as of September 30, 2023 and December 31, 2022.

	September 30, 2023		December 31, 2022	
	Outstanding Principal	Fair Value (1)	Outstanding Principal	Fair Value (1)
2023 Notes	$ —	$ —	$ 150,000	$ 149,640
2024 Notes	347,500	336,716	347,500	332,853
2026 Notes	300,000	264,725	300,000	261,750
2028 Notes	300,000	296,360	—	—
Total	$ 947,500	$ 897,801	$ 797,500	$ 744,243

(1)The fair value is based on broker quotes received by the Company and is categorized as Level 2 within the fair value hierarchy.

Other Financial Assets and Liabilities

The carrying amounts of the Company's assets and liabilities, other than investments at fair value and the 2023 Notes, 2024 Notes, 2026 Notes and 2028 Notes, 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 Revolving Credit Facility, are classified as Level 2.

7. Debt

Revolving Credit Facility

On August 23, 2012, the Company entered into a senior secured revolving credit agreement with Truist Bank (as a successor by merger to SunTrust Bank), as administrative agent, and J.P. Morgan Chase Bank, N.A., as syndication agent, and certain other lenders (as amended and restated, the "Revolving Credit Facility").

As of March 31, 2023, aggregate commitments under the facility were $1.585 billion. Pursuant to an amendment to the Revolving Credit Facility dated as of June 12, 2023 (the "Fourteenth Amendment"), the aggregate commitments under the facility were increased to $1.710 billion. The facility includes an uncommitted accordion feature that allows the Company, under certain circumstances, to increase the size of the facility to up to $2.0 billion.

Pursuant to the Fourteenth Amendment, with respect to $1.465 billion in commitments, the revolving period, during which period the Company, subject to certain conditions, may make borrowings under the facility, was extended to June 11, 2027 and the stated maturity date was extended to June 12, 2028. For the remaining $245.0 million of commitments, (A) with respect to $25.0 million of commitments, the revolving period ends January 31, 2024 and the stated maturity is January 31, 2025, (B) with respect to $50.0 million of commitments, the revolving period ends on February 4, 2025 and the stated maturity is February 4, 2026 and (C) with respect to $170.0 million of commitments, the revolving period ends April 24, 2026 and the stated maturity is April 23, 2027.

The Company may borrow amounts in U.S. dollars or certain other permitted currencies. As of September 30, 2023, the Company had outstanding debt denominated in Australian dollars (AUD) of 66.9 million, British pounds (GBP) of 32.5 million, Canadian dollars (CAD) of 100.2 million, and Euro (EUR) of 37.7 million on its Revolving Credit Facility, included in the Outstanding Principal amount in the table below.

The Revolving Credit Facility also provides for the issuance of letters of credit up to an aggregate amount of $75 million. As of September 30, 2023 and December 31, 2022 the Company had $0.2 million and less than $0.1 million, respectively, of letters of credit issued through the Revolving Credit Facility. The amount available for borrowing under the Revolving Credit Facility is reduced by any letters of credit issued through the Revolving Credit Facility.

Amounts drawn under the Revolving Credit Facility, including amounts drawn in respect of letters of credit, bear interest at either the applicable reference rate plus an applicable credit spread adjustment, plus a margin of either 1.75% or 1.875%, or the base rate plus a margin of either 0.75% or 0.875%, in each case, based on the total amount of the borrowing base relative to the sum of the total commitments (or, if greater, the total exposure) under the Revolving Credit Facility plus certain other designated secured debt. The

Company may elect either the applicable reference rate or base rate at the time of drawdown, and loans may be converted from one rate to another at any time, subject to certain conditions. The Company also pays a fee of 0.375% on undrawn amounts and, in respect of each undrawn letter of credit, a fee and interest rate equal to the then applicable margin while the letter of credit is outstanding.

The Revolving Credit Facility is guaranteed by Sixth Street SL SPV, LLC, TC Lending, LLC and Sixth Street SL Holding, LLC. The Revolving Credit Facility is secured by a perfected first-priority security interest in substantially all the portfolio investments held by the Company and each guarantor. Proceeds from borrowings may be used for general corporate purposes, including the funding of portfolio investments.

The Revolving Credit Facility includes customary events of default, as well as customary covenants, including restrictions on certain distributions and financial covenants. In accordance with the terms of the Fourteenth Amendment, the financial covenants require:

- an asset coverage ratio of no less than 1.5 to 1 on the last day of any fiscal quarter;
- stockholders' equity of at least $500 million plus 25% of the net proceeds of the sale of equity interests after January 31, 2020; and
- a minimum asset coverage ratio of no less than 2 to 1 with respect to (i) the consolidated assets of the Company and the subsidiary guarantors (including certain limitations on the contribution of equity in financing subsidiaries) to (ii) the secured debt of the Company and its subsidiary guarantors plus unsecured senior securities of the Company and its subsidiary guarantors that mature within 90 days of the date of determination (the "Obligor Asset Coverage Ratio").

The Revolving Credit Facility also contains certain additional concentration limits in connection with the calculation of the borrowing base, based on the Obligor Asset Coverage Ratio.

As of September 30, 2023 and December 31, 2022, the Company was in compliance with the terms of the Revolving Credit Facility.

2022 Convertible Notes

In February 2017, the Company issued in a private offering $115.0 million aggregate principal amount convertible notes due August 2022 (the "2022 Convertible Notes"). The 2022 Convertible Notes were issued in a private placement only to qualified institutional buyers pursuant to Rule 144A under the Securities Act. The 2022 Convertible Notes were unsecured, and bore interest at a rate of 4.50% per year, payable semiannually. In June 2018, the Company issued an additional $57.5 million aggregate principal amount of 2022 Convertible Notes. The additional 2022 Convertible Notes were issued with identical terms, and were fungible with and were part of a single series with the previously outstanding $115.0 million aggregate principal amount of the Company's 2022 Convertible Notes issued in February 2017. In connection with the offering of 2022 Convertible Notes in February 2017 and the reopening in June 2018, the Company entered into interest rate swaps to align the interest rates of its liabilities with its investment portfolio, which consists of predominately floating rate loans. The notional amount of the interest rate swaps matched the amount of principal outstanding, and matured on August 1, 2022, matching the maturity date of the 2022 Convertible Notes.

On August 1, 2022, the 2022 Convertible Notes matured in accordance with the governing indenture. Holders of $79.2 million aggregate principal amount of notes provided valid notice of conversion and were subject to the combination settlement method previously elected by the Company, with a specified cash amount (as defined in the indenture governing the 2022 Convertible Notes) of $20.00 per $1,000 principal amount of the 2022 Convertible Notes and any additional amounts in stock based on the applicable conversion rate as described in the indenture. In accordance with the settlement method, the Company issued a total of 4,360,125 shares of common stock, or $77.6 million at the adjusted conversion price per share of $17.92. The remaining balance of the notes that were not converted into newly issued shares of common stock were settled with existing cash resources, including through utilization of the Company's Revolving Credit Facility. The interest rate swaps associated with the principal amount of the notes outstanding were terminated on the date of maturity of the 2022 Convertible Notes.

2023 Notes

In January 2018, the Company issued $150.0 million aggregate principal amount of unsecured notes that matured on January 22, 2023 (the "2023 Notes"). The principal amount of the 2023 Notes was payable at maturity. The 2023 Notes bore interest at a rate of 4.50% per year, payable semi-annually commencing on July 22, 2018, and were redeemable in whole or in part at the Company's option at any time at par plus a "make whole" premium. Total proceeds from the issuance of the 2023 Notes, net of underwriting discounts and offering costs, were $146.9 million. The Company used the net proceeds of the 2023 Notes to repay outstanding indebtedness under the Revolving Credit Facility. The 2023 Notes matured on January 22, 2023 and were fully repaid in cash. The swap transaction associated with the issuance of the 2023 Notes also matured on January 22, 2023.

2024 Notes

In November 2019, the Company issued $300.0 million aggregate principal amount of unsecured notes that mature on November 1, 2024 (the "2024 Notes"). The principal amount of the 2024 Notes is payable at maturity. The 2024 Notes bear interest at a rate of 3.875% per year, payable semi-annually commencing on May 1, 2020, and may be redeemed in whole or in part at our option at any time at par plus a "make whole" premium. Total proceeds from the issuance of the 2024 Notes, net of underwriting discounts, offering costs and original issue discount were $292.9 million. The Company used the net proceeds of the 2024 Notes to repay outstanding indebtedness under the Revolving Credit Facility.

On February 5, 2020, the Company issued an additional $50.0 million aggregate principal amount of unsecured notes that mature on November 1, 2024. The additional 2024 Notes are a further issuance of, fungible with, rank equally in right of payment with and have the same terms (other than the issue date and the public offering price) as the initial issuance of 2024 Notes. Total proceeds from the issuance of the additional 2024 Notes, net of underwriting discounts, offering costs and original issue premium were $50.1 million. The Company used the net proceeds of the 2024 Notes to repay outstanding indebtedness under the Revolving Credit Facility.

In connection with the 2024 Notes offering and the reopening of the 2024 Notes, the Company entered into interest rate swaps to align the interest rates of its liabilities with the Company's investment portfolio, which consists of predominately floating rate loans. The notional amount of the two interest rates swaps is $300.0 million and $50.0 million, respectively, each of which matures on November 1, 2024, matching the maturity date of the 2024 Notes. As a result of the swaps, the Company's effective interest rate on the 2024 Notes is SOFR plus 2.54% (on a weighted average basis). The interest expense related to the 2024 Notes is offset by proceeds received from the interest rate swaps designated as a hedge. The swap adjusted interest expense is included as a component of interest expense on the Company's Consolidated Statements of Operations. As of September 30, 2023, and December 31, 2022, the effective hedge interest rate swaps had a fair value of $(15.1) million and $(19.4) million, respectively, which is offset within interest expense by an equal, but opposite, fair value change for the hedged risk on the 2024 Notes.

During the year ended December 31, 2020, the Company repurchased on the open market and extinguished $2.5 million in aggregate principal amount of the 2024 Notes for $2.4 million. In connection with the repurchase of the 2024 Notes, the Company entered into a floating-to-fixed interest rate swap with a notional amount equal to the amount of 2024 Notes repurchased, which had the effect of reducing the notional exposure of the fixed-to-floating interest rate swaps, which were entered into in connection with the issuance of the 2024 Notes, to match the remaining principal amount of the 2024 Notes outstanding. As a result of the swap, the Company's effective interest rate on the outstanding 2024 Notes is SOFR plus 2.54% (on a weighted average basis).

2026 Notes

On February 3, 2021, the Company issued $300.0 million aggregate principal amount of unsecured notes that mature on August 1, 2026 (the "2026 Notes"). The principal amount of the 2026 Notes is payable at maturity. The 2026 Notes bear interest at a rate of 2.50% per year, payable semi-annually commencing on August 1, 2021, and may be redeemed in whole or in part at the Company's option at any time at par plus a "make whole" premium. Total proceeds from the issuance of the 2026 Notes, net of underwriting discounts, offering costs and original issue discount, were $293.7 million. The Company used the net proceeds of the 2026 Notes to repay outstanding indebtedness under the Revolving Credit Facility.

In connection with the issuance of the 2026 Notes, the Company entered into an interest rate swap to align the interest rates of its liabilities with the Company's investment portfolio, which consists of predominately floating rate loans. The notional amount of the interest rate swap is $300.0 million, which matures on August 1, 2026, matching the maturity date of the 2026 Notes. As a result of the swap, the Company's effective interest rate on the 2026 Notes is SOFR plus 2.17%.. The interest expense related to the 2026 Notes is offset by proceeds received from the interest rate swaps designated as a hedge. The swap adjusted interest expense is included as a component of interest expense on the Company's Consolidated Statements of Operations. As of September 30, 2023 and December 31, 2022 the effective hedge interest rate swaps had a fair value of $(34.7) million and $(35.7) million, respectively, which is offset within interest expense by an equal, but opposite, fair value change for the hedged risk on the 2026 Notes.

2028 Notes

On August 14, 2023, the Company issued $300.0 million aggregate principal amount of unsecured notes that mature on August 14, 2028 (the "2028 Notes"). The principal amount of the 2028 Notes is payable at maturity. The 2028 Notes bear interest at a rate of 6.95% per year, payable semi-annually commencing on February 14, 2024, and may be redeemed in whole or in part at the Company's option at any time at par plus a "make whole" premium. Total proceeds from the issuance of the 2028 Notes, net of underwriting discounts, offering costs and original issue discount, were $293.9 million. The Company used the net proceeds of the 2028 Notes to repay outstanding indebtedness under the Revolving Credit Facility.

In connection with the issuance of the 2028 Notes, the Company entered into an interest rate swap to align the interest rates of its liabilities with the Company's investment portfolio, which consists of predominately floating rate loans. The notional amount of the interest rate swap is $300.0 million, which matures on August 14, 2028, matching the maturity date of the 2028 Notes. As a result of the swap, the Company's effective interest rate on the 2028 Notes is SOFR plus 2.99%. The interest expense related to the 2028 Notes is offset by proceeds received from the interest rate swaps designated as a hedge. The swap adjusted interest expense is included as a component of interest expense on the Company's Consolidated Statements of Operations. As of September 30, 2023 the effective hedge interest rate swaps had a fair value of $(6.1) million which is offset within interest expense by an equal, but opposite, fair value change for the hedged risk on the 2028 Notes.

For the three and nine months ended September 30, 2023 and 2022, the components of interest expense related to the 2023 Notes, 2024 Notes, 2026 Notes and 2028 Notes were as follows:

	Three Months Ended		Nine Months Ended	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
Interest expense	$ 7,963	$ 6,929	$ 18,840	$ 20,787
Accretion of original issue discount	237	193	623	571
Amortization of deferred financing costs	555	607	1,469	1,801
Total Interest Expense	$ 8,755	$ 7,729	$ 20,932	$ 23,159

Total interest expense in the table above does not include the effect of the interest rate swaps related to the 2023 Notes, 2024 Notes, 2026 Notes and 2028 Notes. During the three and nine months ended September 30, 2023, the Company received $7.7 million and $18.7 million, respectively, and paid $(15.5) million and $(39.2) million, respectively, related to the settlements of its interest rate swaps, excluding upfront fees, related to the 2023 Notes, 2024 Notes, 2026 Notes and 2028 Notes. During the three and nine months ended September 30, 2022, the Company received $7.0 million and $20.9 million, respectively, and paid $8.7 million and $19.6 million, respectively, related to the settlements of its interest rate swaps, excluding upfront fees, related to the 2023 Notes, 2024 Notes and 2026 Notes. These net amounts are reflected in interest expense in the Company's Consolidated Statements of Operations. See Note 5 for further information about the Company's interest rate swaps.

