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, 2016

OR

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

For the transition period from to

Commission file number 001-36364

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

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

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

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

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

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

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

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

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

The number of shares of the Registrant's common stock, $.01 par value per share, outstanding at November 7, 2016 was 59,716,205.

TPG SPECIALTY LENDING, INC.

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

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

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

- an economic downturn could impair our portfolio companies’ abilities to continue to operate, which could lead to the loss of some or all of our investments in those portfolio companies;
- such an economic downturn could disproportionately impact the companies in which we have invested and others that we intend to target for investment, potentially causing us to experience a decrease in investment opportunities and diminished demand for capital from these companies;
- such an economic downturn could also impact availability and pricing of our financing;
- an inability to access the capital markets could impair our investment activities; and
- the risks, uncertainties and other factors we identify in the section entitled “Risk Factors” in this report and in our Annual Report on Form 10-K for the year ended December 31, 2015, filed with the SEC on February 24, 2016, in our Quarterly Report for the quarter ended March 31, 2016 as filed with the SEC on May 4, 2016, in our Quarterly Report for the quarter ended June 30, 2016 as filed with the SEC on August 3, 2016, and elsewhere in our filings with the SEC.

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

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

TPG Specialty Lending, Inc.

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

	September 30, 2016	December 31, 2015
Assets		
Investments at fair value		
Non-controlled, non-affiliated investments (amortized cost of $1,570,297 and $1,443,017, respectively)	$ 1,578,148	$ 1,422,211
Controlled, affiliated investments (amortized cost of $95,633 and $86,659, respectively)	65,424	63,498
Total investments at fair value (amortized cost of $1,665,930 and $1,529,676, respectively)	1,643,572	1,485,709
Cash and cash equivalents	3,928	2,431
Interest receivable	10,668	10,146
Receivable for interest rate swaps	1,505	402
Receivable for investments sold	2,722	—
Prepaid expenses and other assets	2,825	7,880
Total Assets	$ 1,665,220	$ 1,506,568
Liabilities		
Debt (net of deferred financing costs of $8,633 and $10,365, respectively)	$ 680,115	$ 642,423
Management fees payable to affiliate	6,145	5,530
Incentive fees payable to affiliate	6,384	4,915
Dividends payable	23,236	21,124
Payable for investments purchased	—	4,435
Payables to affiliate	1,311	1,492
Other liabilities	7,560	5,908
Total Liabilities	724,751	685,827
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, 59,669,593 and 54,166,959 shares issued, respectively; and 59,580,513 and 54,163,960 shares outstanding, respectively	597	542
Additional paid-in capital	898,363	812,586
Treasury stock at cost; 89,080 and 2,999 shares held, respectively	(1,359)	(30)
Undistributed net investment income	36,379	27,521
Net unrealized losses	(5,232)	(28,380)
Undistributed net realized gains	11,721	8,502
Total Net Assets	940,469	820,741
Total Liabilities and Net Assets	$ 1,665,220	$ 1,506,568
Net Asset Value Per Share	$ 15.78	$ 15.15

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

TPG Specialty Lending, Inc.

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

	Three Months Ended		Nine Months Ended	
	September 30, 2016	September 30, 2015	September 30, 2016	September 30, 2015
Income				
Investment income from non-controlled, non-affiliated investments:				
Interest from investments	$ 44,088	$ 43,986	$ 124,931	$ 120,040
Dividend income	474	474	1,421	474
Other income	6,767	708	8,909	4,714
Total investment income from non-controlled, non-affiliated investments	51,329	45,168	135,261	125,228
Investment income from controlled, affiliated investments:				
Interest from investments	2,537	1,532	7,288	4,442
Other income	51	74	152	186
Total investment income from controlled, affiliated investments	2,588	1,606	7,440	4,628
Total Investment Income	53,917	46,774	142,701	129,856
Expenses				
Interest	6,102	7,963	17,029	16,910
Management fees	6,212	5,460	17,953	15,706
Incentive fees	6,467	3,045	16,761	15,182
Professional fees	3,029	2,366	6,923	4,857
Directors’ fees	98	101	290	288
Other general and administrative	897	1,634	3,211	4,061
Total expenses	22,805	20,569	62,167	57,004
Management and incentive fees waived (Note 3)	(149)	(104)	(346)	(104)
Net Expenses	22,656	20,465	61,821	56,900
Net Investment Income Before Income Taxes	31,261	26,309	80,880	72,956
Income taxes, including excise taxes	690	460	1,615	1,301
Net Investment Income	30,571	25,849	79,265	71,655
Unrealized and Realized Gains (Losses)				
Net change in unrealized gains (losses):				
Non-controlled, non-affiliated investments	13,660	(10,191)	28,657	(1,698)
Controlled, affiliated investments	(6,898)	(4,454)	(7,048)	(3,925)
Translation of assets and liabilities in foreign currencies	(1,367)	1,227	436	4,536
Interest rate swaps	(462)	1,879	1,103	672
Total net change in unrealized gains (losses)	4,933	(11,539)	23,148	(415)
Realized gains (losses):				
Non-controlled, non-affiliated investments	1,516	(4,975)	1,920	(5,042)
Foreign currency transactions	(145)	2	(49)	(140)
Interest rate swaps	—	—	—	1,852
Total realized gains (losses)	1,371	(4,973)	1,871	(3,330)
Total Unrealized and Realized Gains (Losses)	6,304	(16,512)	25,019	(3,745)
Increase in Net Assets Resulting from Operations	$ 36,875	$ 9,337	$ 104,284	$ 67,910
Earnings per common share—basic and diluted	$ 0.62	$ 0.17	$ 1.79	$ 1.26
Weighted average shares of common stock outstanding—basic and diluted	59,523,695	54,017,302	58,229,549	53,969,423

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

TPG Specialty Lending, Inc.

Consolidated Schedule of Investments as of September 30, 2016
(Amounts in thousands, except share amounts)
(Unaudited)

Company (1)	Investment	Interest	Initial Acquisition Date	Amortized Cost (2)(8)	Fair Value	Percentage of Net Assets
Debt Investments						
Automotive						
Heartland Automotive Holdings, LLC (3)	First-lien loan ($29,830 par, due 6/2017)	9.75%	8/28/2012	$ 29,684	$ 29,681	3.2%
	First-lien revolving loan ($833 par, due 6/2017)	10.75%	8/28/2012	810	806	0.1%
				30,494	30,487	3.3%
Beverage, food and tobacco						
AFS Technologies, Inc. (3)(5)	First-lien loan ($61,979 par, due 3/2020)	8.75%	3/3/2014	61,075	61,514	6.5%
Business services						
Actian Corporation (3)(5)	First-lien loan ($55,982 par, due 4/2018)	7.50%	4/11/2013	55,241	58,501	6.2%
Bullhorn, Inc. (3)(5)	First-lien loan ($45,000 par, due 11/2020)	8.50%	11/12/2015	44,049	44,888	4.8%
Clarabridge, Inc. (3)	First-lien loan ($19,719 par, due 4/2019)	8.85%	5/20/2015	19,418	19,552	2.1%
Idera, Inc. (3)	First-lien loan ($62,031 par, due 4/2021)	6.50%	10/9/2015	56,717	60,170	6.4%
Leaf US Holdings, Inc. (3)(4)	First-lien loan ($27,459 par, due 6/2019)	7.50%	6/30/2014	27,085	27,385	2.9%
Marketo, Inc. (3)	First-lien loan ($28,125 par, due 8/2021)	10.50%	8/16/2016	27,240	27,300	2.9%
Motus, LLC (3)	First-lien loan ($20,000 par, due 7/2021)	11.00% (incl. 3.00% PIK)	7/29/2016	19,513	19,650	2.1%
Qlik Technologies, Inc. (3)	First-lien loan ($40,500 par, due 8/2022)	9.25%	8/22/2016	39,762	39,791	4.2%
SailPoint Technologies, Inc. (3)	First-lien loan ($27,500 par, due 8/2021)	9.00%	8/16/2016	26,940	26,998	2.9%
ScentAir Technologies, Inc. (3)	First-lien loan ($19,986 par, due 12/2019)	7.50%	12/30/2014	19,697	20,152	2.1%
Sovos Compliance, LLC (3)	First-lien loan ($29,250 par, due 3/2022)	8.25%	7/1/2016	28,671	28,950	3.1%
Tibco Software (3)	First-lien loan ($248 par, due 12/2020)	6.50%	1/26/2016	218	244	0.0%
				364,551	373,581	39.7%
Chemicals						
Vertellus Specialties, Inc. (3)(10)	First-lien loan ($11,980 par, due 10/2019)	10.50%	10/31/2014	10,879	7,877	0.8%
	DIP loan ($3,749 par, due 11/2016)	10.00%	6/2/2016	3,714	3,758	0.4%
				14,593	11,635	1.2%
Education						
Finalsite Holdings, Inc. (3)(5)	First-lien loan ($45,000 par, due 8/2022)	8.00%	8/31/2016	43,779	43,875	4.7%
Frontline Technologies Group LLC (3)(5)	First-lien loan ($54,725 par, due 4/2021)	7.75%	4/1/2016	53,389	54,315	5.8%

Company (1)	Investment	Interest	Initial Acquisition Date	Amortized Cost (2)(8)	Fair Value	Percentage of Net Assets
				97,168	98,190	10.5%
Electronics						
MyAlarm Center, LLC (3)	First-lien loan ($63,151 par, due 1/2019)	9.00%	1/9/2014	62,684	63,958	6.8%
APX Group Inc.	Senior notes 8.75% ($10,692 par, due 12/2020)	8.75%	12/11/2014	9,336	10,478	1.1%
				72,020	74,436	7.9%
Financial services						
AppStar Financial, LLC (3)	First-lien loan ($22,500 par, due 8/2020)	9.00%	8/18/2015	22,051	22,439	2.4%
AvidXchange, Inc. (3)	Second-lien loan ($34,454 par, due 8/2020)	10.50% PIK	8/7/2015	34,030	34,329	3.7%
Network Merchants, Inc. (3)	First-lien loan ($25,782 par, due 9/2018)	7.75%	9/12/2013	25,558	25,915	2.8%
PayLease, LLC (3)	First-lien loan ($34,285 par, due 3/2020)	10.00% (incl. 2.50% PIK)	3/6/2015	33,727	34,285	3.6%
Smarsh, Inc. (3)(5)	First-lien loan ($30,000 par, due 1/2021)	8.50%	1/7/2016	29,311	30,075	3.2%
				144,677	147,043	15.7%
Healthcare						
Helix Health, Ltd. (3)(4)	First-lien loan (EUR 41,103 par, due 9/2019)	11.50%	9/30/2014	48,371	48,501 (EUR 43,158)	5.2%
	First-lien revolving loan (EUR 300 par, due 9/2019)	11.50%	9/30/2014	244	562 (EUR 500)	0.1%
MatrixCare, Inc. (3)(5)	First-lien loan ($44,775 par, due 12/2021)	6.25%	12/17/2015	44,042	44,887	4.8%
MedeAnalytics, Inc. (3)(5)	First-lien loan ($46,650 par, due 9/2020)	9.35% (incl. 2.50% PIK)	9/30/2015	45,440	46,300	4.9%
Quantros, Inc. (3)(5)	First-lien loan ($29,850 par, due 2/2021)	8.75%	2/29/2016	28,927	29,626	3.2%
SRS Software, LLC (3)	First-lien loan ($30,469 par, due 12/2017)	8.75%	12/28/2012	30,242	30,621	3.3%
	First-lien revolving loan ($2,000 par, due 12/2017)	8.75%	12/28/2012	1,972	2,010	0.2%
				199,238	202,507	21.7%
Hotel, gaming, and leisure						
CrunchTime Information Systems, Inc. (3)	First-lien loan ($25,940 par, due 4/2020)	9.35% (incl. 2.50% PIK)	4/16/2015	25,449	25,740	2.7%
IRGSE Holding Corp. (3)(7)	First-lien loan ($21,044 par, due 9/2019)	10.35% (incl. 5.00% PIK)	9/29/2015	21,044	20,097	2.1%
	First-lien revolver loan ($11,803 par, due 9/2019)	10.35% (incl. 5.00% PIK)	9/29/2015	11,803	11,272	1.2%
Soho House (4)	Second-lien bond (GBP 14,375 par, due 10/2018)	9.13%	9/20/2013	23,264	19,047 (GBP 14,662)	2.0%

Company (1)	Investment	Interest	Initial Acquisition Date	Amortized Cost (2)(8)	Fair Value	Percentage of Net Assets
				81,560	76,156	8.0%
Human resource support services						
Saba Software, Inc. (3)(5)	First-lien loan ($54,313 par, due 3/2021)	9.75%	3/30/2015	53,794	54,313	5.8%
Skillsoft (3)	First-lien loan ($10,993 par, due 4/2021)	5.75%	11/5/2015	8,710	9,722	1.0%
				62,504	64,035	6.8%
Insurance						
Insurity, Inc. (3)(5)	First-lien loan ($65,143 par, due 10/2020)	7.75%	10/31/2014	64,558	65,795	7.0%
Internet services						
Highwinds Capital, Inc. (3)	First-lien loan ($48,472 par, due 7/2018)	9.00%	3/7/2014	48,115	48,957	5.2%
	First-lien revolving loan ($3,000 par, due 7/2018)	9.00%	3/7/2014	2,982	3,030	0.3%
				51,097	51,987	5.5%
Manufacturing						
Jeeves Information Systems AB (3)(4)(5)	First-lien loan (SEK 198,421 par, due 3/2019)	8.00%	6/5/2013	29,689	23,507 (SEK 201,396)	2.5%
Power Solutions International, Inc. (3)	First-lien loan ($47,250 par, due 6/2021)	10.75%	6/28/2016	46,331	46,659	5.0%
				76,020	70,166	7.5%
Office products						
Ecommerce Industries, Inc. (3)	First-lien loan ($36,623 par, due 3/2019)	7.25%	3/11/2014	36,443	36,623	3.9%
Oil, gas and consumable fuels						
Key Energy Services (3)	First-lien loan ($12,446 par, due 6/2020)	10.25%	5/27/2015	12,072	11,948	1.3%
Mississippi Resources, LLC (3)(7)	First-lien loan ($50,421 par, due 6/2018)	13.00% (incl. 1.50% PIK)	6/4/2014	49,916	33,908	3.6%
				61,988	45,856	4.9%
Pharmaceuticals						
Nektar Therapeutics (4)(5)(9)	Secured note ($74,950 par, due 10/2020)	7.75%	10/5/2015	74,128	74,763	7.9%
Retail and consumer products						
American Achievement Corporation (3)(5)	First-lien loan ($24,432 par, due 9/2020)	8.25%	9/30/2015	24,144	24,432	2.6%
Destination Maternity Corporation (3)(5)	ABL FILO term loan ($17,829 par, due 3/2021)	8.50%	3/25/2016	17,443	17,739	1.9%
Quiksilver - Boardriders SA	Bond (EUR 5,699 par, due 12/2020)	9.50%	5/26/2015	6,025	5,124 (EUR 4,559)	0.5%
Sears (3)(4)(6)	First-lien loan ($3,651 par, due 6/2018)	5.50%	1/28/2016	3,438	3,578	0.4%
	First-lien ABL loan ($22,727 par, due 7/2020)	8.50%	3/18/2016	22,108	22,727	2.4%
Toys ‘R’ Us-Delaware, Inc. (3)	ABL FILO term loan ($48,000 par, due 10/2019)	8.25%	10/9/2014	47,484	47,160	5.0%
				120,642	120,760	12.8%
Transportation						

Company (1)	Investment	Interest	Initial Acquisition Date	Amortized Cost (2)(8)	Fair Value	Percentage of Net Assets
Carrix, Inc. (3)	First-lien loan ($13,146 par, due 1/2019)	4.50%	3/17/2015	12,537	12,577	1.3%
Total Debt Investments				1,625,293	1,618,111	172.1%
Equity and Other Investments						
Business services						
Network Merchants, Inc.	Non-Voting Preferred Units (774,099 units)		9/12/2013	780	1,432	0.2%
Financial services						
AvidXchange, Inc.	Series E Preferred Equity (214,132 shares)		8/7/2015	3,846	3,846	0.4%
TICC Capital Corp. (4)	Common Shares (1,633,719 shares)		8/5/2015	10,943	9,508	1.0%
				14,789	13,354	1.4%
Healthcare						
Global Healthcare Exchange, LLC	Common Shares Class A (358 shares)		3/11/2014	358	361	0.0%
	Common Shares Class B (6 shares)		3/11/2014	6	300	0.0%
Helix Health, Ltd. (4)	Warrants		9/30/2014	877	998 (EUR 888)	0.1%
SRS Parent Corp.	Common Shares Class A (1,980 shares)		12/28/2012	1,980	960	0.1%
	Common Shares Class B (2,953,020 shares)		12/28/2012	20	10	0.0%
				3,241	2,629	0.2%
Hotel, gaming, and leisure						
IRGSE Holding Corp. (7)	Class A Units (5,000,000 units)		9/29/2015	3,897	97	0.0%
	Class C-1 Units (8,800,000 units)		9/29/2015	100	50	0.0%
				3,997	147	0.0%
Oil, gas and consumable fuels						
Mississippi Resources, LLC (7)	Class A Member Units (933 units)		6/4/2014	8,874	—	0.0%
Other						
Oak Hill Credit Partners (4)(6)	Structured Product	6.20%	8/21/2015	3,331	2,989	0.3%
Symphony (4)(6)	Structured Product	6.43%	11/17/2014	5,625	4,910	0.5%
				8,956	7,899	0.8%
Total Equity and Other Investments				40,637	25,461	2.6%
Total Investments				**$ 1,665,930**	**$ 1,643,572**	**174.7%**

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

(4) 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.

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

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

(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 nine months ended September 30, 2016 in which the issuer 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, 2016

Company	Fair Value at December 31, 2015	Gross Additions (a)	Gross Reductions (b)	Net Unrealized Gain/(Loss)	Realized Gain/(Losses)	Fair Value at September 30, 2016	Other Income	Interest Income
Mississippi Resources, LLC	$ 36,682	$ 4,201	$ (366)	$ (6,609)	$ —	$ 33,908	$ 151	$ 4,980
IRGSE Holding Corp.	26,816	5,139	—	(439)	—	31,516	1	2,308
Total	**$ 63,498**	**$ 9,340**	**$ (366)**	**$ (7,048)**	**$ —**	**$ 65,424**	**$ 152**	**$ 7,288**

(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.

(8) As of September 30, 2016, the tax cost of the Company’s investments approximates their amortized cost.

(9) Notes contain a fixed rate structure. The Company entered into an interest rate swap agreement to swap to a floating rate. Refer to Note 5 for further information related to the Company’s interest rate swaps.

(10) The first-lien loan portion of this investment is on non-accrual as of September 30, 2016.

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

TPG Specialty Lending, Inc.

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

Company (1)	Investment	Interest	Initial Acquisition Date	Amortized Cost (2)(8)	Fair Value	Percentage of Net Assets
Debt Investments						
Automotive						
Heartland Automotive Holdings, LLC (3)	First-lien loan ($31,271 par, due 6/2017)	9.75%	8/28/2012	$ 30,977	$ 30,176	3.7%
	First-lien revolving loan ($2,722 par, due 6/2017)	10.75%	8/28/2012	2,675	2,528	0.3%
				33,652	32,704	4.0%
Beverage, food and tobacco						
AFS Technologies, Inc. (3)(5)	First-lien loan ($63,660 par, due 3/2020)	8.75%	3/3/2014	62,575	62,705	7.6%
Business services						
Actian Corporation (3)(5)	First-lien loan ($59,915 par, due 4/2018)	7.50%	4/11/2013	58,781	62,462	7.6%
Bullhorn, Inc. (3)(5)	First-lien loan ($45,000 par, due 11/2020)	8.50%	11/12/2015	43,916	43,763	5.3%
Clarabridge, Inc. (3)	First-lien loan ($22,388 par, due 4/2019)	8.50%	5/20/2015	21,963	21,641	2.6%
Idera, Inc. (3)	First-lien loan ($62,500 par, due 4/2021)	6.50%	10/9/2015	56,446	55,937	6.8%
Leaf US Holdings, Inc. (3)(4)	First-lien loan ($28,565 par, due 6/2019)	7.50%	6/30/2014	28,085	27,877	3.4%
Network Merchants, Inc. (3)	First-lien loan ($25,782 par, due 9/2018)	7.75%	9/12/2013	25,481	25,981	3.2%
ScentAir Technologies, Inc. (3)	First-lien loan ($18,857 par, due 12/2019)	7.50%	12/30/2014	18,505	18,463	2.2%
				253,177	256,124	31.1%
Chemicals						
Vertellus Specialties, Inc. (3)	First-lien loan ($10,839 par, due 10/2019)	10.50%	10/31/2014	10,148	7,804	1.0%
Education						
Campus Management, Inc. (3)(5)	First-lien loan ($26,277 par, due 9/2018)	8.75%	9/30/2013	25,879	26,277	3.2%
Electronics						
MyAlarm Center, LLC (3)	First-lien loan ($62,371 par, due 1/2019)	9.00%	1/9/2014	61,766	61,887	7.5%
APX Group Inc.	Senior notes 8.75% ($24,818 par, due 12/2020)	8.75%	12/11/2014	21,689	20,165	2.5%
				83,455	82,052	10.0%
Financial services						
AppStar Financial, LLC (3)	First-lien loan ($23,400 par, due 8/2020)	9.00%	8/18/2015	22,862	22,765	2.8%
AvidXchange, Inc. (3)	Second-lien loan ($31,897 par, due 8/2020)	10.50% PIK	8/7/2015	31,380	30,910	3.8%
PayLease, LLC (3)	First-lien loan ($33,639 par, due 3/2020)	10.00% (incl. 2.50% PIK)	3/6/2015	32,980	32,769	4.0%
				87,222	86,444	10.6%
Healthcare						