As September 30, 2023 and December 31, 2022, the components of the carrying value of the 2023 Notes, 2024 Notes, 2026 Notes and 2028 Notes and the stated interest rate were as follows:

	September 30, 2023			December 31, 2022		
	2024 Notes	2026 Notes	2028 Notes	2023 Notes	2024 Notes	2026 Notes
Principal amount of debt	$ 347,500	$ 300,000	$ 300,000	$ 150,000	$ 347,500	$ 300,000
Original issue discount, net of accretion	(434)	(1,172)	(1,751)	(1)	(721)	(1,468)
Deferred financing costs	(1,109)	(2,120)	(4,198)	(39)	(1,869)	(2,679)
Fair value of an effective hedge	(15,140)	(34,724)	(6,079)	—	(19,418)	(35,665)
Carrying value of debt	$ 330,817	$ 261,984	$ 287,972	$ 149,960	$ 325,492	$ 260,188
Stated interest rate	3.88%	2.50%	6.95%	4.50%	3.88%	2.50%

The stated interest rate in the table above does not include the effect of the interest rate swaps. As of December 31, 2022, the Company's swap-adjusted interest rate on the 2023 Notes, 2024 Notes and 2026 Notes was three month LIBOR plus 1.99%, 2.28% (on a weighted average basis), and 1.91%, respectively. On September 25, 2023, the Company's swap-adjusted interest rate on the 2024 Notes and 2026 Notes transitioned to SOFR plus 2.54% (on a weighted average basis), and SOFR plus 2.17%, respectively. As of September 30, 2023, the Company's swap-adjusted interest rate on the 2024 Notes, 2026 Notes and 2028 Notes was SOFR plus 2.54% (on a weighted average basis), 2.17%, and 2.99%, respectively.

As of September 30, 2023, the Company was in compliance with the terms of the indentures governing the 2024 Notes, 2026 Notes and 2028 Notes. As of December 31, 2022, the Company was in compliance with the terms of the indentures governing the 2023 Notes, 2024 Notes and 2026 Notes.

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 150% after such borrowing. As of September 30, 2023 and December 31, 2022, the Company's asset coverage was 187.3% and 188.6%, respectively.

Debt obligations consisted of the following as of September 30, 2023 and December 31, 2022:

	September 30, 2023			
	Aggregate Principal Amount Committed	Outstanding Principal	Amount Available [1]	Carrying Value [2][3]
Revolving Credit Facility	$ 1,710,000	$ 758,247	$ 951,572	$ 742,237
2024 Notes	347,500	347,500	—	330,817
2026 Notes	300,000	300,000	—	261,984
2028 Notes	300,000	300,000	—	287,972
Total Debt	$ 2,657,500	$ 1,705,747	$ 951,572	$ 1,623,010

(1)The amount available may be subject to limitations related to the borrowing base under the Revolving Credit Facility and asset coverage requirements.
(2)The carrying values of the Revolving Credit Facility, 2024 Notes, 2026 Notes and 2028 Notes are presented net of the combination of deferred financing costs and original issue discounts totaling $16.0 million, $1.5 million, $3.3 million and $5.9 million, respectively.
(3)The carrying values of the 2024 Notes, 2026 Notes and 2028 Notes are presented inclusive of an incremental $(15.1) million, $(34.7) million and $(6.1) million, respectively, which represents an adjustment in the carrying values of the 2024 Notes, 2026 Notes and 2028 Notes, each resulting from a hedge accounting relationship.

	December 31, 2022			
	Aggregate Principal Amount Committed	Outstanding Principal	Amount Available [1]	Carrying Value [2][3]
Revolving Credit Facility	$ 1,585,000	$ 719,328	$ 865,672	$ 706,156
2023 Notes	150,000	150,000	—	149,960
2024 Notes	347,500	347,500	—	325,492
2026 Notes	300,000	300,000	—	260,188
Total Debt	$ 2,382,500	$ 1,516,828	$ 865,672	$ 1,441,796

(1)The amount available may be subject to limitations related to the borrowing base under the Revolving Credit Facility and asset coverage requirements.
(2)The carrying values of the Revolving Credit Facility, 2023 Notes, 2024 Notes and 2026 Notes are presented net of the combination of deferred financing costs and original issue discounts totaling $13.2 million, less than $0.1 million, $2.6 million and $4.1 million, respectively.
(3)The carrying values of the 2024 Notes and 2026 Notes are presented inclusive of an incremental $(19.4) million and $(35.7) million, respectively, which represents an adjustment in the carrying values of the 2024 Notes and 2026 Notes, each resulting from a hedge accounting relationship.

For the three and nine months ended September 30, 2023 and 2022, the components of interest expense were as follows:

	Three Months Ended		Nine Months Ended	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
Interest expense	$ 24,752	$ 14,632	$ 69,073	$ 34,439
Commitment fees	803	892	2,070	3,268
Amortization of deferred financing costs	1,413	1,424	3,725	4,306
Accretion of original issue discount	237	193	623	571
Swap settlement	7,837	1,710	20,480	(2,168)
Total Interest Expense	$ 35,042	$ 18,851	$ 95,971	$ 40,416
Average debt outstanding (in millions)	$ 1,730.8	$ 1,490.9	$ 1,671.8	$ 1,287.1
Weighted average interest rate	7.5 %	4.4 %	7.1 %	3.3 %

8. Commitments and Contingencies

Portfolio Company Commitments

From time to time, the Company may enter into commitments to fund investments; such commitments are incorporated into the Company's assessment of its liquidity position. The Company's senior secured revolving loan commitments are generally available on a borrower's demand and may remain outstanding until the maturity date of the applicable loan. The Company's senior secured delayed draw term loan commitments are generally available on a borrower's demand and, once drawn, generally have the same remaining term as the associated loan agreement. Undrawn senior secured delayed draw term loan commitments generally have a shorter availability period than the term of the associated loan agreement.

As of September 30, 2023 and December 31, 2022, the Company had the following commitments to fund investments in current portfolio companies:

	September 30, 2023	December 31, 2022
Alaska Bidco Oy - Delayed Draw & Revolver	$ 221	$ —
Alpha Midco, Inc. - Delayed Draw	630	910
American Achievement, Corp. - Revolver	2,403	2,403
Arrow Buyer, Inc. - Delayed Draw	7,645	—
ASG II, LLC - Delayed Draw	4,307	6,952
Avalara, Inc. - Revolver	3,864	3,864
Axonify, Inc. - Delayed Draw	4,193	6,113
Banyan Software Holdings, LLC - Delayed Draw	20,000	—
Bayshore Intermediate #2, L.P. - Revolver	1,918	1,618
BCTO Ace Purchaser, Inc. - Delayed Draw	1,733	6,556
BCTO Bluebill Buyer, Inc. - Delayed Draw	5,586	—
Bear OpCo, LLC - Delayed Draw	1,543	2,606
BlueSnap, Inc. - Delayed Draw & Revolver	2,500	2,500
BTRS Holdings, Inc. - Delayed Draw & Revolver	7,239	8,638
Carlstar Group, LLC - Revolver	8,500	8,500
Cordance Operations, LLC - Delayed Draw & Revolver	3,494	12,093
Coupa Holdings, LLC - Delayed Draw & Revolver	6,809	—
CrunchTime Information Systems, Inc. - Delayed Draw	154	7,101
Disco Parent, Inc. - Revolver	455	—
Dye & Durham Corp. - Delayed Draw & Revolver	2,015	6,280
EDB Parent, LLC - Delayed Draw	13,142	18,037
Edge Bidco B.V. - Delayed Draw & Revolver	1,312	—
Elysian Finco Ltd. - Delayed Draw & Revolver	5,180	6,792
Employment Hero Holdings Pty Ltd. - Delayed Draw & Revolver	8,390	8,816
EMS Linq, Inc. - Revolver	8,784	8,784
Erling Lux Bidco SARL - Delayed Draw & Revolver	3,052	5,618
ExtraHop Networks, Inc. - Delayed Draw	11,838	17,050
ForeScout Technologies, Inc. - Delayed Draw & Revolver	3,425	3,425
G Treasury SS, LLC - Delayed Draw	—	3,400
Galileo Parent, Inc. - Revolver	5,625	—
Hirevue, Inc. - Revolver	6,887	—
Hornetsecurity Holding GmbH - Delayed Draw & Revolver	2,025	2,041
Ibis Intermediate Co. - Delayed Draw	6,338	6,338
IRGSE Holding Corp. - Revolver	248	253
Kyriba Corp. - Delayed Draw & Revolver	45	45
Laramie Energy, LLC - Delayed Draw	7,683	—
LeanTaaS Holdings, Inc. - Delayed Draw	39,587	47,218
Lithium Technologies, LLC - Revolver	—	1,979
Lucidworks, Inc. - Delayed Draw	833	833
Marcura Equities LTD - Delayed Draw & Revolver	11,667	—
Murchison Oil and Gas, LLC - Delayed Draw	3,257	9,772
Netwrix Corp. - Delayed Draw & Revolver	12,568	13,881
Neuintel, LLC - Delayed Draw	—	4,200
OutSystems Luxco SARL - Delayed Draw	2,120	2,137
PageUp People, Ltd. - Delayed Draw & Revolver	—	5,764
Passport Labs, Inc. - Delayed Draw & Revolver	2,778	2,778
Ping Identity Holding Corp. - Revolver	2,273	2,273
PrimePay Intermediate, LLC - Delayed Draw	—	2,474
PrimeRevenue, Inc. - Delayed Draw & Revolver	6,250	6,250
Project44, Inc. - Delayed Draw	19,861	19,861
Rapid Data GmbH Unternehmensberatung - Delayed Draw & Revolver	5,994	—
ReliaQuest Holdings, LLC - Delayed Draw	10,009	22,752
SkyLark UK DebtCo - Delayed Draw & Revolver	12,186	—
SL Buyer Corp. - Delyaed Draw	13,175	—
Tango Management Consulting, LLC - Delayed Draw & Revolver	13,989	26,576
TRP Assets, LLC - Delayed Draw & Membership Interest	1,000	7,806
WideOrbit, Inc. - Revolver	—	4,756
Wrangler TopCo, LLC - Revolver	424	—
Total Portfolio Company Commitments [(1)(2)]	$ 327,154	$ 338,043

(1)Represents the full amount of the Company's commitments to fund investments on such date. Commitments may be subject to limitations on borrowings set forth in the agreements between the Company and the applicable portfolio company. As a result, portfolio companies may not be eligible to borrow the full commitment amount on such date.
(2)The Company's estimate of the fair value of the current investments in these portfolio companies includes an analysis of the fair value of any unfunded commitments.

Other Commitments and Contingencies

As of September 30, 2023 the Company had an unfunded commitment of EUR 0.9 million to a new borrower that is not a current portfolio company. As of December 31, 2022 the Company did not have any unfunded commitments to fund investments to new borrowers that were not current portfolio companies as of such date.

From time to time, the Company may become a party to certain legal proceedings incidental to the normal course of its business. As of September 30, 2023 and December 31, 2022, management is not aware of any material pending or threatened litigation that would require accounting recognition or financial statement disclosure.

9. Net Assets

On February 23, 2021, the Company issued a total of 4,000,000 shares of common stock at $21.30 per share. Net of underwriting fees and offering costs, the Company received total cash proceeds of $84.9 million. Subsequent to the offering the Company issued an additional 49,689 shares on March 24, 2021 pursuant to the overallotment option granted to underwriters and received, net of underwriting fees, total cash proceeds of $1.0 million.

During the three months ended December 31, 2021, the Company issued a total of 2,324,820 shares of common stock as settlement for the conversion of $42.8 million principal amount of the 2022 Convertible Notes.

On August 1, 2022, the Company issued a total of 4,360,125 shares of common stock, or $77.6 million as settlement for the conversion of $79.2 million principal amount of the 2022 Convertible Notes.

On May 15, 2023, the Company issued a total of 4,500,000 shares of common stock at $17.33 per share. Net of underwriting fees and offering costs, the Company received total cash proceeds of $77.6 million. Subsequent to the offering, the Company issued an additional 675,000 shares on June 12, 2023 pursuant to the overallotment option granted to underwriters and received, net of underwriting fees, additional total cash proceeds of $11.7 million.

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

Pursuant to the Company's dividend reinvestment plan, the following tables summarize the shares issued to stockholders who have not opted out of the Company's dividend reinvestment plan during the nine months ended September 30, 2023 and 2022. All shares issued to stockholders in the tables below are newly issued shares.

		Nine Months Ended September 30, 2023		
Date Declared	**Dividend (1)**	**Record Date**	**Date Shares Issued**	**Shares Issued**
February 16, 2023	Supplemental	February 28, 2023	March 20, 2023	61,590
February 16, 2023	Base	March 15, 2023	March 31, 2023	300,988
May 8, 2023	Supplemental	May 31, 2023	June 20, 2023	23,686
May 8, 2023	Base	June 15, 2023	June 30, 2023	290,680
August 3, 2023	Supplemental	August 31, 2023	September 20, 2023	35,504
August 3, 2023	Base	September 15, 2023	September 29, 2023	269,763
Total Shares Issued				982,211

		Nine Months Ended September 30, 2022		
Date Declared	**Dividend (1)**	**Record Date**	**Date Shares Issued**	**Shares Issued**
November 2, 2021	Base	December 15, 2021	January 14, 2022	233,542
February 17, 2022	Supplemental	February 28, 2022	March 31, 2022	65,596
February 17, 2022	Base	March 15, 2022	April 18, 2022	239,376
May 3, 2022	Supplemental	May 31, 2022	June 30, 2022	29,459
May 3, 2022	Base	June 15, 2022	July 15, 2022	294,337
August 2, 2022	Base	September 15, 2022	September 30, 2022	357,530
Total Shares Issued				1,219,840

(1)See Note 11 for further information on base, supplemental and special dividends.