Company (1)	Investment	Interest	Initial Acquisition Date	Amortized Cost (2)(8)	Fair Value	Percentage of Net Assets
Aesynt Incorporated (3)(5)	First-lien loan ($33,250 par, due 5/2019)	7.00%	5/8/2014	32,598	33,918	4.1%
Helix Health, Ltd. (3)(4)	First-lien loan (EUR 35,912 par, due 9/2019)	11.50%	9/30/2014	42,402	40,572 (EUR 37,349)	4.9%
	First-lien revolving loan (EUR 300 par, due 9/2019)	11.50%	9/30/2014	261	435 (EUR 400)	0.1%
MatrixCare, Inc. (3)(5)	First-lien loan ($45,000 par, due 12/2021)	6.25%	12/17/2015	44,184	44,100	5.4%
MedeAnalytics, Inc. (3)(5)	First-lien loan ($45,411 par, due 9/2020)	9.00% (incl. 2.50% PIK)	9/30/2015	44,022	43,708	5.3%
Mediware Information Systems, Inc. (3)(5)	First-lien loan ($67,574 par, due 5/2018)	7.00%	11/9/2012	66,725	68,250	8.3%
SRS Software, LLC (3)	First-lien loan ($31,875 par, due 12/2017)	8.75%	12/28/2012	31,508	31,477	3.8%
	First-lien revolving loan ($2,000 par, due 12/2017)	8.75%	12/28/2012	1,955	1,938	0.2%
				263,655	264,398	32.1%
Hotel, gaming, and leisure						
CrunchTime Information Systems, Inc. (3)	First-lien loan ($25,452 par, due 4/2020)	9.00% (incl. 2.50% PIK)	4/16/2015	24,873	24,200	2.9%
IRGSE Holding Corp. (3)(7)	First-lien loan ($20,260 par, due 9/2019)	10.10% (incl. 5.00% PIK)	9/29/2015	20,260	19,500	2.4%
	First-lien revolver loan ($7,448 par, due 9/2019)	10.10% (incl. 5.00% PIK)	9/29/2015	7,448	7,169	0.9%
Soho House (4)	Second-lien bond (GBP 20,375 par, due 10/2018)	9.13%	9/20/2013	33,055	30,781 (GBP 20,884)	3.8%
				85,636	81,650	10.0%
Human resource support services						
Saba Software, Inc. (3)(5)	First-lien loan ($54,725 par, due 3/2021)	9.75%	3/30/2015	54,141	53,767	6.6%
Skillsoft (3)	First-lien loan ($500 par, due 4/2021)	5.75%	11/5/2015	438	385	0.0%
				54,579	54,152	6.6%
Insurance						
Insurity, Inc. (3)(5)	First-lien loan ($65,452 par, due 10/2020)	7.75%	10/31/2014	64,782	63,980	7.8%
Internet services						
Highwinds Capital, Inc. (3)	First-lien loan ($50,987 par, due 7/2018)	9.00%	3/7/2014	50,474	50,095	6.1%
	First-lien revolving loan ($2,800 par, due 7/2018)	9.00%	3/7/2014	2,775	2,748	0.3%
				53,249	52,843	6.4%
Manufacturing						
Jeeves Information Systems AB (3)(4)(5)	First-lien loan (SEK 192,573 par, due 3/2019)	8.75%	6/5/2013	29,289	23,470 (SEK 197,869)	2.9%
Office products						
Ecommerce Industries, Inc. (3)	First-lien loan ($36,811 par, due 3/2019)	7.25%	3/11/2014	36,579	36,370	4.4%
Oil, gas and consumable fuels						

Company (1)	Investment	Interest	Initial Acquisition Date	Amortized Cost (2)(8)	Fair Value	Percentage of Net Assets
Key Energy Services (3)	First-lien loan ($13,504 par, due 6/2020)	10.25%	5/27/2015	13,043	10,533	1.3%
Mississippi Resources, LLC (3)(7)	First-lien loan ($46,679 par, due 6/2018)	13.00% (incl. 1.50% PIK)	6/4/2014	46,081	36,682	4.5%
				59,124	47,215	5.8%
Pharmaceuticals						
Nektar Therapeutics (4)(5)(9)	Secured note ($74,950 par, due 10/2020)	7.75%	10/5/2015	74,005	73,076	8.9%
Real estate						
JL Secured Promissory Note (4)	Secured note ($10,224 par, due 9/2017)	7.00% PIK	9/29/2015	10,224	10,224	1.2%
Retail and consumer products						
American Achievement Corporation (3)(5)	First-lien loan ($25,000 par, due 9/2020)	8.25%	9/30/2015	24,664	24,563	3.0%
Quiksilver - Boardriders SA	Bond (EUR 7,599 par, due 12/2017)	8.88%	5/26/2015	8,062	7,801 (EUR 7,181)	1.0%
Sears (4)(6)	First-lien ABL revolving loan ($303 par, due 4/2016)	2.84%	4/15/2015	116	257	0.0%
Sports Authority (3)(5)	ABL FILO term loan ($45,000 par, due 6/2017)	7.40%	11/3/2015	44,249	43,762	5.3%
Toys 'R' Us-Delaware, Inc. (3)	ABL FILO term loan ($51,000 par, due 10/2019)	8.25%	10/9/2014	50,313	49,470	6.0%
				127,404	125,853	15.3%
Transportation						
Carrix, Inc. (3)	First-lien loan ($13,441 par, due 1/2019)	4.50%	3/17/2015	12,631	12,500	1.5%
Kewill, Ltd. (3)(4)	Second-lien loan ($62,500 par, due 10/2019)	9.50%	10/2/2013	61,614	59,531	7.3%
				74,245	72,031	8.8%
Total Debt Investments				1,488,879	1,459,372	177.7%
Equity and Other Investments						
Business services						
Network Merchants, Inc.	Non-Voting Preferred Units (774,099 units)		9/12/2013	780	1,119	0.1%
Financial services						
AvidXchange, Inc.	Series E Preferred Equity (214,132 shares)		8/7/2015	3,846	3,846	0.5%
TICC Capital Corp. (4)	Common Shares (1,633,660 shares)		8/5/2015	10,943	9,933	1.2%
				14,789	13,779	1.7%
Healthcare						
Global Healthcare Exchange, LLC	Common Shares Class A (598 shares)		3/11/2014	467	729	0.1%
	Common Shares Class B (196 shares)		3/11/2014	137	214	0.0%
Helix Health, Ltd. (4)	Warrants		9/30/2014	877	965 (EUR 888)	0.1%
SRS Parent Corp.	Common Shares Class A (1,980 shares)		12/28/2012	1,980	1,173	0.1%

Company (1)	Investment	Interest	Initial Acquisition Date	Amortized Cost (2)(8)	Fair Value	Percentage of Net Assets
	Common Shares Class B (2,953,020 shares)		12/28/2012	20	12	0.0%
				3,481	3,093	0.3%
Hotel, gaming, and leisure						
IRGSE Holding Corp. (7)	Class A Units (5,000,000 units)		9/29/2015	3,897	97	0.0%
	Class C-1 Units (8,800,000 units)		9/29/2015	100	50	0.0%
				3,997	147	0.0%
Oil, gas and consumable fuels						
Mississippi Resources, LLC (7)	Class A Member Units (933 units)		6/4/2014	8,874	—	0.0%
Other						
Oak Hill Credit Partners (4)(6)	Structured Product	5.82%	8/21/2015	3,293	3,099	0.4%
Symphony (4)(6)	Structured Product	6.07%	11/17/2014	5,583	5,100	0.6%
				8,876	8,199	1.0%
Total Equity and Other Investments				40,797	26,337	3.1%
Total Investments				**$ 1,529,676**	**$ 1,485,709**	**180.8%**

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

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

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

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

(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, 2015 in which the issuer 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, 2015

Company	Fair Value at December 31, 2014	Gross Additions (a)	Gross Reductions (b)	Net Unrealized Gain/(Loss)	Realized Gain/(Losses)	Fair Value at December 31, 2015	Other Income	Interest Income
Mississippi Resources, LLC	$ 41,636	$ 7,833	$ (459)	$ (12,328)	$ —	$ 36,682	$ 219	$ 6,003
IRGSE Holding Corp.	—	31,704	—	(4,888)	—	26,816	21	636
Total	**$ 41,636**	**$ 39,537**	**$ (459)**	**$ (17,216)**	**$ —**	**$ 63,498**	**$ 240**	**$ 6,639**

(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.

(8) As of December 31, 2015, the tax cost of the Company's investments approximates their amortized cost.

(9) Notes contain a fixed rate structure. The Company entered into an interest rate swap agreement to swap to a floating rate. Refer to Note 5 for further information related to the Company's interest rate swaps.

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

TPG Specialty Lending, Inc.

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

	Nine Months Ended September 30, 2016	Nine Months Ended September 30, 2015
Increase in Net Assets Resulting from Operations		
Net investment income	$ 79,265	$ 71,655
Net change in unrealized gains (losses)	23,148	(415)
Net realized gains (losses)	1,871	(3,330)
Increase in Net Assets Resulting from Operations	104,284	67,910
Increase (Decrease) in Net Assets Resulting from Capital Share Transactions		
Issuance of common shares, net of offering and underwriting costs	78,250	—
Reinvestment of dividends	8,028	3,860
Purchases of treasury stock	(1,329)	(29)
Dividends declared from net investment income	(69,505)	(63,174)
Increase (Decrease) in Net Assets Resulting from Capital Share Transactions	15,444	(59,343)
Total Increase in Net Assets	119,728	8,567
Net assets, beginning of period	820,741	835,405
Net Assets, End of Period	$ 940,469	$ 843,972
Undistributed Net Investment Income Included in Net Assets at the End of the Period	$ 36,379	$ 15,555

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

TPG Specialty Lending, Inc.

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

	Nine Months Ended September 30, 2016	Nine Months Ended September 30, 2015
Cash Flows from Operating Activities		
Increase in net assets resulting from operations	$ 104,284	$ 67,910
Adjustments to reconcile increase in net assets resulting from operations to net cash used in operating activities:		
Net change in unrealized (gains) losses on investments	(21,609)	5,623
Net change in unrealized gains on foreign currency transactions	(436)	(4,536)
Net change in unrealized gains on interest rate swaps	(1,103)	(672)
Net realized (gains) losses on investments	(1,920)	5,042
Net realized (gains) losses on foreign currency transactions	13	(16)
Net realized gains on interest rate swaps	—	(1,852)
Net amortization of discount on securities	(12,342)	(9,587)
Amortization of debt issuance costs	1,732	5,303
Accretion of discount on Convertible Senior Notes	440	418
Purchases of investments, net	(643,792)	(441,004)
Proceeds from investments, net	36,179	16,735
Repayments on investments	490,333	293,820
Paid-in-kind interest	(6,721)	(3,833)
Changes in operating assets and liabilities:		
Interest receivable	(401)	(3,032)
Interest receivable paid-in-kind	(147)	(32)
Prepaid expenses and other assets	2,333	9,392
Management fees payable to affiliate	615	552
Incentive fees payable to affiliate	1,469	(996)
Payable to affiliate	(181)	(1,156)
Other liabilities	(2,783)	(24,533)
Net Cash Used in Operating Activities	(54,037)	(86,454)
Cash Flows from Financing Activities		
Borrowings on debt	476,363	559,359
Payments on debt	(438,385)	(412,163)
Debt issuance costs	—	(110)
Proceeds from issuance of common stock, net of offering and underwriting costs	78,250	—
Purchases of treasury stock	(1,329)	(29)
Dividends paid to stockholders	(59,365)	(59,228)
Net Cash Provided by Financing Activities	55,534	87,829
Net Increase in Cash and Cash Equivalents	1,497	1,375
Cash and cash equivalents, beginning of period	2,431	2,413
Cash and Cash Equivalents, End of Period	$ 3,928	$ 3,788
Supplemental Information:		
Interest paid during the period	$ 12,691	$ 8,036
Excise taxes paid during the period	$ 1,500	$ 1,200
Dividends declared during the period	$ 69,505	$ 63,174
Reinvestment of dividends during the period	$ 8,028	$ 3,860

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

1. Organization and Basis of Presentation

Organization

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

On March 21, 2014, the Company 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, consisting solely of accruals considered necessary for the fair presentation of the consolidated financial statements for the periods presented, have been included. The results of operations for interim periods are not indicative of results to be expected for the full year. All intercompany balances and transactions have been eliminated in consolidation.

Certain financial information that is normally included in annual financial statements, including certain financial statement footnotes, prepared in accordance with U.S. GAAP, is not required for interim reporting purposes and has been condensed or omitted herein. These 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, 2015, which was filed with the Securities and Exchange Commission (“SEC”), on February 24, 2016.

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

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

Investments at Fair Value

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

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

As part of the valuation process, the Board takes into account relevant factors in determining the fair value of its investments, including: the estimated enterprise value of a portfolio company (that is, the total 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.

In connection with debt and equity securities that are valued at fair value in good faith by the Board, the Board has engaged independent third-party valuation firms to perform certain limited procedures that the Board has identified and requested them to perform. At September 30, 2016, the independent third-party valuation firms performed their procedures over substantially all of the Company's investments. Upon completion of such limited procedures, the third-party valuation firms determined that the fair value, as determined by the Board, of those investments subjected to their limited procedures, appears reasonable.

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

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

Transfers between levels, if any, are recognized at the beginning of the quarter in which the transfers occur. In addition to using the above inputs in investment valuations, the Company applies the valuation policy approved by its Board that is consistent with ASC 820. Consistent with the valuation policy, the Company evaluates the source of inputs, including any markets in which its investments are trading (or any markets in which securities with similar attributes are trading), in determining fair value. When a security is valued based on prices provided by reputable dealers or pricing services (that is, broker quotes), the Company subjects those prices to various criteria in making the determination as to whether a particular investment would qualify for treatment as a Level 2 or Level 3 investment. For example, the Company reviews pricing 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 and other events that may occur over the life of the investments may cause the gains or losses ultimately realized on these investments to be different than the unrealized gains or losses reflected herein.

Financial and Derivative Instruments

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

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

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

Offsetting Assets and Liabilities

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

Foreign currency forward contract and interest rate swap receivables or payables pending settlement are offset, and the net amount is included with receivable or payable for foreign currency forward contracts or interest rate swaps in the consolidated balance sheets when, and only when, they are 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 registration statement filings and applicable offering costs as deferred financing costs. To the extent such expenses relate to equity offerings, a portion of these expenses are charged as a reduction of capital upon each such offering.

Debt Issuance Costs

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

Interest and Dividend Income Recognition

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

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 in such situations will be deferred and amortized over the investment's life using the effective yield 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 generally include syndication, structuring or diligence fees, and fees for providing managerial assistance to our portfolio companies and are recognized as revenue when earned.

Reimbursement of Transaction-Related Expenses

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

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

Income Taxes

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

The Company evaluates tax positions taken or expected to be taken in the course of preparing its financial statements to determine whether the tax positions are "more-likely-than-not" to be sustained by the applicable tax authority. Tax positions not deemed to meet the "more-likely-than-not" threshold are 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.

Dividends to Common Stockholders

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

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

Accounting Standards Adopted in 2016

In April 2015, the Financial Accounting Standards Board issued Accounting Standards Update No. 2015-03 ("ASU 2015-03"), *"Interest – Imputation of Interest (Subtopic 835-30): Simplifying the Presentation of Debt Issuance Costs."* ASU 2015-03 requires that debt issuance costs be presented as a direct deduction from the carrying amount of the related debt liability, consistent with the presentation of debt discounts. Prior to the issuance of ASU 2015-03, debt issuance costs were required to be presented as deferred assets, separate from the related debt liability. ASU 2015-03 does not change the recognition and measurement requirements for debt issuance costs. ASU 2015-03 is effective for financial statements issued for fiscal years beginning after December 15, 2015, and interim periods within those fiscal years, with early adoption permitted. The Company adopted this guidance during the quarter ended March 31, 2016 and adjusted prior period balance sheets to reflect the change. The adoption of this guidance did not have an impact on the Company's results of operations or cash flows. See Note 7, "Debt" for additional disclosures required under this guidance.

In August 2014, the Financial Accounting Standards Board issued Accounting Standards Update 2014–15 (“ASU 2014-15”), “*Presentation of Financial Statements – Going Concern (Subtopic 205 – 40): Disclosure of Uncertainties About an Entity’s Ability to Continue as a Going Concern*.” ASU 2014-15 requires management to evaluate whether there are conditions or events that raise substantial doubt about the entity’s ability to continue as a going concern, and to provide certain disclosures when it is probable that the entity will be unable to meet its obligations as they become due within one year after the date that the financial statements are issued. Since this guidance is primarily around certain disclosures to the financial statements, the Company anticipates no impact on our financial position, results of operations or cash flows from adopting this standard. ASU 2014-15 is effective for the annual period ending after December 31, 2016 and for annual periods and interim periods thereafter, with early adoption permitted. The Company adopted this guidance during the quarter ended June 30, 2016. The adoption of this guidance did not have an impact on the Company’s financial position, results of operations or cash flows.

New Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board issued Accounting Standards Update 2014-09 (“ASU 2014-09”), *“Revenue from Contracts with Customers (Topic 606).”* The guidance in this ASU supersedes the revenue recognition requirements in Topic 605, Revenue Recognition. Under the new guidance, an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The amendments in ASU 2014-09 are effective for public companies for interim and annual periods in fiscal years beginning after December 15, 2017, with early adoption permitted for interim and annual periods in fiscal years beginning after December 15, 2016. The Company is currently evaluating the impact of adopting this ASU on its consolidated financial statements.

3. Agreements and Related Party Transactions

Administration Agreement

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

For the three and nine months ended September 30, 2016, the Company incurred expenses of $0.7 million and $2.4 million, respectively, for administrative services payable to the Adviser under the terms of the Administration Agreement. For the three and nine months ended September 30, 2015, the Company incurred expenses of $1.2 million and $3.1 million, respectively, for administrative services payable to the Adviser under the terms of the Administration Agreement.

On November 7, 2016, the Board renewed the Administration Agreement. Unless earlier terminated as described below, the Administration Agreement will remain in effect until November 2017, and may be extended subject to required approvals. The Administration Agreement may be terminated by either party without penalty on 60 days’ written notice to the other party.

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

Investment Advisory Agreement

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

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

For the three and nine months ended September 30, 2016, Management Fees were $6.2 million and $18.0 million, respectively. For the three and nine months ended September 30, 2015, Management Fees were $5.5 million and $15.7 million, respectively.

The Adviser has voluntarily waived the Management Fee on the Company's ownership of shares of common stock in TICC Capital Corp. (the "TICC Shares") for any period in which TICC Capital Corp. remains a portfolio company of the Company.

For the three and nine months ended September 30, 2016, Management Fees of $66.5 and $97.2 were waived, respectively, consisting solely of Management Fees attributable to the Company's ownership of the TICC Shares. For each of the three and nine months ended September 30, 2015, Management Fees of $20.7 were waived, consisting solely of Management Fees attributable to the Company's ownership of the TICC Shares.

The Incentive Fee consists of two parts, as follows:

(i) 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 appreciation or depreciation.

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

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

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

For the three and nine months ended September 30, 2016, Incentive Fees were $6.5 million and $16.8 million, respectively, of which $6.5 million and $16.8 million, respectively, were realized and payable to the Adviser. For the three and nine months ended September 30, 2015, Incentive Fees were $3.0 million and $15.2 million, respectively, of which $5.0 million and $15.2 million, respectively, were realized and payable to the Adviser.

The Adviser has voluntarily waived the Incentive Fees attributable to pre-Incentive Fee net investment income accrued by the Company as a result of the Company's ownership of the TICC Shares for any period in which TICC Capital Corp. remains a portfolio company of the Company. The Adviser has not waived any part of the Capital Gains Fee attributable to the Company's ownership of the TICC Shares and, accordingly, any realized capital gains or losses and unrealized capital depreciation with respect to the TICC Shares will be applied towards the Company's cumulative realized capital gains on which the Capital Gains Fee is calculated.

For the three and nine months ended September 30, 2016, Incentive Fees of $82.9 and $248.7 were waived, respectively, consisting solely of Incentive Fees attributable to the Company's ownership of the TICC Shares. For each of the three and nine months ended September 30, 2015, Incentive Fees of $82.9 were waived, consisting solely of Incentive Fees attributable to the Company's ownership of the TICC Shares.

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 the TICC Shares, the Adviser has not waived its right to receive any Management Fees or Incentive Fees payable pursuant to the Investment Advisory Agreement. There can be no assurance that the Adviser will continue to waive Management Fees or Incentive Fees related to the Company's ownership of the TICC Shares, as the Adviser can discontinue the voluntary waiver at any time. Accordingly, the Company may be required to pay the full amount of the Management Fee and Incentive Fee, including with respect to the TICC Shares, in future periods.

On November 7, 2016, the Board renewed the Investment Advisory Agreement. Unless earlier terminated as described below, the Investment Advisory Agreement will remain in effect until November 2017, and may be extended subject to required approvals. The Investment Advisory Agreement will automatically terminate in the event of an assignment and may be terminated by either party without penalty upon 60 days' written notice to the other party.