On August 4, 2015, the Company's Board authorized the Company to acquire up to $50 million in aggregate of the Company’s common stock from time to time over an initial six month period, and has continued to authorize the refreshment of the $50 million amount authorized under and extension of the stock repurchase program prior to its expiration since that time, most recently as of May 8, 2023. The amount and timing of stock repurchases under the program may vary depending on market conditions, and no assurance can be given that any particular amount of common stock will be repurchased.

During the three and nine months ended September 30, 2023, no shares were repurchased. During the three and nine months ended September 30, 2022, the Company repurchased 180,542 shares at a weighted average share price of $16.62 inclusive of commissions, for a total cost of $3.0 million.

10. Earnings per share

The following table sets forth the computation of basic and diluted earnings per common share for the three and nine months ended September 30, 2023 and 2022:

	Three Months Ended		Nine Months Ended	
	September 30, 2023	**September 30, 2022**	**September 30, 2023**	**September 30, 2022**
Earnings per common share—basic and diluted				
Numerator for basic earnings per share	$ 64,820	$ 34,431	$ 170,862	$ 61,791
Denominator for basic weighted average shares	87,251,340	79,476,419	84,313,169	77,250,889
Earnings per common share—basic and diluted	$ 0.74	$ 0.43	$ 2.03	$ 0.80

11. Dividends

The Company has historically paid a dividend to stockholders on a quarterly basis. The Company has a dividend framework that provides for a quarterly base dividend and a variable supplemental dividend, subject to satisfaction of certain measurement tests and the approval of the Board.

The following tables summarize dividends declared during the nine months ended September 30, 2023 and 2022:

		Nine Months Ended September 30, 2023		
Date Declared	**Dividend**	**Record Date**	**Payment Date**	**Dividend per Share**
February 16, 2023	Supplemental	February 28, 2023	March 20, 2023	$ 0.09
February 16, 2023	Base	March 15, 2023	March 31, 2023	0.46
May 8, 2023	Supplemental	May 31, 2023	June 20, 2023	0.04
May 8, 2023	Base	June 15, 2023	June 30, 2023	0.46
August 3, 2023	Supplemental	August 31, 2023	September 20, 2023	0.06
August 3, 2023	Base	September 15, 2023	September 29, 2023	0.46
Total Dividends Declared				$ 1.57

Date Declared	Dividend	Record Date	Payment Date	Dividend per Share
		Nine Months Ended September 30, 2022		
February 17, 2022	Supplemental	February 28, 2022	March 31, 2022	$ 0.11
February 17, 2022	Base	March 15, 2022	April 18, 2022	0.41
May 3, 2022	Supplemental	May 31, 2022	June 30, 2022	0.04
May 3, 2022	Base	June 15, 2022	July 15, 2022	0.41
August 2, 2022	Base	September 15, 2022	September 30, 2022	0.42
Total Dividends Declared				$ 1.39

The dividends declared during the nine months ended September 30, 2023 and 2022 were derived from net investment income, determined on a tax basis.

12. Financial Highlights

The following per share data and ratios have been derived from information provided in the consolidated financial statements. The following are the financial highlights for one share of common stock outstanding during the nine months ended September 30, 2023 and 2022.

	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022
Per Share Data (8)		
Net asset value, beginning of period	$ 16.48	$ 16.84
Net investment income (1)	1.68	1.47
Net realized and unrealized gain (loss) (1)	0.35	(0.67)
Total from operations	2.03	0.80
Issuance of common stock, net of offering costs (2)	0.03	0.04
Settlement of 2022 Convertible Notes (2)	—	0.08
Repurchase of common stock (2)	—	(0.01)
Dividends declared from net investment income (2)	(1.57)	(1.39)
Total increase (decrease) in net assets	0.49	(0.48)
Net Asset Value, End of Period	$ 16.97	$ 16.36
Per share market value at end of period	$ 20.44	$ 16.34
Total return based on market value with reinvestment of dividends (3)	23.65%	-24.69%
Total return based on market value (4)	25.14%	-24.20%
Total return based on net asset value (5)	12.49%	5.43%
Shares Outstanding, End of Period	87,546,498	81,170,965
Ratios / Supplemental Data (6)		
Ratio of net expenses to average net assets (7)	16.71%	9.92%
Ratio of net investment income to average net assets	13.39%	11.82%
Portfolio turnover	16.12%	21.31%
Net assets, end of period	$ 1,485,822	$ 1,328,052

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

(5)Total return based on net asset value is calculated as the change in net asset value per share during the period plus declared dividends per share, divided by the beginning net asset value per share.
(6)The ratios reflect an annualized amount.
(7)The ratio of net expenses to average net assets in the table above reflects the Adviser's waivers of its right to receive a portion of the Management Fee pursuant to the Leverage Waiver for the nine months ended September 30, 2023 and 2022. Excluding the effects of the waivers, the ratio of net expenses to average net assets would have been 16.79% and 9.94%, respectively, for the nine months ended September 30, 2023 and 2022.
(8)Table may not sum due to rounding.

13. Subsequent Events

The Company's management has evaluated subsequent events through the date of issuance of the consolidated financial statements included herein. There have been no subsequent events, except as already disclosed, that occurred during such period that would require disclosure in this Form 10-Q or would be required to be recognized in the consolidated financial statements as of and for the three and nine months ended September 30, 2023.

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

Sixth Street Specialty Lending, Inc. is a Delaware corporation formed on July 21, 2010. The Adviser is our external manager. We have four wholly owned subsidiaries, TC Lending, LLC, a Delaware limited liability company, which holds a California finance lender and broker license, Sixth Street SL SPV, LLC, a Delaware limited liability company, in which we hold assets that were previously used to support our asset-backed credit facility, Sixth Street SL Holding, LLC, a Delaware limited liability company, in which we hold certain investments, and Sixth Street Specialty Lending Sub, LLC, a Cayman Islands limited liability company, in which we plan to hold certain investments.

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

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

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

Our Investment Framework

We are a specialty finance company focused on lending to middle-market companies. Since we began our investment activities in July 2011, through September 30, 2023, we have originated more than $28.6 billion aggregate principal amount of investments and retained approximately $9.8 billion aggregate principal amount of these investments on our balance sheet prior to any subsequent exits and repayments. We seek to generate current income primarily in U.S.-domiciled middle-market companies through direct originations of senior secured loans and, to a lesser extent, originations of mezzanine and unsecured loans and investments in corporate bonds, equity securities, and other instruments.

By "middle-market companies," we mean companies that have annual EBITDA, which we believe is a useful proxy for cash flow, of $10 million to $250 million, although we may invest in larger or smaller companies on occasion. As of September 30, 2023, our core portfolio companies, which exclude certain investments that fall outside of our typical borrower profile and represent 92.8% of our total investments based on fair value, had weighted average annual revenue of $209.0 million and weighted average annual EBITDA of $69.2 million.

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

The debt in which we invest typically is not rated by any rating agency, but if these instruments were rated, they would likely receive a rating of below investment grade (that is, below BBB- or Baa3 as defined by Standard & Poor's and Moody's Investors Services, respectively), which is often referred to as "junk."

The companies in which we invest use our capital to support organic growth, acquisitions, market or product expansion and recapitalizations (including restructurings). As of September 30, 2023, the largest single investment based on fair value represented 2.5% of our total investment portfolio.

As of September 30, 2023, the average investment size in each of our portfolio companies was approximately $23.8 million based on fair value. Portfolio companies includes investments in structured credit investments, which include each series of collateralized loan obligation as a portfolio company investment. When excluding investments in structured credit investments the average investment in our remaining portfolio companies was approximately $34.4 million as of September 30, 2023.

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

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

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

As of September 30, 2023, the largest industry represented 15.7% of our total investment portfolio based on fair value.

Investment Structuring. We focus on investing at the top of the capital structure and protecting that position. As of September 30, 2023, approximately 92.3% of our portfolio was invested in secured debt, including 91.0% in first-lien debt investments. We carefully perform diligence and structure investments to include strong investor covenants. As a result, we structure investments with a view to creating opportunities for early intervention in the event of non-performance or stress. In addition, we seek to retain effective voting control in investments over the loans or particular class of securities in which we invest through maintaining affirmative voting positions or negotiating consent rights that allow us to retain a blocking position. We also aim for our loans to mature on a medium term, between two to six years after origination. For the three months ended September 30, 2023, the weighted average term on new investment commitments in new portfolio companies was 6.2 years.

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

Risk Mitigation. We seek to mitigate non-credit-related risk on our returns in several ways, including call protection provisions to protect future interest income. As of September 30, 2023, we had call protection on 81.6% of our debt investments based on fair value, with weighted average call prices of 107.1% for the first year, 103.5% for the second year and 101.2% for the third year, in each case from the date of the initial investment. As of September 30, 2023, 99.7% of our debt investments based on fair value bore interest at floating rates, with 100% of these subject to interest rate floors, which we believe helps act as a portfolio-wide hedge against inflation.

Relationship with our Adviser and Sixth Street

Our Adviser is a Delaware limited liability company. Our Adviser acts as our investment adviser and administrator and is a registered investment adviser with the SEC under the Advisers Act. Our Adviser sources and manages our portfolio through a dedicated team of investment professionals predominately focused on direct lending, which we refer to as our Investment Team. Our Investment Team is led by our Chairman and Chief Executive Officer and our Adviser's Co-Chief Investment Officer Joshua Easterly and our Adviser's Co-Chief Investment Officer Alan Waxman, both of whom have substantial experience in credit origination, underwriting and asset management. Our investment decisions are made by our Investment Review Committee, which includes senior personnel of our Adviser and affiliates of Sixth Street Partners, LLC, or "Sixth Street."

Sixth Street is a global investment business with over $70 billion of assets under management as of September 30, 2023. Sixth Street's direct lending platforms include Sixth Street Specialty Lending, Sixth Street Lending Partners, which is aimed at U.S. upper middle-market loan originations, Sixth Street Specialty Lending Europe, which is aimed at European middle-market loan originations. Additional Sixth Street core platforms include Sixth Street TAO, which has the flexibility to invest across all of Sixth Street's private credit market investments, Sixth Street Opportunities, which focuses on actively managed opportunistic investments across the credit cycle, Sixth Street Credit Market Strategies, which is the firm's "public-side" credit investment platform focused on investment opportunities in broadly syndicated leveraged loan markets, Sixth Street Growth, which provides financing solutions to growing companies, Sixth Street Fundamental Strategies, which primarily invests in secondary credit, and Sixth Street Agriculture, which invests in niche agricultural opportunities. Sixth Street has a long-term oriented, highly flexible capital base that allows it to invest across industries, geographies, capital structures and asset classes. Sixth Street has extensive experience with highly complex, global public and private investments executed through primary originations, secondary market purchases and restructurings, and has a team of over 560 investment and operating professionals. As of September 30, 2023, sixty-seven (67) of these personnel are dedicated to direct lending, including fifty-three (53) investment professionals.

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

On December 16, 2014, we were granted an exemptive order from the SEC that allows us to co-invest, subject to certain conditions and to the extent the size of an investment opportunity exceeds the amount our Adviser has independently determined is appropriate to invest, with certain of our affiliates (including affiliates of Sixth Street) in middle-market loan origination activities for companies domiciled in the United States and certain “follow-on” investments in companies in which we have already co-invested pursuant to the order and remain invested. On January 16, 2020, we filed a further application for co-investment exemptive relief with the SEC to better align our existing co-investment relief with more recent SEC exemptive orders. Subsequent further applications were also made, most recently as June 29, 2022. On August 3, 2022, the SEC granted the new order in response to our application.

We believe our ability to co-invest with Sixth Street affiliates is particularly useful where we identify larger capital commitments than otherwise would be appropriate for us. We expect that with the ability to co-invest with Sixth Street affiliates we will continue to be able to provide “one-stop” financing to a potential portfolio company in these circumstances, which may allow us to capture opportunities where we alone could not commit the full amount of required capital or would have to spend additional time to locate unaffiliated co-investors.

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

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

Key Components of Our Results of Operations

Investments

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

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

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

Revenues

We generate revenues primarily in the form of interest income from the investments we hold. In addition, we may generate income from dividends on direct equity investments, capital gains on the sale of investments and various loan origination and other fees. Our debt investments typically have a term of two to six years, and, as of September 30, 2023, 99.7% of these investments based on fair value bore interest at a floating rate, with 100% of these subject to interest rate floors. Interest on debt investments is generally payable monthly or quarterly. Some of our investments provide for deferred interest payments or PIK interest. For the three and nine months ended September 30, 2023, 4.5% and 4.0%, respectively, of our total investment income was comprised of PIK interest.

Changes in our net investment income are primarily driven by the spread between the payments we receive from our investments in our portfolio companies against our cost of funding, rather than by changes in interest rates. Our investment portfolio primarily consists of floating rate loans, and our credit facilities, 2024 Notes, 2026 Notes and 2028 Notes, after taking into account the effect of the interest rate swaps we have entered into in connection with these securities, all bear interest at floating rates. Macro trends in base interest rates like SOFR or other reference rates may affect our net investment income over the long term. However, because we generally originate loans to a limited number of portfolio companies each quarter, and those investments also vary in size, our results in any given period—including the interest rate on investments that were sold or repaid in a period compared to the interest rate of new investments made during that period—often are idiosyncratic, and reflect the characteristics of the particular portfolio companies that we invested in or exited during the period and not necessarily any trends in our business.

In addition to interest income, our net investment income is also driven by prepayment and other fees, which also can vary significantly from quarter to quarter. The level of prepayment fees is generally correlated to the movement in credit spreads and risk premiums, but also will vary based on corporate events that may take place at an individual portfolio company in a given period—e.g., merger and acquisition activity, initial public offerings and restructurings. As noted above, generally a small but varied number of portfolio companies may make prepayments in any quarter, meaning that changes in the amount of prepayment fees received can vary significantly between periods and can vary without regard to underlying credit trends.

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

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

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

Expenses

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

- calculating individual asset values and our net asset value (including the cost and expenses of any independent valuation firms);
- expenses, including travel expenses, incurred by the Adviser, or members of our Investment Team, or payable to third parties, in respect of due diligence on prospective portfolio companies and, if necessary, in respect of enforcing our rights with respect to investments in existing portfolio companies;
- the costs of any public offerings of our common stock and other securities, including registration and listing fees;
- the Management Fee and any Incentive Fee;
- certain costs and expenses relating to distributions paid on our shares;
- administration fees payable under our Administration Agreement;
- costs of preparing financial statements and maintaining books and records and filing reports or other documents with the SEC (or other regulatory bodies) and other reporting and compliance costs, and the compensation of professionals responsible for the preparation of the foregoing, including the allocable portion of the compensation of our Chief Financial Officer, Chief Compliance Officer and other professionals who spend time on those related activities (based on the percentage of time those individuals devote, on an estimated basis, to our business and affairs);
- debt service and other costs of borrowings or other financing arrangements;
- the Adviser’s allocable share of costs incurred in providing significant managerial assistance to those portfolio companies that request it;
- amounts payable to third parties relating to, or associated with, making or holding investments;
- transfer agent and custodial fees;
- costs of hedging;
- commissions and other compensation payable to brokers or dealers;
- taxes;

- Independent Director fees and expenses;
- the costs of any reports, proxy statements or other notices to our stockholders (including printing and mailing costs), the costs of any stockholders' meetings and the compensation of investor relations personnel responsible for the preparation of the foregoing and related matters;
- our fidelity bond;
- directors and officers/errors and omissions liability insurance, and any other insurance premiums;
- indemnification payments;
- direct costs and expenses of administration, including audit, accounting, consulting and legal costs; and
- all other expenses reasonably incurred by us in connection with making investments and administering our business.

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

Leverage

While as a BDC the amount of leverage that we are permitted to use is limited in significant respects, we use leverage to increase our ability to make investments. The amount of leverage we use in any period depends on a variety of factors, including cash available for investing, the cost of financing and general economic and market conditions, however, under the 1940 Act, our total borrowings are limited so that our asset coverage ratio cannot fall below 150% immediately after any borrowing, as defined in the 1940 Act. In any period, our interest expense will depend largely on the extent of our borrowing and we expect interest expense will increase as we increase leverage over time within the limits of the 1940 Act. In addition, we may dedicate assets as collateral to financing facilities from time to time.

Market Trends

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

Subsequent to the global financial crisis, the implementation of regulatory changes such as Basel III requirements, Leverage Lending Guidance, and the Volcker Rule, tightened risk appetites and reduced the capacity of traditional lenders to serve middle-market companies. We believe that these dynamics create a significant opportunity for us to directly originate investments. We also believe that the large amount of uninvested capital held by private equity firms will continue to drive deal activity, which may in turn create additional demand for debt capital.

This market dynamic is further exacerbated by the specialized due diligence and underwriting capabilities, as well as extensive ongoing monitoring, required for middle-market lending. We believe middle-market lending is generally more labor-intensive than lending to larger companies due to smaller investment sizes and the lack of publicly available information on these companies. As a result, the opportunities for dedicated private lenders such as us has continued to expand.

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

Portfolio and Investment Activity

As of September 30, 2023, our portfolio based on fair value consisted of 91.0% first-lien debt investments, 1.3% second-lien investments, 1.2% mezzanine debt investments, 4.8% equity and other investments and 1.7% structured credit investments. As of December 31, 2022, our portfolio based on fair value consisted of 90.3% first-lien debt investments, 1.5% second-lien debt investments, 0.4% mezzanine debt investments, 6.0% equity and other investments and 1.8% structured credit investments.

As of September 30, 2023 and December 31, 2022, our weighted average total yield of debt and income producing securities at fair value (which includes interest income and amortization of fees and discounts) was 14.2% and 13.5%, respectively, and our weighted average total yield of debt and income-producing securities at amortized cost (which includes interest income and amortization of fees and discounts) was 14.3% and 13.4%, respectively.

As of September 30, 2023 and December 31, 2022, we had investments in 131 portfolio companies (including 42 structured credit investments, which include each series of collateralized loan obligation as a separate portfolio company investment) and 121 portfolio companies (including 43 structured credit investments, which include each series of collateralized loan obligation as a separate portfolio company investment), respectively, with an aggregate fair value of $3,113.3 million and $2,787.9 million, respectively.

For the three months ended September 30, 2023, the principal amount of new investments funded was $151.6 million in eight new portfolio companies and two existing portfolio companies. For this period, we had $158.9 million aggregate principal amount in exits and repayments.

For the three months ended September 30, 2022, the principal amount of new investments funded was $274.4 million in 25 new portfolio companies and six existing portfolio companies. For this period, we had $15.8 million aggregate principal amount in exits and repayments.

Our investment activity for the three months ended September 30, 2023 and 2022 is presented below (information presented herein is at par value unless otherwise indicated).

	Three Months Ended	
($ in millions)	September 30, 2023	September 30, 2022
New investment commitments:		
Gross originations [1]	$ 1,004.2	$ 1,910.1
Less: Syndications/sell downs [1]	798.4	1,525.5
Total new investment commitments	$ 205.8	$ 384.6
Principal amount of investments funded:		
First-lien	$ 151.0	$ 239.6
Second-lien	—	—
Mezzanine	0.2	—
Equity and other	0.4	8.1
Structured Credit	—	26.7
Total	$ 151.6	$ 274.4
Principal amount of investments sold or repaid:		
First-lien	$ 152.5	$ 15.8
Second-lien	—	—
Mezzanine	—	—
Equity and other	3.6	—
Structured Credit	2.8	—
Total	$ 158.9	$ 15.8
Number of new investment commitments in new portfolio companies	8	25
Average new investment commitment amount in new portfolio companies	$ 24.8	$ 14.2
Weighted average term for new investment commitments in new portfolio companies (in years)	6.2	6.1
Percentage of new debt investment commitments at floating rates	98.7 %	97.0 %
Weighted average interest rate of new investment commitments	12.9 %	10.4 %
Weighted average spread over reference rate of new floating rate investment commitments	7.7 %	7.8 %
Weighted average interest rate on investments fully sold or paid down	13.0 %	12.0 %

(1)Includes affiliates of Sixth Street

As of September 30, 2023 and December 31, 2022, our investments consisted of the following:

($ in millions)	September 30, 2023 Fair Value	September 30, 2023 Amortized Cost	December 31, 2022 Fair Value	December 31, 2022 Amortized Cost
First-lien debt investments	$ 2,832.8	$ 2,806.3	$ 2,517.9	$ 2,529.3
Second-lien debt investments	39.9	48.1	40.8	42.7
Mezzanine debt investments	36.4	36.0	10.1	7.5
Equity and other investments	150.2	142.3	167.7	142.1
Structured credit investments	54.0	52.7	51.4	53.1
Total	$ 3,113.3	$ 3,085.4	$ 2,787.9	$ 2,774.7

The following tables show the fair value and amortized cost of our performing and non-accrual investments as of September 30, 2023 and December 31, 2022:

($ in millions)	September 30, 2023 Fair Value	September 30, 2023 Percentage	December 31, 2022 Fair Value	December 31, 2022 Percentage
Performing	$ 3,092.6	99.3 %	$ 2,787.7	100.0 %
Non-accrual [(1)]	20.7	0.7	0.2	0.0
Total	$ 3,113.3	100.0 %	$ 2,787.9	100.0 %

($ in millions)	September 30, 2023 Amortized Cost	September 30, 2023 Percentage	December 31, 2022 Amortized Cost	December 31, 2022 Percentage
Performing	$ 3,057.2	99.1 %	$ 2,772.8	99.9 %
Non-accrual [(1)]	28.2	0.9	1.9	0.1
Total	$ 3,085.4	100.0 %	$ 2,774.7	100.0 %

(1)Loans are generally placed on non-accrual status when principal or interest payments are past due 30 days or more or when management has reasonable doubt that the borrower will pay principal or interest in full. Accrued and unpaid interest is generally reversed when a loan is placed on non-accrual status. Non-accrual loans are restored to accrual status when past due principal and interest has been paid and, in management's judgment, the borrower is likely to make principal and interest payments in the future. Management may determine to not place a loan on non-accrual status if, notwithstanding any failure to pay, the loan has sufficient collateral value and is in the process of collection. See *"–Critical Accounting Policies – Interest and Dividend Income Recognition."*

The weighted average yields and interest rates of our performing debt investments at fair value as of September 30, 2023 and December 31, 2022 were as follows:

	September 30, 2023	December 31, 2022
Weighted average total yield of debt and income producing securities [(1)]	14.2 %	13.5 %
Weighted average interest rate of debt and income producing securities	13.7 %	13.1 %
Weighted average spread over reference rate of all floating rate investments	8.4 %	8.7 %

(1)Weighted average total portfolio yield at fair value was 13.5% at September 30, 2023 and 12.8% at December 31, 2022.

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

•assessment of success of the portfolio company in adhering to its business plan and compliance with covenants;

•periodic and regular contact with portfolio company management and, if appropriate, the financial or strategic sponsor, to discuss financial position, requirements and accomplishments;

•comparisons to other companies in the industry;

•attendance at, and participation in, board meetings; and

•review of monthly and quarterly financial statements and financial projections for portfolio companies.

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

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

The following table shows the distribution of our investments on the 1 to 5 investment performance rating scale at fair value as of September 30, 2023 and December 31, 2022. Investment performance ratings are accurate only as of those dates and may change due to subsequent developments relating to a portfolio company's business or financial condition, market conditions or developments, and other factors.

	September 30, 2023		December 31, 2022	
Investment Performance Rating	Investments at Fair Value ($ in millions)	Percentage of Total Portfolio	Investments at Fair Value ($ in millions)	Percentage of Total Portfolio
1	$ 2,759.3	88.6 %	$ 2,472.8	88.7 %
2	232.4	7.5	293.6	10.5
3	100.9	3.2	21.3	0.8
4	—	—	—	—
5	20.7	0.7	0.2	0.0
Total	$ 3,113.3	100.0 %	$ 2,787.9	100.0 %

Results of Operations

Operating results for the three and nine months ended September 30, 2023 and 2022 were as follows:

	Three Months Ended		Nine Months Ended	
($ in millions)	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
Total investment income	$ 114.4	$ 77.8	$ 318.5	$ 209.2
Less: Net expenses	64.0	40.3	175.0	94.0
Net investment income before income taxes	50.4	37.5	143.5	115.2
Less: Income taxes, including excise taxes	0.5	0.4	1.8	1.5
Net investment income	49.9	37.1	141.7	113.7
Net realized gains (losses) [(1)]	5.1	2.4	11.8	16.5
Net change in unrealized gains (losses) [(1)]	9.8	(5.1)	17.4	(68.4)
Net increase (decrease) in net assets resulting from operations	$ 64.8	$ 34.4	$ 170.9	$ 61.8

(1)Includes foreign exchange hedging activity.

Investment Income

($ in millions)	Three Months Ended September 30, 2023	Three Months Ended September 30, 2022	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022
Interest from investments	$ 109.3	$ 75.1	$ 305.1	$ 201.7
Dividend income	0.8	0.0	2.2	1.4
Other income	4.3	2.7	11.2	6.1
Total investment income	$ 114.4	$ 77.8	$ 318.5	$ 209.2

Interest from investments, which includes amortization of upfront fees and prepayment fees, increased from $75.1 million for the three months ended September 30, 2022 to $109.3 million for the three months ended September 30, 2023. The increase in interest from investments was primarily the result of an increase in interest earned due to an increase in reference rates for the period ended September 30, 2023 compared to the same period in 2022 and a larger average portfolio size for the period ended September 30, 2023 compared to the same period in 2022. Accelerated amortization of upfront fees, which were primarily from unscheduled paydowns, increased from $0.1 million for the three months ended September 30, 2022 to $1.6 million for the three months ended September 30, 2023. Prepayment fees increased from $0.3 million for the three months ended September 30, 2022 to $0.9 million for the three months ended September 30, 2023. Accelerated amortization of upfront fees and prepayment fees primarily resulted from a partial paydown on one portfolio investment and earning prepayment fees on one portfolio investment during the three months ended September 30, 2022 and from full paydowns on three portfolio investments, partial paydowns on eight portfolio investments and earning prepayment fees on six portfolio investments during the three months ended September 30, 2023. Other income increased from $2.7 million for the three months ended September 30, 2022 to $4.3 million for the three months ended September 30, 2023, primarily due to increased amendment fees during the three months ended September 30, 2023 compared to the same period in 2022.

Interest from investments, which includes amortization of upfront fees and prepayment fees, increased from $201.7 million for the nine months ended September 30, 2022 to $305.1 million for the nine months ended September 30, 2023. The increase in interest from investments was primarily the result of an increase in interest earned due to an increase in reference rates for the period ended September 30, 2023 compared to the same period in 2022 and a larger average portfolio size for the period ended September 30, 2023 compared to the same period in 2022. Accelerated amortization of upfront fees from unscheduled paydowns decreased from $3.6 million for the nine months ended September 30, 2022 to $2.8 million for the nine months ended September 30, 2023. Prepayment fees decreased from $6.9 million for the nine months ended September 30, 2022 to $2.3 million for the nine months ended September 30, 2023. Accelerated amortization of upfront fees and prepayment fees primarily resulted from full paydowns on seven portfolio investments, partial paydowns on eight portfolio investments, a partial realization of one portfolio investment, a realization of one portfolio investments and earning prepayment fees on nine portfolio investments during the nine months ended September 30, 2022 and full paydowns on seven portfolio investments, partial paydowns on 12 portfolio investments, a partial realization of three portfolio investments and earning prepayment fees on eight portfolio investments during the nine months ended September 30, 2023. Other income increased from $6.1 million for the nine months ended September 30, 2022 to $11.2 million for the nine months ended September 30, 2023, primarily due to increased amendment and miscellaneous fees earned during the nine months ended September 30, 2023 compared to the same period in 2022.