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

4. Investments at Fair Value

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

Investments at fair value consisted of the following at September 30, 2016 and December 31, 2015:

	September 30, 2016		
	Amortized Cost (1)	Fair Value	Net Unrealized Gain (Loss)
First-lien debt investments	$ 1,552,639	$ 1,549,132	$ (3,507)
Second-lien debt investments	57,294	53,376	(3,918)
Mezzanine and unsecured debt investments	15,361	15,602	241
Equity and other investments	40,636	25,462	(15,174)
Total Investments	$ 1,665,930	$ 1,643,572	$ (22,358)

	December 31, 2015		
	Amortized Cost (1)	Fair Value	Net Unrealized Loss
First-lien debt investments	$ 1,333,080	$ 1,310,183	$ (22,897)
Second-lien debt investments	126,049	121,222	(4,827)
Mezzanine and unsecured debt investments	29,751	27,966	(1,785)
Equity and other investments	40,796	26,338	(14,458)
Total Investments	$ 1,529,676	$ 1,485,709	$ (43,967)

(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, 2016 and December 31, 2015 is as follows:

	September 30, 2016	December 31, 2015
Automotive	1.9%	2.2%
Beverage, food and tobacco	3.7%	4.2%
Business services	22.8%	21.2%
Chemicals	0.7%	0.5%
Education	6.0%	1.8%
Electronics	4.5%	5.5%
Financial services	9.8%	2.9%
Healthcare	12.5%	18.0%
Hotel, gaming, and leisure	4.6%	5.5%
Human resource support services	3.9%	3.6%
Insurance	4.0%	4.3%
Internet services	3.2%	3.6%
Manufacturing	4.3%	1.6%
Office products	2.2%	2.4%
Oil, gas and consumable fuels	2.8%	3.2%
Other	0.5%	0.6%
Pharmaceuticals	4.5%	4.9%
Real Estate	—	0.7%
Retail and consumer products	7.3%	8.5%
Transportation	0.8%	4.8%
Total	100.0%	100.0%

The geographic composition of Investments at fair value at September 30, 2016 and December 31, 2015 is as follows:

	September 30, 2016	December 31, 2015
United States		
Midwest	9.5%	9.9%
Northeast	30.9%	21.9%
South	23.5%	26.1%
West	28.8%	29.7%
Canada	1.7%	1.9%
Europe	5.6%	10.5%
Total	100.0%	100.0%

5. Derivatives

Foreign Currency

The Company enters into foreign currency forward contracts from time to time to facilitate settlement of purchases and sales of investments denominated in foreign currencies or to help mitigate the impact that an adverse change in foreign exchange rates would have on the value of the Company’s investments denominated in foreign currencies. A foreign currency forward contract is a

commitment to purchase or sell a foreign currency at a future date at a negotiated forward rate. These contracts are marked-to-market by recognizing the difference between the contract exchange rate and the current forward exchange rate as of the measurement date as unrealized appreciation or depreciation. Realized gains or losses are recognized when contracts are settled. The foreign currency forward contracts that the Company enters into typically have terms of approximately two months or less. Risks may arise as a result of the potential inability of the counterparties to meet the terms of their contracts. The Company attempts to limit this risk by dealing with only creditworthy counterparties.

During the three months ended September 30, 2016, the Company did not enter into any foreign currency forward contracts related to its investments denominated in foreign currencies. During the nine months ended September 30, 2016 and the three and nine months ended September 30, 2015, the Company entered into foreign currency forward contracts to facilitate settlement of purchases and sales of investments denominated in foreign currencies. The Company did not have any open foreign currency forward contracts as of September 30, 2016 or December 31, 2015.

All realized and unrealized gains and losses on foreign currency forward contracts are included in unrealized and realized gains and losses within the Company's consolidated statements of operations. Unrealized gains and losses on foreign currency forward contracts are also included in net unrealized gains (losses) within the Company's consolidated balance sheets.

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

Interest Rate Swaps

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

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

In November 2015, in connection with a fixed rate investment, the Company entered into two interest rate swap transactions, each with a $46.3 million notional amount. The Company receives three-month LIBOR and pays fixed rate interest at 1.16%. The swap transactions mature on October 5, 2018.

The following tables present the gross and net information on the Company's interest rate swap transactions that are eligible for offset in the Company's consolidated balance sheets.

	September 30, 2016					
	Maturity Date	**Notional Amount**	**Gross Amount of Recognized Assets**	**Gross Amount Offset in the Consolidated Balance Sheets**	**Net Amount of Assets in the Consolidated Balance Sheets (1)**	**Account in the Consolidated Balance Sheets**
Interest rate swap	12/15/2019	$ 115,000	$ 1,914	$ —	$ 1,914	Receivable for interest rate swaps
Interest rate swap	10/5/2018	92,500	—	(409)	(409)	Receivable for interest rate swaps
Total		$ 207,500	$ 1,914	$ (409)	$ 1,505	

(1) The notional amount of certain interest rate swaps may exceed the Company's investment in individual portfolio companies as a result of arrangements with other lenders in the syndicate.

	December 31, 2015					
	Maturity Date	Notional Amount	Gross Amount of Recognized Assets	Gross Amount Offset in the Consolidated Balance Sheets	Net Amount of Assets in the Consolidated Balance Sheets (1)	Account in the Consolidated Balance Sheets
Interest rate swap	12/15/2019	$ 115,000	$ 128	$ —	$ 128	Receivable for interest rate swaps
Interest rate swap	10/5/2018	92,500	274	—	274	Receivable for interest rate swaps
Total		$ 207,500	$ 402	$ —	$ 402	

(1) The notional amount of certain interest rate swaps may exceed the Company's investment in individual portfolio companies as a result of arrangements with other lenders in the syndicate.

During the three and nine months ended September 30, 2016, the Company received $1.3 million and $3.9 million, respectively, and paid $1.0 million and $3.0 million, respectively, related to the quarterly settlements of its $115 million notional amount interest rate swap. During the three and nine months ended September 30, 2015, the Company received $1.3 million and $3.9 million, respectively, and paid $0.9 million and $2.7 million, respectively, related to the quarterly settlements of its $115 million notional amount interest rate swap. The net amounts of these settlements are reductions to interest expense in the Company's consolidated statements of operations.

During the three and nine months ended September 30, 2016, the Company received $0.1 million and $0.4 million, respectively, and paid $0.3 million and $0.8 million, respectively, related to the quarterly settlement of its $92.5 million notional amount interest rate swap. The net amounts of these settlements are a reduction to interest income in the Company's consolidated statements of operations.

For the three and nine months ended September 30, 2016, the Company recognized $0.5 million of unrealized depreciation and $1.1 million of unrealized appreciation, respectively, on derivatives in the consolidated statement of operations related to the swap transactions. As of September 30, 2016 and December 31, 2015, the swap transactions had a net fair value of $1.5 million and $0.4 million, respectively, which is included in receivable for interest rate swaps in the Company's consolidated balance sheet.

The Company is required under the terms of its derivatives agreements to pledge assets as collateral to secure its obligations under the derivatives. The amount of collateral required varies over time based on the mark-to-market value, notional amount and remaining term of the derivatives, and may exceed the amount owed by the Company on a mark-to-market basis. Any failure by the Company to fulfill any collateral requirement (e.g., a so-called "margin call") may result in a default. In the event of a default by a counterparty, the Company would be an unsecured creditor to the extent of any such overcollateralization. As of September 30, 2016, $0.8 million of cash is pledged as collateral under the Company's derivative instruments and is included in restricted cash as a component of other assets on the Company's consolidated balance sheet. The Company also had $0.9 million of cash collateral posted as of December 31, 2015, which is also included in restricted cash as a component of other assets on the Company's consolidated balance sheet.

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

6. Fair Value of Financial Instruments

Investments

The following tables present fair value measurements of investments as of September 30, 2016 and December 31, 2015:

	Fair Value Hierarchy at September 30, 2016			
	Level 1	Level 2	Level 3	Total
First-lien debt investments	$ —	$ 176,003	$ 1,373,129	$ 1,549,132
Second-lien debt investments	—	19,047	34,329	53,376
Mezzanine and unsecured debt investments	10,478	5,124	—	15,602
Equity and other investments	9,508	7,899	8,055	25,462
Total Investments at Fair Value	$ 19,986	$ 208,073	$ 1,415,513	$ 1,643,572
Receivable on interest rate swaps	—	1,505	—	1,505
Total	$ 19,986	$ 209,578	$ 1,415,513	$ 1,645,077

	Fair Value Hierarchy at December 31, 2015			
	Level 1	Level 2	Level 3	Total
First-lien debt investments	$ —	$ 80,692	$ 1,229,491	$ 1,310,183
Second-lien debt investments	—	30,781	90,441	121,222
Mezzanine debt investments	—	20,165	7,801	27,966
Equity and other investments	9,933	8,200	8,205	26,338
Total Investments at Fair Value	$ 9,933	$ 139,838	$ 1,335,938	$ 1,485,709
Receivable on interest rate swaps	—	402	—	402
Total	$ 9,933	$ 140,240	$ 1,335,938	$ 1,486,111

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, 2016:

	As of and for the Three Months Ended September 30, 2016				
	First-lien debt investments	Second-lien debt investments	Mezzanine and unsecured debt investments	Equity and other investments	Total
Balance, beginning of period	$ 1,377,204	$ 33,102	$ —	$ 8,081	$ 1,418,387
Purchases / originations	315,590	—	—	—	315,590
Repayments / redemptions	(265,823)	—	—	(241)	(266,064)
Paid-in-kind interest	1,397	777	—	—	2,174
Net change in unrealized gains	(1,067)	417	—	215	(435)
Net realized losses	(141)	—	—	—	(141)
Net amortization of discount on securities	4,425	33	—	—	4,458
Transfers into (out of) Level 3 (1)	(58,456)	—	—	—	(58,456)
Balance, End of Period	$ 1,373,129	$ 34,329	$ —	$ 8,055	$ 1,415,513

(1) For the three months ended September 30, 2016, the transfers out of level 3 were due to observable market transactions related to one portfolio company investment.

	As of and for the Nine Months Ended September 30, 2016				
	First-lien debt investments	Second-lien debt investments	Mezzanine and unsecured debt investments	Equity and other investments	Total
Balance, beginning of period	$ 1,229,491	$ 90,442	$ 7,801	$ 8,206	$ 1,335,940
Purchases / originations	598,878	(5)	—	—	598,873
Repayments / redemptions	(423,973)	(62,500)	(2,165)	(241)	(488,879)
Paid-in-kind interest	4,164	2,557	—	—	6,721
Net change in unrealized gains	13,503	2,851	280	90	16,724
Net realized gains (losses)	(346)	—	79	—	(267)
Net amortization of discount on securities	9,868	984	28	—	10,880
Transfers into (out of) Level 3 (1)	(58,456)	—	(6,023)	—	(64,479)
Balance, End of Period	$ 1,373,129	$ 34,329	$ —	$ 8,055	$ 1,415,513

(1) For the nine months ended September 30, 2016, the transfers out of level 3 were due to observable market transactions related to two portfolio company investments.