Expenses

Operating expenses for the three and nine months ended September 30, 2023 and 2022 were as follows:

($ in millions)	Three Months Ended September 30, 2023	Three Months Ended September 30, 2022	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022
Interest	$ 35.0	$ 18.9	$ 96.0	$ 40.4
Management fees (net of waivers)	11.7	10.1	33.2	28.9
Incentive fees related to pre-incentive fee net investment income (net of waivers)	11.2	7.9	31.1	22.5
Incentive fees related to realized/unrealized capital gains	2.6	—	5.1	(7.7)
Professional fees	1.9	2.0	5.4	5.3
Directors fees	0.2	0.2	0.6	0.6
Other general and administrative	1.4	1.2	3.6	4.0
Net Expenses	$ 64.0	$ 40.3	$ 175.0	$ 94.0

Interest

Interest expense, including other debt financing expenses, increased from $18.9 million for the three months ended September 30, 2022 to $35.0 million for the three months ended September 30, 2023. This increase was primarily due to an increase in the average interest rate on our debt outstanding and an increase in the average debt outstanding from $1,490.9 million for the three months ended September 30, 2022 to $1,730.8 million for the three months ended September 30, 2023. The average interest rate on our debt outstanding increased from 4.4% for the three months ended September 30, 2022 to 7.5% for the three months ended September 30, 2023.

Interest expense, including other debt financing expenses, increased from $40.4 million for the nine months ended September 30, 2022 to $96.0 million for the nine months ended September 30, 2023. This increase was primarily due to an increase in the average interest rate on our debt outstanding and an increase in the average debt outstanding from $1,287.1 million for the nine months ended September 30, 2022 to $1,671.8 million for the nine months ended September 30, 2023. The average interest rate on our debt outstanding increased from 3.3% for the nine months ended September 30, 2022 to 7.1% for the nine months ended September 30, 2023.

Management Fees

Management Fees (gross of waivers) increased from $10.3 million for the three months ended September 30, 2022 to $11.9 million for the three months ended September 30, 2023 due to an increase in average assets for the three months ended September 30, 2023 compared to the same period in 2022. Management Fees (net of waivers) increased from $10.1 million for the three months ended September 30, 2022 to $11.7 million for the three months ended September 30, 2023. The Adviser waived Management Fees of $0.3 million for the three months ended September 30, 2023 pursuant to the Leverage Waiver. The Adviser waived Management Fees of $0.2 million for the three months ended September 30, 2022 pursuant to the Leverage Waiver.

Management Fees (gross of waivers) increased from $29.1 million for the nine months ended September 30, 2022 to $34.1 million for the nine months ended September 30, 2023 due to an increase in average assets for the nine months ended September 30, 2023 compared to the same period in 2022. Management Fees (net of waivers) increased from $28.9 million for the nine months ended September 30, 2022 to $33.2 million for the nine months ended September 30, 2023. The Adviser waived Management Fees of $0.8 million for the nine months ended September 30, 2023 pursuant to the Leverage Waiver. The Adviser waived Management Fees of $0.2 million for the nine months ended September 30, 2022 pursuant to the Leverage Waiver.

Any waived Management Fees are not subject to recoupment by the Adviser.

Incentive Fees

Incentive Fees related to pre-Incentive Fee net investment income increased from $7.9 million for the three months ended September 30, 2022 to $11.2 million for the three months ended September 30, 2023. This increase resulted from an increase in reference rates for the three months ended September 30, 2023 and a larger average portfolio size for the period ended September 30, 2023 compared to the same period in 2022. The Adviser did not waive any Incentive Fees related to pre-Incentive Fee net investment income for the three months ended September 30, 2023 or 2022. For the three months ended September 30, 2022, less than $(0.1) million of Incentive Fees were accrued related to the reversal of Capital Gains Fees. For the three months ended September 30, 2023, $2.6 million of Incentive Fees were accrued related to Capital Gains Fees. As of September 30, 2023, these accrued Incentive Fees are not contractually payable to the Adviser.

Incentive Fees related to pre-Incentive Fee net investment income increased from $22.5 million for the nine months ended September 30, 2022 to $31.1 million for the nine months ended September 30, 2023. This increase resulted from an increase in reference rates for the nine months ended September 30, 2023 and a larger average portfolio size for the period ended September 30, 2023 compared to the same period in 2022. The Adviser did not waive any Incentive Fees related to pre-Incentive Fee net investment income for the nine months ended September 30, 2023 or 2022. For the nine months ended September 30, 2022, $(7.7) million of Incentive Fees were accrued related to the reversal of Capital Gains Fees. For the nine months ended September 30, 2023, $5.1 million of Incentive Fees were accrued related to Capital Gains Fees. As of September 30, 2023, these accrued Incentive Fees are not contractually payable to the Adviser.

Professional Fees and Other General and Administrative Expenses

Professional fees decreased from $2.0 million for the three months ended September 30, 2022 to $1.9 million for the three months ended September 30, 2023. Other general and administrative expenses increased from $1.2 million for the three months ended September 30, 2022 to $1.4 million for the three months ended September 30, 2023.

Professional fees increased from $5.3 million for the nine months ended September 30, 2022 to $5.4 million for the nine months ended September 30, 2023. Other general and administrative expenses decreased from $4.0 million for the nine months ended September 30, 2022 to $3.6 million for the nine months ended September 30, 2023.

Income Taxes, Including Excise Taxes

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

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

For the three and nine months ended September 30, 2023, we recorded a net expense of $0.5 million and $1.8 million, respectively, for U.S. federal excise tax and other taxes. For the three and nine months ended September 30, 2022, we recorded a net expense of $0.4 million and $1.5 million, respectively, for U.S. federal excise tax and other taxes.

Net Realized and Unrealized Gains and Losses

The following table summarizes our net realized and unrealized gains (losses) for the three and nine months ended September 30, 2023 and 2022:

($ in millions)	Three Months Ended September 30, 2023	Three Months Ended September 30, 2022	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022
Net realized gains (losses) on investments	$ 5.3	$ 0.3	$ 11.8	$ 14.4
Net realized gains (losses) on foreign currency transactions	(0.1)	(0.2)	0.0	(0.2)
Net realized gains (losses) on foreign currency investments	(0.2)	—	(0.2)	0.1
Net realized gains (losses) on foreign currency borrowings	0.1	(0.0)	0.2	(0.1)
Net realized gains (losses) on interest rate swaps	—	2.3	—	2.3
Net Realized Gains (Losses)	$ 5.1	$ 2.4	$ 11.8	$ 16.5
Change in unrealized gains on investments	$ 24.6	$ 12.6	$ 56.3	$ 23.0
Change in unrealized (losses) on investments	(20.3)	(24.3)	(41.6)	(99.3)
Net Change in Unrealized Gains (Losses) on Investments	$ 4.3	$ (11.7)	$ 14.7	$ (76.3)
Unrealized gains (losses) on foreign currency borrowings	5.6	9.2	2.8	15.1
Unrealized gains (losses) on foreign currency cash	(0.1)	(0.0)	(0.3)	(0.0)
Unrealized gains (losses) on interest rate swaps	—	(2.6)	0.2	(7.2)
Net Change in Unrealized Gains (Losses) on Foreign Currency Transactions and Interest Rate Swaps	$ 5.5	$ 6.6	$ 2.7	$ 7.9
Net Change in Unrealized Gains (Losses)	$ 9.8	$ (5.1)	$ 17.4	$ (68.4)

For the three and nine months ended September 30, 2023, we had net realized gains on investments of $5.3 million and $11.8 million, respectively, primarily driven by two investment and three investments, respectively. For the three and nine months ended September 30, 2023, we had net realized losses of $0.1 million and net realized gains of less than $0.1 million, respectively, on foreign currency transactions, primarily as a result of translating foreign currency related to our non-USD denominated investments. For the three and nine months ended September 30, 2023, we had net realized losses of $0.2 million and $0.2 million, respectively, on foreign currency investments. For the three and nine months ended September 30, 2023, we had net realized gains of $0.1 million and $0.2 million, respectively, on foreign currency borrowings, primarily as a result of payments on our revolving credit facility.

For the three months ended September 30, 2023, we had $24.6 million in unrealized gains on 97 portfolio company investments, which was offset by $20.3 million in unrealized losses on 40 portfolio company investments. Unrealized gains resulted from an increase in fair value, primarily due to tightening credit spreads and positive portfolio company specific developments. Unrealized losses primarily resulted from the reversal of prior period unrealized gains due to realizations and negative portfolio company specific developments. For the nine months ended September 30, 2023, we had $56.3 million in unrealized gains on 117 portfolio company investments, which was offset by $41.6 million in unrealized losses on 25 portfolio company investments. Unrealized gains resulted from an increase in fair value, primarily due to tightening credit spreads and positive portfolio company specific developments. Unrealized losses primarily resulted from the reversal of prior period unrealized gains due to realizations and negative portfolio company specific developments.

For the three and nine months ended September 30, 2023, we had unrealized gains on foreign currency borrowings of $5.6 million and $2.8 million, respectively, on foreign currency borrowings, as a result of fluctuations in the AUD, CAD, EUR and GBP exchange rates. For the three and nine months ended September 30, 2023, we had unrealized losses on foreign currency cash of $0.1 million and $0.3 million, respectively. For the three and nine months ended September 30, 2023, we had no unrealized gains (losses) and $0.2 million of unrealized gains, respectively, on interest rate swaps not designated in a hedge accounting relationship, due to fluctuations in interest rates and the periodic settlement of interest rate swaps.

For the three and nine months ended September 30, 2022, we had net realized gains on investments of $0.3 million and $14.4 million, respectively, primarily driven by one investment and one investment, respectively. For the three and nine months ended September 30, 2022, we had net realized losses of $0.2 million on foreign currency transactions, primarily as a result of translating foreign currency related to our non-USD denominated investments. For the nine months ended September 30, 2022, we had net realized gains of $0.1 million, on foreign currency investments. For the three and nine months ended September 30, 2022, we had net realized losses of less than $0.1 million and $0.1 million, respectively, on foreign currency borrowings. The net realized gains and losses on foreign currency borrowings were a result of payments on our revolving credit facility. For the three and nine months ended September 30, 2022, we had net realized gains on interest rate swaps of $2.3 million related to the reversal of unrealized gains for upfront fees on the interest rate swaps associated with the 2022 Convertible Notes.

For the three months ended September 30, 2022, we had $12.6 million in unrealized gains on 30 portfolio company investments, which was offset by $24.3 million in unrealized losses on 88 portfolio company investments. Unrealized gains resulted from an increase in fair value, primarily due to positive portfolio company specific developments. Unrealized losses primarily resulted from widening credit spreads, and also lesser impacts from the reversal of prior period unrealized gains due to realizations and negative portfolio company specific developments. For the nine months ended September 30, 2022, we had $23.0 million in unrealized gains on 17 portfolio company investments, which was offset by $99.3 million in unrealized losses on 110 portfolio company investments. Unrealized gains resulted from an increase in fair value, primarily due to positive portfolio company specific developments. Unrealized losses primarily resulted from widening credit spreads, and also lesser impacts from the reversal of prior period unrealized gains due to realizations and negative portfolio company specific developments.

For the three and nine months ended September 30, 2022, we had unrealized gains on foreign currency borrowings of $9.2 million and $15.1 million, respectively, on foreign currency borrowings, as a result of fluctuations in the AUD, CAD, EUR and GBP exchange rates. For the three and nine months ended September 30, 2022, we had unrealized losses on foreign currency cash of less than $0.1 million. For the three and nine months ended September 30, 2022, we had unrealized losses on interest rate swaps of $2.6 million and $7.2 million, respectively, due to fluctuations in interest rates and the periodic settlement of interest rate swaps and the reversal of unrealized gains less for upfront fees received on the interest rate swaps associated with the 2022 Convertible Notes.

Realized Gross Internal Rate of Return

Since we began investing in 2011 through September 30, 2023, weighted by capital invested, our exited investments have generated an average realized gross internal rate of return to us of 17.5% (based on total capital invested of $6.9 billion and total proceeds from these exited investments of $8.7 billion). Ninety percent of these exited investments resulted in a realized gross internal rate of return to us of 10% or greater.

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

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

Average gross IRR is the average of the gross IRR for each of our exited investments (each calculated as described above), weighted by the total capital invested for each of those investments.

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

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

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

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

Interest Rate and Foreign Currency Hedging

We use interest rate swaps to hedge our fixed rate debt and certain fixed rate investments. We have designated certain interest rate swaps to be in a hedge accounting relationship. See Note 2 for additional disclosure regarding our accounting for derivative instruments designated in a hedge accounting relationship. See Note 5 for additional disclosure regarding these derivative instruments and the interest payments paid and received. See Note 7 for additional disclosure regarding the carrying value of our debt.

Our current approach to hedging the foreign currency exposure in our non-U.S. dollar denominated investments is primarily to borrow the par amount in local currency under our Revolving Credit Facility to fund these investments. For the nine months ended September 30, 2023 and 2022, we had $2.9 million and $15.1 million of unrealized gains, respectively, on the translation of our non-U.S. dollar denominated debt into U.S. dollars; such amounts approximate the corresponding unrealized losses on the translation of our non-U.S. dollar denominated investments into U.S. dollars for the nine months ended September 30, 2023 and 2022. See Note 2 for additional disclosure regarding our accounting for foreign currency. See Note 7 for additional disclosure regarding the amounts of outstanding debt denominated in each foreign currency at September 30, 2023. See our consolidated schedule of investments for additional disclosure regarding the foreign currency amounts (in both par and fair value) of our non-U.S. dollar denominated investments.

Financial Condition, Liquidity and Capital Resources

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

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

We intend to continue to generate cash primarily from cash flows from operations, future borrowings and future offerings of securities. We may from time to time enter into additional debt facilities, increase the size of existing facilities or issue debt securities.

Any such incurrence or issuance would be subject to prevailing market conditions, our liquidity requirements, contractual and regulatory restrictions and other factors. In accordance with the 1940 Act, with certain limited exceptions, we are only allowed to incur borrowings, issue debt securities or issue preferred stock if immediately after the borrowing or issuance the ratio of total assets (less total liabilities other than indebtedness) to total indebtedness plus preferred stock, is at least 150%. For more information, see "Key Components of Our Results of Operations — Leverage" above. As of September 30, 2023 and December 31, 2022, our asset coverage ratio was 187.3% and 188.6%, respectively. We carefully consider our unfunded commitments for the purpose of planning our capital resources and ongoing liquidity, including our financial leverage. Further, we maintain sufficient borrowing capacity within the 150% asset coverage limitation under the 1940 Act and the asset coverage limitation under our credit facilities to cover any outstanding unfunded commitments we are required to fund.

Cash and cash equivalents as of September 30, 2023, taken together with cash available under our credit facilities, is expected to be sufficient for our investing activities and to conduct our operations in the near term. As of September 30, 2023, we had approximately $1.0 billion of availability on our Revolving Credit Facility, subject to asset coverage limitations.

As of September 30, 2023, we had $29.9 million in cash and cash equivalents, including $26.9 million of restricted cash, an increase of $4.2 million from December 31, 2022. During the nine months ended September 30, 2023, cash used in operating activities was $149.9 million, primarily attributable to funding portfolio investments of $634.9 million and other operating activities of $46.2 million, which was offset by repayments and proceeds from investments of $360.3 million and an increase in net assets resulting from operations of $170.9 million. Cash provided by financing activities was $154.2 million during the period due to borrowings of $1,227.8 million and proceeds from the issuance of common stock $89.2 million, which was offset by paydowns on our debt of $1,037.7 million, dividends paid to stockholders of $115.8 million and deferred financing costs of $9.4 million.

Equity

On February 23, 2021, we issued a total of 4,000,000 shares of common stock at $21.30 per share. Net of underwriting fees and offering costs, we received total cash proceeds of $84.9 million. Subsequent to the offering we issued an additional 49,689 shares on March 24, 2021 pursuant to the overallotment option granted to underwriters and received, net of underwriting fees, total cash proceeds of $1.0 million.

During the three months ended December 2021, we issued a total of 2,324,820 shares of common stock, or $42.3 million, as settlement for the conversion of $42.8 million principal amount of the 2022 Convertible Notes.

On August 1, 2022, we issued a total of 4,360,125 share of common stock, or $77.6 million, as settlement for the conversion of $79.2 million principal amount of the 2022 Convertible Notes.

On May 15, 2023, we issued a total of 4,500,000 shares of common stock at $17.60 per share. Net of underwriting fees and offering costs, we received total cash proceeds of $77.6 million. Subsequent to the offering we issued an additional 675,000 shares on June 12, 2023 pursuant to the overallotment option granted to underwriters and received, net of underwriting fees, total cash proceeds of $11.7 million.

During the nine months ended September 30, 2023 and 2022, we also issued 982,211 and 1,219,840 shares of our common stock, respectively, to investors who have not opted out of our dividend reinvestment plan for proceeds of $17.8 million and $23.7 million, respectively.

On August 4, 2015, our Board authorized us to acquire up to $50 million in aggregate of our common stock from time to time over an initial six month period, and has continued to authorize the refreshment of the $50 million amount authorized under and extension of the stock repurchase program prior to its expiration since that time, most recently as of May 8, 2023. The amount and timing of stock repurchases under the program may vary depending on market conditions, and no assurance can be given that any particular amount of common stock will be repurchased.

During the three and nine months ended September 30, 2022, we repurchased 180,542 shares at a weighted average share price of $16.62 inclusive of commissions, for a total cost of $3.0 million. No shares were repurchased during the nine months ended September 30, 2023.

Debt

Revolving Credit Facility

On August 23, 2012, we entered into a senior secured revolving credit agreement with Truist Bank (as a successor by merger to SunTrust Bank), as administrative agent, and J.P. Morgan Chase Bank, N.A., as syndication agent, and certain other lenders (as amended and restated, the “Revolving Credit Facility”).

As of March 31, 2023, aggregate commitments under the facility were $1.585 billion. Pursuant to an amendment to the Revolving Credit Facility dated as of June 12, 2023 (the “Fourteenth Amendment”), the aggregate commitments under the facility were increased to $1.710 billion. The facility includes an uncommitted accordion feature that allows the Company, under certain circumstances, to increase the size of the facility to up to $2.0 billion.

Pursuant to the Fourteenth Amendment, with respect to $1.465 billion in commitments, the revolving period, during which period the Company, subject to certain conditions, may make borrowings under the facility, was extended to June 11, 2027 and the stated maturity date was extended to June 12, 2028. For the remaining $245.0 million of commitments, (A) with respect to $25.0 million of commitments, the revolving period ends January 31, 2024 and the stated maturity is January 31, 2025, (B) with respect to $50.0 million of commitments, the revolving period ends on February 4, 2025 and the stated maturity is February 4, 2026 and (C) with respect to $170.0 million of commitments, the revolving period ends April 24, 2026 and the stated maturity is April 23, 2027.

We may borrow amounts in U.S. dollars or certain other permitted currencies. As of September 30, 2023, we had outstanding debt denominated in Australian Dollars (AUD) of 66.9 million, British pounds (GBP) of 32.5 million, Canadian Dollars (CAD) of 100.2 million, and Euro (EUR) of 37.7 million on our Revolving Credit Facility, included in the outstanding principal amount in the table below.

The Revolving Credit Facility also provides for the issuance of letters of credit up to an aggregate amount of $75.0 million. As of September 30, 2023 and December 31, 2022 the Company had $0.2 million and less than $0.1 million letters of credit issued through the Revolving Credit Facility. The amount available for borrowing under the Revolving Credit Facility is reduced by any letters of credit issued through the Revolving Credit Facility.

Amounts drawn under the Revolving Credit Facility, including amounts drawn in respect of letters of credit, bear interest at either the applicable reference rate plus an applicable credit spread adjustment, plus a margin of either 1.75% or 1.875%, or the base rate plus a margin of either 0.75% or 0.875%, in each case, based on the total amount of the borrowing base relative to the sum of the total commitments (or, if greater, the total exposure) under the Revolving Credit Facility plus certain other designated secured debt. We may elect either the applicable reference rate or base rate at the time of drawdown, and loans may be converted from one rate to another at any time, subject to certain conditions. We also pay a fee of 0.375% on undrawn amounts and, in respect of each undrawn letter of credit, a fee and interest rate equal to the then applicable margin while the letter of credit is outstanding.

The Revolving Credit Facility is guaranteed by Sixth Street SL SPV, LLC, TC Lending, LLC and Sixth Street SL Holding, LLC. The Revolving Credit Facility is secured by a perfected first-priority security interest in substantially all the portfolio investments held by us and each guarantor. Proceeds from borrowings may be used for general corporate purposes, including the funding of portfolio investments.

The Revolving Credit Facility includes customary events of default, as well as customary covenants, including restrictions on certain distributions and financial covenants. In accordance with the terms of the Fourteenth Amendment, the financial covenants require:

- an asset coverage ratio of no less than 1.5 to 1 on the last day of any fiscal quarter;
- stockholders’ equity of at least $500 million plus 25% of the net proceeds of the sale of equity interests after January 31, 2020; and
- minimum asset coverage ratio of no less than 2 to 1 with respect to (i) the consolidated assets of the Company and the subsidiary guarantors (including certain limitations on the contribution of equity in financing subsidiaries) to (ii) the secured debt of the Company and its subsidiary guarantors plus unsecured senior securities of the Company and its subsidiary guarantors that mature within 90 days of the date of determination (the “Obligor Asset Coverage Ratio”).

The Revolving Credit Facility also contains certain additional concentration limits in connection with the calculation of the borrowing base, based on the Obligor Asset Coverage Ratio.

2022 Convertible Notes

In February 2017, we issued in a private offering $115.0 million aggregate principal amount convertible notes due August 2022 (the "2022 Convertible Notes"). The 2022 Convertible Notes were issued in a private placement only to qualified institutional buyers pursuant to Rule 144A under the Securities Act. The 2022 Convertible Notes were unsecured, and bore interest at a rate of 4.50% per year, payable semiannually. In June 2018, we issued an additional $57.5 million aggregate principal amount of 2022 Convertible Notes. The additional 2022 Convertible Notes were issued with identical terms, and were fungible with and were part of a single series with the previously outstanding $115.0 million aggregate principal amount of our 2022 Convertible Notes issued in February 2017. In connection with the offering of 2022 Convertible Notes in February 2017 and the reopening in June 2018, we entered into interest rate swaps to align the interest rates of our liabilities with our investment portfolio, which consists of predominately floating rate loans. The notional amount of the interest rate swaps matched the amount of principal outstanding, and matured on August 1, 2022, matching the maturity date of the 2022 Convertible Notes.

On August 1, 2022, the 2022 Convertible Notes matured in accordance with the governing indenture. Holders of $79.2 million aggregate principal amount of notes provided valid notice of conversion and were subject to the combination settlement method previously elected by us, with a specified cash amount (as defined in the indenture governing the 2022 Convertible Notes) of $20.00 per $1,000 principal amount of the 2022 Convertible Notes and any additional amounts in stock based on the applicable conversion rate as described in the indenture. In accordance with the settlement method, we issued a total of 4,360,125 shares of common stock, or $77.6 million at the adjusted conversion price per share of $17.92. The remaining balance of the notes that were not converted into newly issued shares of common stock were settled with existing cash resources, including through utilization of our Revolving Credit Facility. The interest rate swaps associated with the principal amount of the notes outstanding were terminated on the date of maturity of the 2022 Convertible Notes.

2023 Notes

In January 2018, we issued $150.0 million aggregate principal amount of unsecured notes that matured on January 22, 2023 (the "2023 Notes"). The principal amount of the 2023 Notes was payable at maturity. The 2023 Notes bore interest at a rate of 4.50% per year, payable semi-annually commencing on July 22, 2018, and were redeemable in whole or in part at our option at any time at par plus a "make whole" premium. Total proceeds from the issuance of the 2023 Notes, net of underwriting discounts and offering costs, were $146.9 million. We used the net proceeds of the 2023 Notes to repay outstanding indebtedness under the Revolving Credit Facility. The 2023 Notes matured on January 22, 2023 and were fully repaid in cash. The swap transaction associated with the issuance of the 2023 Notes also matured on January 22, 2023.

2024 Notes

In November 2019, we issued $300.0 million aggregate principal amount of unsecured notes that mature on November 1, 2024 (the "2024 Notes"). The principal amount of the 2024 Notes is payable at maturity. The 2024 Notes bear interest at a rate of 3.875% per year, payable semi-annually commencing on May 1, 2020, and may be redeemed in whole or in part at our option at any time at par plus a "make whole" premium. Total proceeds from the issuance of the 2024 Notes, net of underwriting discounts, offering costs and original issue discount were $292.9 million. We used the net proceeds of the 2024 Notes to repay outstanding indebtedness under the Revolving Credit Facility.

On February 5, 2020, we issued an additional $50.0 million aggregate principal amount of unsecured notes that mature on November 1, 2024. The additional 2024 Notes are a further issuance of, fungible with, rank equally in right of payment with and have the same terms (other than the issue date and the public offering price) as the initial issuance of 2024 Notes. Total proceeds from the issuance of the additional 2024 Notes, net of underwriting discounts, offering costs and original issue premium were $50.1 million. We used the net proceeds of the 2024 Notes to repay outstanding indebtedness under the Revolving Credit Facility.

In connection with the 2024 Notes offering and reopening of the 2024 Notes, we entered into interest rate swaps to align the interest rates of our liabilities with our investment portfolio, which consists of predominately floating rate loans. The notional amount of the two interest rates swaps is $300.0 million and $50.0 million, respectively, each of which matures on November 1, 2024, matching the maturity date of the 2024 Notes. As a result of the swaps, our effective interest rate on the 2024 Notes is SOFR plus 2.54% (on a weighted average basis).

During the year ended December 31, 2020, we repurchased on the open market and extinguished $2.5 million in aggregate principal amount of the 2024 Notes for $2.4 million. These repurchases resulted in a gain on extinguishment of debt of less than $0.1 million. This gain is included in the extinguishment of debt in the accompanying Consolidated Statements of Operations. In connection with the repurchase of the 2024 Notes, we entered into a floating-to-fixed interest rate swap with a notional amount equal to the amount of 2024 Notes repurchased, which had the effect of reducing the notional exposure of the fixed-to-floating interest rate swaps, which were entered into in connection with the issuance of the 2024 Notes, to match the remaining principal amount of the 2024 Notes outstanding. As a result of the swap, our effective interest rate on the outstanding 2024 Notes is SOFR plus 2.54% (on a weighted average basis).

2026 Notes

On February 3, 2021, we issued $300.0 million aggregate principal amount of unsecured notes that mature on August 1, 2026 (the "2026 Notes"). The principal amount of the 2026 Notes is payable at maturity. The 2026 Notes bear interest at a rate of 2.50% per year, payable semi-annually commencing on August 1, 2021, and may be redeemed in whole or in part at our option at any time at par plus a "make whole" premium. Total proceeds from the issuance of the 2026 Notes, net of underwriting discounts, offering costs and original issue discount, were $293.7 million. We used the net proceeds of the 2026 Notes to repay outstanding indebtedness under the Revolving Credit Facility.

In connection with the issuance of the 2026 Notes, we entered into an interest rate swap to align the interest rates of our liabilities with our investment portfolio, which consists of predominately floating rate loans. The notional amount of the interest rate swap is $300.0 million, which matures on August 1, 2026, matching the maturity date of the 2026 Notes. As a result of the swap, our effective interest rate on the 2026 Notes SOFR plus 2.17%.

2028 Notes

On August 14, 2023, we issued $300.0 million aggregate principal amount of unsecured notes that mature on August 14, 2028 (the "2028 Notes"). The principal amount of the 2028 Notes is payable at maturity. The 2028 Notes bear interest at a rate of 6.95% per year, payable semi-annually commencing on February 14, 2024, and may be redeemed in whole or in part at our option at any time at par plus a "make whole" premium. Total proceeds from the issuance of the 2028 Notes, net of underwriting discounts, offering costs and original issue discount, were $293.9 million. We used the net proceeds of the 2028 Notes to repay outstanding indebtedness under the Revolving Credit Facility.

In connection with the issuance of the 2028 Notes, we entered into an interest rate swap to align the interest rates of our liabilities with our investment portfolio, which consists of predominately floating rate loans. The notional amount of the interest rate swap is $300.0 million, which matures on August 14, 2028, matching the maturity date of the 2028 Notes. As a result of the swap, our effective interest rate on the 2028 Notes is SOFR plus 2.99%.