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, 2015:

	As of and for the Three Months Ended September 30, 2015				
	First-lien debt investments	Second-lien debt investments	Mezzanine and unsecured debt investments	Equity and other investments	Total
Balance, beginning of period	$ 1,179,301	$ 61,250	$ —	$ 7,886	$ 1,248,437
Purchases / originations	141,699	30,192	—	7,843	179,734
Repayments / redemptions	(186,954)	—	—	—	(186,954)
Paid-in-kind interest	1,877	287	—	—	2,164
Net change in unrealized losses	(7,620)	(1,162)	—	(398)	(9,180)
Net realized losses	(2,228)	—	—	(2,837)	(5,065)
Net amortization of discount on securities	5,311	66	—	—	5,377
Transfers into (out of) Level 3	—	—	—	—	—
Balance, End of Period	$ 1,131,386	$ 90,633	$ —	$ 12,494	$ 1,234,513

	As of and for the Nine Months Ended September 30, 2015				
	First-lien debt investments	Second-lien debt investments	Mezzanine and unsecured debt investments	Equity and other investments	Total
Balance, beginning of period	$ 1,059,336	$ 61,250	$ 4,520	$ 9,368	$ 1,134,474
Purchases / originations	318,509	30,192	—	7,843	356,544
Repayments / redemptions	(258,097)	—	(4,887)	—	(262,984)
Paid-in-kind interest	3,546	287	1	—	3,834
Net change in unrealized gains (losses)	1,808	(1,253)	328	(1,879)	(996)
Net realized losses	(2,407)	—	—	(2,837)	(5,244)
Net amortization of discount on securities	8,690	157	38	—	8,885
Transfers into (out of) Level 3	—	—	—	—	—
Balance, End of Period	$ 1,131,385	$ 90,633	$ —	$ 12,495	$ 1,234,513

The following tables present information with respect to net change in unrealized appreciation or depreciation on investments for which Level 3 inputs were used in determining fair value that are still held by the Company at September 30, 2016 and 2015:

	Net Change in Unrealized Appreciation for the Three Months Ended September 30, 2016 on Investments Held at September 30, 2016	Net Change in Unrealized Appreciation or (Depreciation) for the Three Months Ended September 30, 2015 on Investments Held at September 30, 2015
First-lien debt investments	$ 1,713	$ (3,727)
Second-lien debt investments	417	(1,163)
Mezzanine and unsecured debt investments	—	—
Equity and other investments	215	(3,235)
Total	$ 2,345	$ (8,125)

	Net Change in Unrealized Appreciation for the Nine Months Ended September 30, 2016 on Investments Held at September 30, 2016	Net Change in Unrealized Appreciation or (Depreciation) for the Nine Months Ended September 30, 2015 on Investments Held at September 30, 2015
First-lien debt investments	$ 14,059	$ 5,503
Second-lien debt investments	769	(1,253)
Mezzanine and unsecured debt investments	—	—
Equity and other investments	90	(3,090)
Total	$ 14,918	$ 1,160

The following tables summarize the significant unobservable inputs the Company used to value the majority of its investments categorized within Level 3 as of September 30, 2016 and December 31, 2015. 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, 2016				
	Fair Value	Valuation Technique	Unobservable Input	Range (Weighted Average)	Impact to Valuation from an Increase to Input
First-lien debt investments	$ 1,373,129	Income approach (1)(3)	Market yield	6.8% — 13.4% (9.7%)	Decrease
Second-lien debt investments	$ 34,329	Income approach	Market yield	11.1% — 11.1% (11.1%)	Decrease
Equity and other investments	$ 8,055	Market Multiple (2)(4)	Comparable multiple	8.7x — 13.5x (11.2x)	Increase

(1) Includes $138.0 million of first-lien debt investments which were valued using the transacted value of the investments.
(2) Includes $3.8 million of equity investments which were valued using the transacted value of the investments.
(3) Includes $65.3 million of first lien debt investments which were valued using a waterfall of the asset valuation.
(4) Includes $0.1 million of equity investments which were valued using a waterfall of the asset valuation.

	December 31, 2015				
	Fair Value	Valuation Technique	Unobservable Input	Range (Weighted Average)	Impact to Valuation from an Increase to Input
First-lien debt investments	$ 1,229,491	Income approach (1)	Market yield	3.9% — 15.3% (10.8%)	Decrease
Second-lien debt investments	$ 90,441	Income approach	Market yield	12.1% — 13.8% (13.2%)	Decrease
Mezzanine and unsecured debt investments	$ 7,801	Income approach	Market yield	12.6% — 12.6% (12.6%)	Decrease
Equity and other investments	$ 8,205	Market Multiple or Discounted Cash Flow (2)	Comparable multiple or discount rate	8.4x — 13.5x (11.8x) or 12.0%	Increase or decrease

(1) Includes $44.1 million of first-lien debt investments which, due to the proximity of the transactions relative to the measurement date, were valued using the transacted value of the investments.

(2) Includes $3.8 million of equity investments which, due to the proximity of the transactions relative to the measurement date, were valued using the transacted value of the investments.

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

Significant unobservable quantitative inputs typically used in the fair value measurement of the Company's Level 3 debt investments primarily include current market yields, including relevant market indices, but may also include quotes from brokers, dealers, and pricing services as indicated by comparable investments. 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, 2016, approximates its carrying value as the outstanding balance is callable at carrying value. The fair value of the Company's Convertible Senior Notes, which is categorized as Level 2 within the fair value hierarchy, as of September 30, 2016, was $118.0 million, based on broker quotes received by the Company.

Other Financial Assets and Liabilities

The carrying amounts of the Company's assets and liabilities, other than investments at fair value and Convertible Senior 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 debt, are classified as Level 2.

7. Debt

In accordance with the 1940 Act, with certain limitations, the Company is allowed to borrow amounts such that its asset coverage, as defined in the 1940 Act, is at least 200% after such borrowing. As of September 30, 2016 and December 31, 2015, the Company's asset coverage was 236.5% and 225.7%, respectively.

Debt obligations consisted of the following as of September 30, 2016 and December 31, 2015:

	September 30, 2016			
	Aggregate Principal Amount Committed	Outstanding Principal	Amount Available (1)	Carrying Value (2)
Revolving Credit Facility	$ 821,250	$ 575,825	$ 245,425	$ 569,669
Convertible Senior Notes	115,000	115,000	—	110,446
Total Debt	$ 936,250	$ 690,825	$ 245,425	$ 680,115

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

(2) The carrying values of the Company's Revolving Credit Facility and Convertible Senior Notes are presented net of deferred financing costs of $6.2 million and $2.5 million, respectively.

	December 31, 2015			
	Aggregate Principal Amount Committed	Outstanding Principal	Amount Available (1)	Carrying Value (2)
Revolving Credit Facility	$ 821,250	$ 540,305	$ 280,945	$ 532,996
Convertible Senior Notes	115,000	115,000	—	109,427
Total Debt	$ 936,250	$ 655,305	$ 280,945	$ 642,423

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

(2) The carrying values of the Company's Revolving Credit Facility and Convertible Senior Notes are presented net of deferred financing costs of $7.3 million and $3.1 million, respectively.

For the three and nine months ended September 30, 2016 and 2015, the components of interest expense were as follows:

	Three Months Ended		Nine Months Ended	
	September 30, 2016	September 30, 2015	September 30, 2016	September 30, 2015
Interest expense	$ 5,463	$ 3,955	$ 15,048	$ 10,875
Commitment fees	169	421	650	1,488
Amortization of debt issuance costs	582	3,814	1,732	5,303
Accretion of original issue discount	149	142	440	418
Swap settlement	(261)	(369)	(841)	(1,174)
Total Interest Expense	$ 6,102	$ 7,963	$ 17,029	$ 16,910
Average debt outstanding (in millions)	$ 769.9	$ 556.5	$ 715.3	$ 503.9
Weighted average interest rate	2.7%	2.6%	2.6%	2.6%
Average 1-month LIBOR rate	0.5%	0.2%	0.5%	0.2%

Revolving Credit Facility

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

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

- increased the size of the facility to $581.3 million;
- increased the size of the uncommitted accordion feature to allow the Company, under certain circumstances to increase the size of the facility up to $956.3 million;
- increased the limit for swingline loans to $100 million.

- with respect to $545 million in commitments;
  - extended the expiration of the revolving period from June 30, 2017 to February 27, 2018, during which period the Company, subject to certain conditions, may make borrowings under the facility, and;
  - extended the stated maturity date from July 2, 2018 to February 27, 2019; and
- provided that borrowings under the multicurrency tranche will be available in certain additional currencies.

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

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

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

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

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

On October 2, 2015, the Company entered into a fourth amendment to the Revolving Credit Facility:

- decreasing the applicable margin with respect to (i) any loan bearing interest at a rate determined by reference to the Alternate Base Rate from 1.00% to 0.75% and (ii) any loan bearing interest at a rate determined by reference to the Adjusted LIBO Rate from 2.00% to 1.75%, in each case, if the Borrowing Base is equal to or greater than 1.85 times the Combined Debt Amount;
- increasing the aggregate commitments from $781.3 million to $821.3 million;
- extending the revolving period from October 17, 2018 to October 2, 2019;
- extending the stated maturity date from October 17, 2019 to October 2, 2020; and
- increasing the accordion feature, which allows the Company, under certain circumstances, to increase the size of the Revolving Credit Facility, from a maximum of $956.3 million to a maximum of $1.25 billion.

On December 10, 2015, TPG SL SPV, LLC became a guarantor under the Revolving Credit Facility.

The Company may borrow amounts in U.S. dollars or certain other permitted currencies. As of September 30, 2016, the Company had outstanding debt denominated in Swedish Krona (SEK) of 201.2 million, Euro (EUR) of 47.6 million and Pound Sterling (GBP) of 14.9 million on its Revolving Credit Facility, included in the Outstanding Principal amount in the table above.

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

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

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

- an asset coverage ratio of no less than 2 to 1 on the last day of any fiscal quarter;
- a liquidity test under which the Company must maintain cash and liquid investments of at least 10% of the covered debt amount under circumstances where the Company's adjusted covered debt balance is greater than 90% of the Company's adjusted borrowing base under the facility; and
- stockholders' equity of at least $500 million plus 25% of the net proceeds of the sale of equity interests after October 2, 2015.

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

SPV Asset Facility

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

The credit and security agreement provided for a contribution and reinvestment period for up to 18 months after the Closing Date, or the Commitment Termination Date. The Commitment Termination Date was November 8, 2013, at which point the reinvestment period of the SPV Asset Facility expired and accordingly any undrawn availability under the facility terminated. The reinvestment period was subsequently reopened for the period from January 21, 2014 to January 21, 2015, thereby extending the Commitment Termination Date to January 21, 2015. Proceeds received by TPG SL SPV from interest, dividends or fees on assets were required to be used to pay expenses and interest on outstanding borrowings, and the excess could be returned to the Company, subject to certain conditions, on a quarterly basis. Prior to the Commitment Termination Date, proceeds received from principal on assets could be used to pay down borrowings or make additional investments. Following the Commitment Termination Date, proceeds received from principal on assets were required to be used to make payments of principal on outstanding borrowings on a quarterly basis. Proceeds received from interest and principal at the end of a reporting period that have not gone through the settlement process for these payment obligations are considered to be restricted cash.

After giving effect to amendments to the credit and security agreement in January 2014 and March 2015, the facility (as amended, the "SPV Asset Facility") had commitments of $175 million and the pricing ranged from cost of funds plus 225 basis points to LIBOR plus 235 basis points and the facility was scheduled to mature on January 21, 2021.

The undrawn portion of the commitment bore an unutilized commitment fee of 0.75%. This fee ceased to accrue on January 21, 2015 when the reinvestment period ended. The SPV Asset Facility contained customary covenants, including covenants relating to separateness from the Adviser and its affiliates and long-term credit ratings with respect to the underlying collateral obligations, and events of default. The SPV Asset Facility was secured by a perfected first priority security interest in the assets of TPG SL SPV and on any payments received by TPG SL SPV in respect of such assets, which accordingly were not available to pay the Company's other debt obligations.

On September 25, 2015, TPG SL SPV prepaid all loans outstanding under the facility and the facility was terminated. Upon termination of the facility, the security interests in the assets of TPG SL SPV and on payments received by TPG SL SPV in respect of such assets were released.

Convertible Senior Notes

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

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

The notes are senior unsecured obligations and rank senior in right of payment to the Company's future indebtedness that is expressly subordinated in right of payment to the notes; equal in right of payment to the Company's existing and future indebtedness that is not so subordinated; effectively junior in right of payment to any of the Company's secured indebtedness (including unsecured indebtedness that the Company later secures) to the extent of the value of the assets securing such indebtedness; and structurally junior to all existing and future indebtedness (including trade payables) incurred by the Company's subsidiaries, financing vehicles or similar facilities.

For the three and nine months ended September 30, 2016 and 2015, the components of interest expense related to the Convertible Senior Notes were as follows:

	Three Months Ended		Nine Months Ended	
	September 30, 2016	September 30, 2015	September 30, 2016	September 30, 2015
Interest expense	$ 1,294	$ 1,294	$ 3,881	$ 3,881
Accretion of original issue discount	149	142	440	418
Amortization of debt issuance cost	195	194	579	580
Total Interest Expense	$ 1,638	$ 1,630	$ 4,900	$ 4,879

Total interest expense in the table above does not include the effect of the interest rate swaps. During the three and nine months ended September 30, 2016, the Company received $1.3 million and $3.9 million, respectively, and paid $1.0 million and $3.0 million, respectively, related to the quarterly settlements of its interest rate swaps. During the three and nine months ended September 30, 2015, the Company received $1.3 million and $3.9 million, respectively, and paid $0.9 million and $2.7 million, respectively, related to the quarterly settlements of its interest rate swaps. The net amounts of these settlements are reductions to interest expense in the Company's consolidated statements of operations. In January 2015, the Company closed out its existing interest rate swaps and simultaneously entered into new interest rate swaps, realizing a cash payment of $2.0 million and increasing pricing to three-month LIBOR plus 286 basis points. Please see Note 5 for further information about the Company's interest rate swaps.

As of September 30, 2016, the principal amount of the Convertible Senior Notes exceeded the value of the underlying shares multiplied by the per share closing price of the Company's common stock.

As of September 30, 2016, the components of the carrying value of the Convertible Senior Notes and the stated interest rate were as follows:

	December 2019 Convertible Senior Notes
Principal amount of debt	$ 115,000
Original issue discount, net of accretion	(2,077)
Deferred financing costs	(2,476)
Carrying value of debt	$ 110,447
Stated interest rate	4.50%

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

The Convertible Senior Notes Indenture contains certain covenants, including covenants requiring the Company to comply with the requirement under the 1940 Act that the Company's asset coverage ratio, as defined in the 1940 Act, equal at least 200% and to provide financial information to the holders of the Convertible Senior Notes under certain circumstances. These covenants are subject to important limitations and exceptions that are described in the Convertible Senior Notes Indenture. As of September 30, 2016, the Company was in compliance with the terms of the Convertible Senior Notes Indenture.

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

As of September 30, 2016 and December 31, 2015, the Company was in compliance with the terms of its debt obligations.

8. Commitments and Contingencies

Portfolio Company Commitments

From time to time, the Company may enter into commitments to fund investments; 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 term loan commitments are generally available on a borrower's demand and, once drawn, generally have the same remaining term as the associated loan agreement. Undrawn senior secured term loan commitments generally have a shorter availability period than the term of the associated loan agreement.

As of September 30, 2016 and December 31, 2015, the Company had the following commitments to fund investments in current portfolio companies:

	September 30, 2016	December 31, 2015
AppStar Financial, LLC - Revolver	$ 2,000	$ 2,000
AvidXchange, Inc. - Delayed Draw Term Loan	15,385	15,385
Clarabridge, Inc. - Revolver	2,500	2,500
CrunchTime Information Systems, Inc. - Delayed Draw Term Loan	12,000	12,000
CrunchTime Information Systems, Inc. - Revolver	2,000	2,000
Ecommerce Industries, Inc. - Delayed Draw Term Loan	—	4,800
Ecommerce Industries, Inc. - Revolver	2,486	2,486
Heartland Automotive Holdings, LLC - Revolver	4,722	2,833
Helix Health, Ltd. - Revolver	4,158	2,390
Highwinds Capital, Inc. - Revolver	—	200
IRGSE Holding Corp. - Revolver	197	552
Leaf US Holdings, Inc. - Revolver	2,000	2,000
Marketo, Inc. - Revolver	1,875	—
MyAlarm Center, LLC - Delayed Draw	1,384	2,164
Network Merchants, Inc. - Revolver	780	780
PayLease, LLC - Revolver	5,000	5,000
SailPoint Technologies, Inc. - Revolver	1,200	—
ScentAir Technologies, Inc. - Multi Draw Term Loan	—	1,500
ScentAir Technologies, Inc. - Revolver	2,143	2,143
Sears - ABL Revolver	—	17,913
Sovos Compliance, LLC	750	—
Total Portfolio Company Commitments	$ 60,580	$ 78,646

Other Commitments and Contingencies

As of September 30, 2016, the Company had additional unfunded commitments of $50.0 million to fund investments to new borrowers that were not current portfolio companies as of September 30, 2016.

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, 2016, management is not aware of any pending or threatened litigation.

9. Net Assets

In March 2016, the Company issued a total of 5,000,000 shares of common stock at $16.42 per share. Net of underwriting fees and offering costs, the Company received total cash proceeds of $78.3 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 asked prices. However, if the market price per share on the payment date of a cash dividend or distribution exceeds the most recently computed net asset value per share, the Company will issue shares at the greater of (i) the most recently computed net asset value per share and (ii) 95% of the current market price per share (or such lesser discount to the current market price per share that still exceeded the most recently computed net asset value per share). Shares purchased in open market transactions by the plan administrator will be allocated to a stockholder based on the average purchase price, excluding any brokerage charges or other charges, of all shares of common stock purchased in the open market.

Pursuant to the Company's dividend reinvestment plan, the following tables summarize the shares issued to stockholders who have not opted out of the Company's dividend reinvestment plan during the nine months ended September 30, 2016 and 2015. All shares issued to stockholders in the tables below are newly issued shares.

	Nine Months Ended September 30, 2016		
Date Declared	Record Date	Date Shares Issued	Shares Issued
November 3, 2015	December 31, 2015	February 1, 2016	147,809
February 24, 2016	March 31, 2016	May 2, 2016	186,204
May 4, 2016	June 30, 2016	August 1, 2016	168,621
Total Shares Issued			502,634

	Nine Months Ended September 30, 2015		
Date Declared	Record Date	Date Shares Issued	Shares Issued
November 3, 2014	December 31, 2014	February 2, 2015	162,490
February 24, 2015	March 31, 2015	May 1, 2015	41,441
May 7, 2015	June 30, 2015	August 3, 2015	26,258
Total Shares Issued			230,189

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

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

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

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

On August 3, 2016, the Board authorized the extension of the termination date of the Company 10b5-1 Plan to February 28, 2017. Unless extended or terminated by the Board, the Company 10b5-1 Plan will be in effect through the earlier of February 28, 2017 or such time as the current approved repurchase amount of up to $50 million has been fully utilized, subject to certain conditions.

During the nine months ended September 30, 2016, the Company repurchased 86,081 shares under the Company 10b5-1 Plan at a weighted average price per share of $15.44, inclusive of commissions, for a total cost of $1.3 million. No shares were repurchased under the Company 10b5-1 Plan during the three months ended September 30, 2016. During each of the three and nine months ended September 30, 2015, 2,000 shares were repurchased under the Company 10b5-1 Plan at a weighted average price per share of $14.44, inclusive of commissions, for a total cost of $28.9.

10. Earnings per share

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

	Three Months Ended		Nine Months Ended	
	September 30, 2016	September 30, 2015	September 30, 2016	September 30, 2015
Increase in net assets resulting from operations	$ 36,875	$ 9,337	$ 104,284	$ 67,910
Weighted average shares of common stock outstanding—basic and diluted	59,523,695	54,017,302	58,229,549	53,969,423
Earnings per common share—basic and diluted	$ 0.62	$ 0.17	$ 1.79	$ 1.26

For the purpose of calculating diluted earnings per common share, the average closing price of the Company's common stock for the three and nine months ended September 30, 2016 was less than the conversion price for the Convertible Senior Notes outstanding as of September 30, 2016. Therefore, for all periods presented in the financial statements, the underlying shares for the intrinsic value of the embedded options in the Convertible Senior Notes have no impact on the computation of diluted earnings per common share.

11. Dividends

The following tables summarize dividends declared during the nine months ended September 30, 2016 and 2015:

	Nine Months Ended September 30, 2016		
Date Declared	Record Date	Payment Date	Dividend per Share
February 24, 2016	March 31, 2016	April 29, 2016	$ 0.39
May 4, 2016	June 30, 2016	July 29, 2016	$ 0.39
August 3, 2016	September 30, 2016	October 31, 2016	$ 0.39
Total Dividends Declared			$ 1.17

	Nine Months Ended September 30, 2015		
Date Declared	Record Date	Payment Date	Dividend per Share
February 24, 2015	March 31, 2015	April 30, 2015	$ 0.39
May 7, 2015	June 30, 2015	July 31, 2015	$ 0.39
August 5, 2015	September 30, 2015	October 30, 2015	$ 0.39
Total Dividends Declared			$ 1.17

The dividends declared during the nine months ended September 30, 2016 and 2015 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, 2016 and 2015.

	Nine Months Ended September 30, 2016	Nine Months Ended September 30, 2015
Per Share Data (7)		
Net asset value, beginning of period	$ 15.15	$ 15.53
Net investment income (1)	1.36	1.33
Net realized and unrealized gain (loss) (1)	0.43	(0.07)
Total from operations	1.79	1.26
Issuance of common stock, net of offering costs (2)	0.03	—
Dividends declared from net investment income (2)	(1.17)	(1.17)
Total increase in net assets	0.65	0.09
Net Asset Value, End of Period	$ 15.78	$ 15.62
Per share market value at end of period	$ 18.11	$ 16.43
Total return based on market value (3)	18.87%	6.18%
Total return based on net asset value (4)	11.83%	10.85%
Shares Outstanding, End of Period	59,580,513	54,025,547
Ratios / Supplemental Data (5)		
Ratio of net expenses to average net assets (6)	10.43%	9.92%
Ratio of net investment income to average net assets	13.66%	12.25%
Portfolio turnover	44.54%	29.08%
Net assets, end of period	$ 940,469	$ 843,972

(1) The per share data was derived by using the weighted average shares outstanding during the period.
(2) The per share data was derived by using the actual shares outstanding at the date of the relevant transactions.
(3) Total return based on market value is calculated as the change in market value per share during the period plus declared dividends per share, divided by the beginning market value per share.
(4) Total return based on net asset value is calculated as the change in net asset value per share during the period plus declared dividends per share, divided by the beginning net asset value per share.
(5) The ratios reflect an annualized amount.
(6) 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 and Incentive Fees with respect to the Company’s ownership of shares of common stock of TICC Capital Corp. Excluding the effects of waivers, the ratio of net expenses to average net assets would have been 10.50% and 9.97% for the nine months ended September 30, 2016 and 2015, respectively.
(7) 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 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, 2016.