Debt obligations consisted of the following as of September 30, 2023 and December 31, 2022:

	September 30, 2023			
($ in millions)	Aggregate Principal Amount Committed	Outstanding Principal	Amount Available [(1)]	Carrying Value [(2)(3)]
Revolving Credit Facility	$ 1,710.0	$ 758.2	$ 951.6	$ 742.2
2024 Notes	347.5	347.5	—	330.8
2026 Notes	300.0	300.0	—	262.0
2028 Notes	300.0	300.0	—	288.0
Total Debt	$ 2,657.5	$ 1,705.7	$ 951.6	$ 1,623.0

(1)The amount available may be subject to limitations related to the borrowing base under the Revolving Credit Facility and asset coverage requirements.
(2)The carrying values of the Revolving Credit Facility, 2024 Notes, 2026 Notes and 2028 Notes are presented net of the combination of deferred financing costs and original issue discounts totaling $16.0 million, $1.5 million, $3.3 million and $5.9 million, respectively.
(3)The carrying values of the 2024 Notes, 2026 Notes and 2028 Notes are presented inclusive of an incremental $(15.1) million, $(34.7) million and $(6.1) million, respectively, which represents an adjustment in the carrying values of the 2024 Notes, 2026 Notes and 2028 Notes, each resulting from a hedge accounting relationship.

($ in millions)	December 31, 2022 Aggregate Principal Amount Committed	Outstanding Principal	Amount Available [1]	Carrying Value [2][3]
Revolving Credit Facility	$ 1,585.0	$ 719.3	$ 865.7	$ 706.2
2023 Notes	150.0	150.0	—	149.9
2024 Notes	347.5	347.5	—	325.5
2026 Notes	300.0	300.0	—	260.2
Total Debt	$ 2,382.5	$ 1,516.8	$ 865.7	$ 1,441.8

(1)The amount available may be subject to limitations related to the borrowing base under the Revolving Credit Facility and asset coverage requirements.
(2)The carrying values of the Revolving Credit Facility, 2023 Notes, 2024 Notes and 2026 Notes are presented net of the combination of deferred financing costs and original issue discounts totaling $13.2 million, less than $0.1 million, $2.6 million and $4.1 million, respectively.
(3)The carrying values of the 2024 Notes and 2026 Notes are presented inclusive of an incremental $(19.4) million and $(35.7) million, which represents an adjustment in the carrying values of the 2024 Notes and 2026 Notes, each resulting from a hedge accounting relationship.

As of September 30, 2023 and December 31, 2022, 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

Portfolio Company Commitments

From time to time, we may enter into commitments to fund investments. We incorporate these commitments into our assessment of our liquidity position. Our senior secured delayed draw term loan commitments are generally available on a borrower’s demand and, once drawn, generally have the same remaining term as the associated loan agreement. Undrawn senior secured delayed draw term loan commitments generally have a shorter availability period than the term of the associated loan agreement. As of September 30, 2023 and December 31, 2022, we had the following commitments to fund investments in current portfolio companies:

($ in millions)	September 30, 2023	December 31, 2022
Alaska Bidco Oy - Delayed Draw & Revolver	$ 0.2	$ —
Alpha Midco, Inc. - Delayed Draw	0.6	0.9
American Achievement, Corp. - Revolver	2.4	2.4
Arrow Buyer, Inc. - Delayed Draw	7.6	—
ASG II, LLC - Delayed Draw	4.3	7.0
Avalara, Inc. - Revolver	3.9	3.9
Axonify, Inc. - Delayed Draw	4.2	6.1
Banyan Software Holdings, LLC - Delayed Draw	20.0	—
Bayshore Intermediate #2, L.P. - Revolver	1.9	1.6
BCTO Ace Purchaser, Inc. - Delayed Draw	1.7	6.6
BCTO Bluebill Buyer, Inc. - Delayed Draw	5.6	—
Bear OpCo, LLC - Delayed Draw	1.5	2.6
BlueSnap, Inc. - Delayed Draw & Revolver	2.5	2.5
BTRS Holdings, Inc. - Delayed Draw & Revolver	7.2	8.6
Carlstar Group, LLC - Revolver	8.5	8.5
Cordance Operations, LLC - Delayed Draw & Revolver	3.5	12.0
Coupa Holdings, LLC - Delayed Draw & Revolver	6.8	—
CrunchTime Information Systems, Inc. - Delayed Draw	0.2	7.1
Disco Parent, Inc. - Revolver	0.5	—
Dye & Durham Corp. - Delayed Draw & Revolver	2.0	6.3
EDB Parent, LLC - Delayed Draw	13.1	18.0
Edge Bidco B.V. - Delayed Draw & Revolver	1.3	—
Elysian Finco Ltd. - Delayed Draw & Revolver	5.2	6.8
Employment Hero Holdings Pty Ltd. - Delayed Draw & Revolver	8.4	8.8
EMS Linq, Inc. - Revolver	8.8	8.8
Erling Lux Bidco SARL - Delayed Draw & Revolver	3.1	5.6
ExtraHop Networks, Inc. - Delayed Draw	11.8	17.1
ForeScout Technologies, Inc. - Delayed Draw & Revolver	3.4	3.4
G Treasury SS, LLC - Delayed Draw	—	3.3
Galileo Parent, Inc. - Revolver	5.6	—
Hirevue, Inc. - Revolver	6.9	—
Hornetsecurity Holding GmbH - Delayed Draw & Revolver	2.0	2.0
Ibis Intermediate Co. - Delayed Draw	6.3	6.3
IRGSE Holding Corp. - Revolver	0.2	0.3
Kyriba Corp. - Delayed Draw & Revolver	0.0	—
Laramie Energy, LLC - Delayed Draw	7.7	—
LeanTaaS Holdings, Inc. - Delayed Draw	39.6	47.2
Lithium Technologies, LLC - Revolver	—	2.0
Lucidworks, Inc. - Delayed Draw	0.8	0.8
Marcura Equities LTD - Delayed Draw & Revolver	11.7	—
Murchison Oil and Gas, LLC - Delayed Draw	3.3	9.8
Netwrix Corp. - Delayed Draw & Revolver	12.6	13.9
Neuintel, LLC - Delayed Draw	—	4.2
OutSystems Luxco SARL - Delayed Draw	2.2	2.1
PageUp People, Ltd. - Delayed Draw & Revolver	—	5.8
Passport Labs, Inc. - Delayed Draw & Revolver	2.8	2.8
Ping Identity Holding Corp. - Revolver	2.3	2.3
PrimePay Intermediate, LLC - Delayed Draw	—	2.5
PrimeRevenue, Inc. - Delayed Draw & Revolver	6.3	6.3
Project44, Inc. - Delayed Draw	19.9	19.9
Rapid Data GmbH Unternehmensberatung - Delayed Draw & Revolver	6.0	—
ReliaQuest Holdings, LLC - Delayed Draw	10.0	22.7
SkyLark UK DebtCo - Delayed Draw & Revolver	12.2	—
SL Buyer Corp. - Delyaed Draw	13.2	—
Tango Management Consulting, LLC - Delayed Draw & Revolver	14.0	26.6
TRP Assets, LLC - Delayed Draw & Membership Interest	1.0	7.8
WideOrbit, Inc. - Revolver	—	4.8
Wrangler TopCo, LLC - Revolver	0.4	—
Total Portfolio Company Commitments (1)(2)	$ 327.2	$ 338.0

(1)Represents the full amount of our commitments to fund investments on such date. Commitments may be subject to limitations on borrowings set forth in the agreements between us and the applicable portfolio company. As a result, portfolio companies may not be eligible to borrow the full commitment amount on such date.

(2)Our estimate of the fair value of the current investments in these portfolio companies includes an analysis of the fair value of any unfunded commitments.

Other Commitments and Contingencies

As of September 30, 2023 the Company had an unfunded commitment of EUR 0.9 million to a new borrower that is not a current portfolio company. As of December 31, 2022 the Company did not have any unfunded commitments to fund investments to new borrowers that were not current portfolio companies as of such date.

From time to time, we may become a party to certain legal proceedings incidental to the normal course of our business. As of September 30, 2023, management is not aware of any material pending or threatened litigation that would require accounting recognition or financial statement disclosure.

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

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

Contractual Obligations

A summary of our contractual payment obligations as of September 30, 2023 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	$ 758.2	$ —	$ —	$ 758.2	$ —
2024 Notes	347.5	—	347.5	—	—
2026 Notes	300.0	—	300.0	—	—
2028 Notes	300.0	—	—	300.0	—
Total Contractual Obligations	$ 1,705.7	$ —	$ 647.5	$ 1,058.2	$ —

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

Distributions

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

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

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

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

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

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

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

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

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

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

Related-Party Transactions

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

- the Investment Advisory Agreement;
- the Administration Agreement; and
- an ongoing agreement with an affiliate of TPG Global, LLC governing, inter alia, the parties’ respective ownership of and rights to use the “Sixth Street” and “TPG” trademarks and certain variations thereof.

Critical Accounting Policies

The preparation of our consolidated financial statements requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses. Changes in the economic environment, financial markets, and any other parameters used in determining such estimates could cause actual results to differ. Our critical accounting policies, including those relating to the valuation of our investment portfolio, are described in our Annual Report on Form 10-K for the year ended December 31, 2022, filed with the SEC on February 16, 2023, and elsewhere in our filings with the SEC.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

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

Valuation Risk

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

Interest Rate Risk

Interest rate sensitivity refers to the change in earnings that may result from changes in the level of interest rates. We also fund portions of our investments with borrowings. Our net investment income is affected by the difference between the rate at which we invest and the rate at which we borrow. Accordingly, we cannot assure you that a significant change in market interest rates will not have a material adverse effect on our net investment income.

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

As of September 30, 2023, 99.7% of our debt investments based on fair value in our portfolio bore interest at floating rates, with 100.0% of these subject to interest rate floors. Our credit facilities also bear interest at floating rates, and in connection with our 2024 Notes, 2026 Notes and 2028 Notes, which bear interest at fixed rates, we entered into fixed-to-floating interest rate swaps in order to align the interest rates of our liabilities with our investment portfolio.

Assuming that our consolidated balance sheet as of September 30, 2023 were to remain constant and that we took no actions to alter our existing interest rate sensitivity, the following table shows the annualized impact of hypothetical base rate changes in interest rates (considering interest rate floors for floating rate instruments):

($ in millions)

Basis Point Change	Interest Income	Interest Expense	Net Interest Income
Up 300 basis points	$ 88.8	$ 51.2	$ 37.6
Up 200 basis points	$ 59.2	$ 34.1	$ 25.1
Up 100 basis points	$ 29.6	$ 17.1	$ 12.5
Down 25 basis points	$ (7.4)	$ (4.3)	$ (3.1)
Down 50 basis points	$ (14.8)	$ (8.5)	$ (6.3)

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

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

Currency Risk

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

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures. As of the end of the period covered by this report, we carried out an evaluation, under the supervision and with the participation of our management, including our 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 Exchange Act). 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 Exchange Act.

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

PART II – OTHER INFORMATION

ITEM 1. Legal Proceedings

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

Item 1A. Risk Factors.

In addition to the other information set forth in this report, you should carefully consider the risk factors discussed in Part I, "Item 1A. Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended December 31, 2022 and the risk factors set forth below, which could materially affect our business, financial condition and/or operating results. These risks are not the only risks facing our Company. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially and adversely affect our business, financial condition and/or operating results.

Pursuant to Section 61(a)(2)(C)(ii) of the 1940 Act, the principal risk factors associated with our senior securities are set forth below. However, since we already use leverage in optimizing our investment portfolio, the principal risk factors associated with our senior securities do not represent material changes to the risk factors previously disclosed in our Annual Report on Form 10-K for the fiscal year ended December 31, 2022.

Legislation allows us to incur additional leverage.

Under the 1940 Act, a BDC generally is not permitted to incur borrowings, issue debt securities or issue preferred stock unless immediately after the borrowing or issuance the ratio of total assets (less total liabilities other than indebtedness) to total indebtedness plus preferred stock is at least 200%. However, under the SBCAA, which became law in March 2018, BDCs have the ability to elect to become subject to a lower asset coverage requirement of 150%, subject to the receipt of the requisite board or stockholder approvals under the SBCAA and satisfaction of certain other conditions.

On October 8, 2018, our stockholders approved the application of the minimum asset coverage ratio of 150% to us, as set forth in Section 61(a)(2) of the 1940 Act, as amended by the SBCAA. As a result and subject to certain additional disclosure requirements, as of October 9, 2018, our minimum asset coverage ratio was reduced from 200% to 150%. In other words, pursuant to Section 61(a) of the 1940 Act, as amended by the SBCAA, we are permitted to potentially increase our maximum debt-to-equity ratio from an effective level of one-to-one to two-to-one.

As a result, you may face increased investment risk. We may not be able to implement our strategy to utilize additional leverage successfully. Any impact on returns or equity or our business associated with additional leverage may not outweigh the additional risk. See "**—***We borrow money, which magnifies the potential for gain or loss and increases the risk of investing in us.*"

Regulations governing our operation as a BDC affect our ability to, and the way in which we, raise additional capital.

The 1940 Act imposes numerous constraints on the operations of BDCs. See "ITEM 1. BUSINESS—Regulation as a Business Development Company" in our Annual Report on Form 10-K for the year ended December 31, 2022, filed with the SEC on February 16, 2023, for a discussion of BDC limitations. For example, BDCs are required to invest at least 70% of their total assets in securities of nonpublic or thinly traded U.S. companies, cash, cash equivalents, U.S. government securities and other high-quality debt investments that mature in one year or less. These constraints may hinder the Adviser's ability to take advantage of attractive investment opportunities and to achieve our investment objective.

We may need to periodically access the debt and equity capital markets to raise cash to fund new investments in excess of our repayments, and we may also need to access the capital markets to refinance existing debt obligations to the extent such maturing obligations are not repaid with availability under our revolving credit facilities or cash flows from operations.

Regulations governing our operation as a BDC affect our ability to raise additional capital, and the ways in which we can do so. Raising additional capital may expose us to risks, including the typical risks associated with leverage, and may result in dilution to our current stockholders. The 1940 Act limits our ability to incur borrowings and issue debt securities and preferred stock, which we refer to as senior securities, requiring that after any borrowing or issuance the ratio of total assets (less total liabilities other than indebtedness) to total indebtedness plus preferred stock, is at least 150%.

We may need to continue to borrow from financial institutions and issue additional securities to fund our growth. Unfavorable economic or capital market conditions may increase our funding costs, limit our access to the capital markets or could result in a decision by lenders not to extend credit to us. An inability to successfully access the capital markets may limit our ability to refinance our existing debt obligations as they come due and/or to fully execute our business strategy and could limit our ability to grow or cause us to have to shrink the size of our business, which could decrease our earnings, if any. Consequently, if the value of our assets declines or we are unable to access the capital markets we may be required to sell a portion of our investments and, depending on the nature of our leverage, repay a portion of our indebtedness at a time when this may be disadvantageous. Also, any amounts that we use to service our indebtedness would not be available for distributions to our common stockholders. If we borrow money or issue senior securities, we will be exposed to typical risks associated with leverage, including an increased risk of loss.

If we issue preferred stock, the preferred stock would rank senior to common stock in our capital structure. Preferred stockholders would have separate voting rights on certain matters and may have other rights, preferences or privileges more favorable than those of our common stockholders. The issuance of preferred stock could have the effect of delaying, deferring or preventing a transaction or a change of control that might involve a premium price for holders of our common stock or otherwise be in your best interest. Holders of our common stock will directly or indirectly bear all of the costs associated with offering and servicing any preferred stock that we issue. In addition, any interests of preferred stockholders may not necessarily align with the interests of holders of our common stock and the rights of holders of shares of preferred stock to receive dividends would be senior to those of holders of shares of our common stock.

Our Board may decide to issue additional common stock to finance our operations rather than issuing debt or other senior securities. However, we generally are not able to issue and sell our common stock at a price below net asset value per share. We may, however, elect to issue and sell our common stock, or warrants, options or rights to acquire our common stock, at a price below the then-current net asset value of our common stock if our Board determines that the sale is in our best interests and the best interests of our stockholders, and our stockholders have approved our policy and practice of making these sales within the preceding 12 months. Pursuant to approval granted at a special meeting of stockholders held on May 25, 2023, we are currently permitted to sell or otherwise issue shares of our common stock at a price below our then-current net asset value per share, subject to the approval of our Board and certain other conditions. Such stockholder approval expires on May 25, 2024. We may in the future seek such approval again; however, there is no assurance such approval will be obtained. In any such case, the price at which our securities are to be issued and sold may not be less than a price that, in the determination of our Board, closely approximates the market value of those securities (less any distribution commission or discount). In the event we sell shares of our common stock at a price below net asset value per share, existing stockholders will experience net asset value dilution. This dilution would occur as a result of the sale of shares at a price below the then current net asset value per share of our common stock and would cause a proportionately greater decrease in the stockholders' interest in our earnings and assets and their voting interest in us than the increase in our assets resulting from such issuance. As a result of any such dilution, our market price per share may decline. Because the number of shares of common stock that could be so issued and the timing of any issuance is not currently known, the actual dilutive effect cannot be predicted.

In addition to issuing securities to raise capital as described above, we could securitize our investments to generate cash for funding new investments. To securitize our investments, we likely would create a wholly owned subsidiary, contribute a pool of loans to the subsidiary and have the subsidiary issue primarily investment grade debt securities to purchasers who we would expect would be willing to accept a substantially lower interest rate than the loans earn. We would retain all or a portion of the equity in the securitized pool of loans. Our retained equity would be exposed to any losses on the portfolio of investments before any of the debt securities would be exposed to the losses. An inability to successfully securitize our investment portfolio could limit our ability to grow or fully execute our business and could adversely affect our earnings, if any. The successful securitization of our investment could expose us to losses because the portions of the securitized investments that we would typically retain tend to be those that are riskier and more apt to generate losses. The 1940 Act also may impose restrictions on the structure of any securitization. In connection with any future securitization of investments, we may incur greater set-up and administration fees relating to such vehicles than we have in connection with financing of our investments in the past.

We borrow money, which magnifies the potential for gain or loss and increases the risk of investing in us.

As part of our business strategy, we borrow from and may in the future issue additional senior debt securities to banks, insurance companies and other lenders. Holders of these loans or senior securities would have fixed-dollar claims on our assets that have priority over the claims of our stockholders. If the value of our assets decreases, leverage will cause our net asset value to decline more sharply than it otherwise would have without leverage. Similarly, any decrease in our income would cause our net income to decline more sharply than it would have if we had not borrowed. This decline could negatively affect our ability to make dividend payments on our common stock. Our ability to service our borrowings depends largely on our financial performance and is subject to prevailing economic conditions and competitive pressures. In addition, the Management Fee is payable based on our gross assets, including cash and assets acquired through the use of leverage, which may give our Adviser an incentive to use leverage to make additional investments. The amount of leverage that we employ will depend on our Adviser's and our Board's assessment of market and other factors at the time of any proposed borrowing. We cannot assure you that we will be able to obtain credit at all or on terms acceptable to us.

Our credit facilities and indentures governing our indebtedness also impose financial and operating covenants that restrict our business activities, remedies on default and similar matters. As of September 30, 2023, we are in compliance with the covenants of our credit facilities and indentures. However, our continued compliance with these covenants depends on many factors, some of which are beyond our control. Accordingly, although we believe we will continue to be in compliance, we cannot assure you that we will continue to comply with the covenants in our credit facilities and indentures. Failure to comply with these covenants could result in a default. If we were unable to obtain a waiver of a default from the lenders or holders of that indebtedness, as applicable, those lenders or holders could accelerate repayment under that indebtedness. An acceleration could have a material adverse impact on our business, financial condition and results of operations. Lastly, we may be unable to obtain additional leverage, which would, in turn, affect our return on capital.

As of September 30, 2023, we had $1,705.7 million of outstanding indebtedness, which had an annualized interest cost of 7.53% under the terms of our debt, excluding fees (such as fees on undrawn amounts and amortization of upfront fees) and giving effect to the swap-adjusted interest rates on our 2024 Notes, 2026 Notes and 2028 Notes. As of September 24, 2023, as adjusted to give effect to the interest rate swaps, the interest rate on the 2024 Notes was three-month LIBOR plus 2.28% (on a weighted-average basis), and the interest rate on the 2026 Notes was three-month LIBOR plus 1.91%. On September 25, 2023, the swap-adjusted interest rate on the 2024 Notes and 2026 Notes transitioned to SOFR plus 2.54% (on a weighted average basis), and SOFR plus 2.17%, respectively. On September 30, 2023, the swap-adjusted interest rate on the 2028 Notes was SOFR plus 2.99%.

For us to cover these annualized interest payments on indebtedness, we must achieve annual returns on our investments of at least 4.1%. Since we generally pay interest at a floating rate on our debt, an increase in interest rates will generally increase our borrowing costs. We expect that our annualized interest cost and returns required to cover interest will increase if we issue additional debt securities.

In order to assist investors in understanding the effects of leverage, the following table illustrates the effect of leverage on returns from an investment in our common stock assuming various annual returns, net of expenses. Leverage generally magnifies the return of stockholders when the portfolio return is positive and magnifies their losses when the portfolio return is negative. Actual returns may be greater or less than those appearing in the table. The calculations in the table below are hypothetical and actual returns may be higher or lower than those appearing below.

Effects of Leverage Based on Actual Amount of Borrowings Incurred by us as of September 30, 2023

	Assumed Return on Our Portfolio (net of expenses) [1]				
	-10%	**-5%**	**0%**	**5%**	**10%**
Corresponding return to stockholder [2]	-30%	-19.3%	-8.6%	2.0%	12.7%

(1)The assumed portfolio return is required by SEC regulations and is not a prediction of, and does not represent, our projected or actual performance. Actual returns may be greater or less than those appearing in the table. Pursuant to SEC regulations, this table is calculated as of September 30, 2023. As a result, it has not been updated to take into account any changes in assets or leverage since September 30, 2023.
(2)In order to compute the "Corresponding return to stockholder," the "Assumed Return on Our Portfolio" is multiplied by the total value of our assets at September 30, 2023 to obtain an assumed return to us. From this amount, the interest expense (calculated by multiplying the weighted average stated interest rate of 7.53% by the approximately $1,705.7 million of principal debt outstanding) is subtracted to determine the return available to stockholders. The return available to stockholders is then divided by the total value of our net assets at September 30, 2023 to determine the "Corresponding return to stockholder."

Our indebtedness could adversely affect our business, financial conditions or results of operations.

We cannot assure you that our business will generate sufficient cash flow from operations or that future borrowings will be available to us under our credit facilities or otherwise in an amount sufficient to enable us to pay our indebtedness or to fund our other liquidity needs. We may need to refinance all or a portion of our indebtedness on or before it matures. We cannot assure you that we will be able to refinance any of our indebtedness on commercially reasonable terms or at all. If we cannot service our indebtedness, we may have to take actions such as selling assets or seeking additional equity. We cannot assure you that any such actions, if necessary, could be effected on commercially reasonable terms or at all, or on terms that would not be disadvantageous to our stockholders or on terms that would not require us to breach the terms and conditions of our existing or future debt agreements.

Even in the event the value of your investment declines, the Management Fee and, in certain circumstances, the Incentive Fee will still be payable to the Adviser.

Even in the event the value of your investment declines, the Management Fee and, in certain circumstances, the Incentive Fee will still be payable to the Adviser. The Management Fee is calculated as a percentage of the value of our gross assets at a specific time, which would include any borrowings for investment purposes, and may give our Adviser an incentive to use leverage to make additional investments. In addition, the Management Fee is payable regardless of whether the value of our gross assets or your investment have decreased. The use of increased leverage may increase the likelihood of default, which would disfavor holders of our common stock. Given the subjective nature of the investment decisions that our Adviser will make on our behalf, we may not be able to monitor this potential conflict of interest.

The Incentive Fee is calculated as a percentage of pre-Incentive Fee net investment income. Since pre-Incentive Fee net investment income does not include any realized capital gains, realized capital losses or unrealized capital gains or losses, it is possible that we may pay an Incentive Fee in a quarter in which we incur a loss. For example, if we receive pre-Incentive Fee net investment income in excess of the quarterly minimum hurdle rate, we will pay the applicable Incentive Fee even if we have incurred a loss in that quarter due to realized and unrealized capital losses. In addition, because the quarterly minimum hurdle rate is calculated based on our net assets, decreases in our net assets due to realized or unrealized capital losses in any given quarter may increase the likelihood that the hurdle rate is reached in that quarter and, as a result, that an Incentive Fee is paid for that quarter. Our net investment income used to calculate this component of the Incentive Fee is also included in the amount of our gross assets used to calculate the Management Fee.

Also, one component of the Incentive Fee is calculated annually based upon our realized capital gains, computed net of realized capital losses and unrealized capital losses on a cumulative basis. As a result, we may owe the Adviser an Incentive Fee during one year as a result of realized capital gains on certain investments, and then incur significant realized capital losses and unrealized capital losses on the remaining investments in our portfolio during subsequent years. Incentive Fees earned in prior years cannot be clawed back even if we later incur losses.

In addition, the Incentive Fee payable by us to the Adviser may create an incentive for the Adviser to make investments on our behalf that are risky or more speculative than would be the case in the absence of such a compensation arrangement. The Adviser receives the Incentive Fee based, in part, upon capital gains realized on our investments. Unlike the portion of the Incentive Fee that is based on income, there is no hurdle rate applicable to the portion of the Incentive Fee based on capital gains. As a result, the Adviser may have an incentive to invest more in companies whose securities are likely to yield capital gains, as compared to income-producing investments. Such a practice could result in our making more speculative investments than would otherwise be the case, which could result in higher investment losses, particularly during cyclical economic downturns.

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

None.

Item 3. Defaults Upon Senior Securities.

Not applicable.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

Rule 10b5-1 Trading Plans

During the three months ended September 30, 2023, none of our directors or officers (as defined in Rule 16a-1(f) under the Exchange Act) adopted or terminated any contract, instruction or written plan for the purchase or sale of our securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) under the Exchange Act or any “non-Rule 10b5-1 trading arrangement” as defined in Item 408(c) of Regulation S-K.

Item 6. Exhibits.

(a)Exhibits.

3.1	Second Amended and Restated Bylaws dated July 10, 2023 (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K/A filed on July 17, 2023)
4.1	Indenture, dated as of January 22, 2018, between TPG Specialty Lending, Inc. and Wells Fargo Bank, National Association, as Trustee (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed on January 22, 2018)
4.2	Fourth Supplemental Indenture, dated as of August 14, 2023, between Sixth Street Specialty Lending, Inc. and Computershare Trust Company, N.A., as successor to Wells Fargo Bank, National Association, as Trustee (incorporated by reference to Exhibit 4.2 to the Company's Current Report on Form 8-K filed on August 14, 2023)
4.3	Form of 6.950% Note Due 2028 (incorporated by reference to Exhibit 4.3 to the Company's Current Report on Form 8-K filed on August 14, 2023)
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
101.INS	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because XBRL tags are embedded within the Inline XBRL document.
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

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.

SIXTH STREET SPECIALTY LENDING, INC.

Date: November 2, 2023	By: /s/ Joshua Easterly Joshua Easterly Chief Executive Officer
Date: November 2, 2023	By: /s/ Ian Simmonds Ian Simmonds Chief Financial Officer

Exhibit 31.1

CEO CERTIFICATION

I, Joshua Easterly, certify that:

(1) I have reviewed this quarterly report on Form 10-Q of Sixth Street 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: November 2, 2023

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

Exhibit 31.2

CFO CERTIFICATION

I, Ian Simmonds, certify that:

(1) I have reviewed this quarterly report on Form 10-Q of Sixth Street 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: November 2, 2023	By:	/s/ Ian Simmonds
		Ian Simmonds
		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 Sixth Street Specialty Lending, Inc. (the “Company”) for the quarterly period ended September 30, 2023, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), Joshua Easterly as Chief Executive Officer of the Company, and Ian Simmonds, as Chief Financial Officer of the Company, each hereby certifies, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to such officer’s knowledge:

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

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

/s/ Joshua Easterly
Name: Joshua Easterly
Title: Chief Executive Officer
Date: November 2, 2023

/s/ Ian Simmonds
Name: Ian Simmonds
Title: Chief Financial Officer
Date: November 2, 2023

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.