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

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

Overview

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

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

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

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

We have in place a stock repurchase plan, the Company 10b5-1 Plan, to acquire up to $50 million in the aggregate of our common stock at prices below our net asset value over a specified period, in accordance with the guidelines specified in Rule 10b-18 and Rule 10b5-1 of the Exchange Act. We put the Company 10b5-1 Plan in place because we believe that if our common stock is trading below our then-current net asset value, it is in the best interest of our stockholders for us to reinvest in our portfolio and increase our leverage ratio through share repurchases.

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

On August 4, 2015, our Board authorized us to enter into a new stock repurchase plan, the Company 10b5-1 Plan, to acquire up to $50 million in the aggregate of our common stock at prices just below our net asset value over a specified period, in accordance with the guidelines specified in Rule 10b-18 and Rule 10b5-1 of the Exchange Act. On August 3, 2016, our Board authorized the extension of the termination date of the Company 10b5-1 plan to February 28, 2017. Unless extended or terminated by the Board, the Company 10b5-1 Plan will be in effect through the earlier of February 28, 2017 or such time as the current approved repurchase amount of up to $50 million has been fully utilized, subject to certain conditions.

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, 2016, we have originated more than $5.0 billion aggregate principal amount of investments and retained approximately $3.4 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 and equity securities.

By “middle-market companies,” we mean companies that have annual EBITDA, which we believe is a useful proxy for cash flow, of $10 million to $250 million, although we may invest in larger or smaller companies on occasion. As of September 30, 2016, our core portfolio companies, which excludes certain investments that fall outside of our typical borrower profile and represent 90% of our total investments based on fair value, had weighted average annual revenue of $144.2 million and weighted average annual EBITDA of $32.9 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), which is often referred to as “junk”.

As of September 30, 2016, the average investment size in each of our portfolio companies was approximately $31.6 million based on fair value.

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, 2016, the largest single investment based on fair value represented 4.5% of our total investment portfolio.

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, 2016, no industry represented more than 22.8% of our total investment portfolio.

Investment Structuring. We focus on investing at the top of the capital structure and protecting that position. As of September 30, 2016, approximately 97.6% of our portfolio was invested in secured debt, including 94.4% 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, 2016, the weighted average term on new investment commitments in new portfolio companies was 5.3 years.

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

Risk Mitigation. We seek to mitigate non-credit-related risk on our returns in several ways, including call protection provisions to protect future payment income. As of September 30, 2016, we had call protection on 86.3% of our debt investments based on fair value, with weighted average call prices of 106.7% for the first year, 103.5% for the second year and 101.6% for the third year, in each case from the date of the initial investment. As of September 30, 2016, 97.9% of our debt investments based on fair value bore interest at floating rates (when including investment specific hedges), with 94.8% of these subject to interest rate floors, which we believe helps act as a portfolio-wide hedge against inflation.

Relationship with our Adviser, TSSP and TPG

Our Adviser is a Delaware limited liability company. Our Adviser acts as our investment adviser and administrator and is a registered investment adviser with the SEC under the Advisers Act. Our Adviser sources and manages our portfolio through a

dedicated team of investment professionals predominately focused on us. Our Investment Team is led by our Chairman and Co-Chief Executive Officer and our Adviser's Co-Chief Investment Officer Joshua Easterly, our Co-Chief Executive Officer Michael Fishman and our Adviser's Co-Chief Investment Officer Alan Waxman, all of whom have substantial experience in credit origination, underwriting and asset management. Our investment decisions are made by our Investment Review Committee, which includes senior personnel of our Adviser and TPG Special Situations Partners, or TSSP.

TSSP, with approximately $18 billion of assets under management as of June 30, 2016, is TPG's special situations and credit platform and encompasses TPG Specialty Lending, TPG Opportunities Partners and TSSP Adjacent Opportunities Partners, which invest in special situations and distressed investments across the credit cycle, TSL Europe, which is aimed at European middle-market loan originations, and TPG Institutional Credit Partners, which is a "public-side" credit investment platform focused on investment opportunities in broadly syndicated leveraged loan markets. TSSP has extensive experience with highly complex, global public and private investments executed through primary originations, secondary market purchases and restructurings, and has a team of over 150 investment and operating professionals. As of September 30, 2016, twenty eight (28) of these personnel are dedicated to our business, including twenty one (21) investment professionals.

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

On December 16, 2014, we were granted an exemptive 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 affiliates of TSSP and TPG in middle-market loan origination activities for companies domiciled in the United States and certain "follow-on" investments in companies in which we have already co-invested pursuant to the order and remain invested.

We believe our ability to co-invest with TSSP and TPG 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 TSSP and TPG 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 sales of loans and debt and equity securities and various loan origination and other fees. Our debt investments typically have a term of two to six years, and, as of September 30, 2016, 97.9% of these investments based on fair value bore interest at a floating rate (when including investment specific hedges), with 94.8% of these subject to interest rate floors. Interest on debt investments is generally payable quarterly or semiannually. Some of our investments provide for deferred interest payments or PIK interest. For the nine months ended September 30, 2016, 4.8% 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 and Convertible Senior Notes, after taking into account the effect of the interest rate swaps we have entered into in connection with the Convertible Senior Notes, all bear interest at floating rates. Macro trends in base interest rates like LIBOR may affect our net investment income over the long term. However, because we generally originate loans to a small 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 yield method for term instruments and the straight-line method for revolving or delayed draw instruments. Repayments of our debt investments can reduce interest income from period to period. We record prepayment premiums on loans as interest income. We also may generate revenue in the form of commitment, amendment, structuring, syndication or due diligence fees, fees for providing managerial assistance and consulting fees. The frequency or volume of these repayments 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 Compliance Officer, Chief Financial Officer and other professionals who spend time on those related activities (based on the percentage of time those individuals devote, on an estimated basis, to our business and affairs);
- 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, our total borrowings are limited so that our asset coverage ratio cannot fall below 200% 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, strong demand for debt capital and specialized lending requirements, are likely to continue to create favorable opportunities for us to invest at attractive risk-adjusted rates.

The limited number of providers of capital to middle-market companies, combined with expected increases in required capital levels for financial institutions, reduces the capacity of traditional lenders to serve middle-market companies. We believe that the limited availability of capital creates a large number of opportunities for us to originate direct investments in companies. We also believe that the large amount of uninvested capital held by private equity firms will continue to drive deal activity, which may in turn create additional demand for debt capital.

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

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

Portfolio and Investment Activity

As of September 30, 2016, our portfolio based on fair value consisted of 94.4% first-lien debt investments, 3.2% second-lien debt investments, 0.9% mezzanine and unsecured debt investments and 1.5% equity and other investments. As of December 31, 2015, our portfolio based on fair value consisted of 88.2% first-lien debt investments, 8.1% second-lien debt investments, 1.9% mezzanine and unsecured debt investments, and 1.8% equity and other investments.

As of September 30, 2016 and December 31, 2015, our weighted average total yield of debt and income producing securities at fair value (which includes interest income and amortization of fees and discounts) was 10.3% and 10.3%, respectively, and our weighted average total yield of debt and income producing securities at amortized cost (which includes interest income and amortization of fees and discounts) was 10.3% and 10.1%, respectively.

As of September 30, 2016 and December 31, 2015, we had investments in 52 and 46 portfolio companies, respectively, with an aggregate fair value of $1,643.6 million and $1,485.7 million, respectively.

For the three months ended September 30, 2016, we made new investment commitments of $194.2 million in six new portfolio companies. For this period, we had $199.2 million aggregate principal amount in exits and repayments, resulting in a net portfolio decrease of $8.8 million aggregate principal amount.

For the three months ended September 30, 2015, we made new investment commitments of $184.8 million, $160.9 million to six new portfolio companies and $23.9 million to five existing portfolio companies. For this period, we had $148.4 million aggregate principal amount in exits and repayments, resulting in a net portfolio increase of $15.8 million aggregate principal amount.

Our investment activity for the three months ended September 30, 2016 and 2015 is presented below (information presented herein is at par value unless otherwise indicated).

($ in millions)	Three Months Ended September 30, 2016	Three Months Ended September 30, 2015
New investment commitments:		
Gross originations	$ 318.1	$ 184.8
Less: Syndications/sell downs	123.9	—
Total new investment commitments	$ 194.2	$ 184.8
Principal amount of investments funded:		
First-lien	$ 190.4	$ 99.6
Second-lien	—	30.7
Mezzanine and unsecured	—	15.1
Equity and other	—	18.8
Total	$ 190.4	$ 164.2
Principal amount of investments sold or repaid:		
First-lien	$ 174.9	$ 138.4
Second-lien	7.8	10.0
Mezzanine and unsecured	16.3	—
Equity and other	0.2	—
Total	$ 199.2	$ 148.4
Number of new investment commitments in new portfolio companies	6	6
Average new investment commitment amount in new portfolio companies	$ 32.4	$ 26.8
Weighted average term for new investment commitments in new portfolio companies (in years)	5.3	5.1
Percentage of new debt investment commitments at floating rates	100.0%	91.1%
Percentage of new debt investment commitments at fixed rates	—	8.9%
Weighted average interest rate of new investment commitments	9.7%	9.6%
Weighted average spread over LIBOR of new floating rate investment commitments	8.7%	8.9%
Weighted average interest rate on investments sold or paid down	8.0%	9.8%

As of September 30, 2016 and December 31, 2015, our investments consisted of the following:

($ in millions)	September 30, 2016		December 31, 2015	
	Fair Value	Amortized Cost	Fair Value	Amortized Cost
First-lien debt investments	$ 1,549.1	$ 1,552.6	$ 1,310.2	$ 1,333.1
Second-lien debt investments	53.4	57.3	121.2	126.0
Mezzanine and unsecured debt investments	15.6	15.4	28.0	29.8
Equity and other investments	25.5	40.6	26.3	40.8
Total	$ 1,643.6	$ 1,665.9	$ 1,485.7	$ 1,529.7

The following tables show the fair value and amortized cost of our performing and non-accrual investments as of September 30, 2016 and December 31, 2015:

($ in millions)	September 30, 2016		December 31, 2015	
	Fair Value	Percentage	Fair Value	Percentage
Performing	$ 1,635.7	99.5%	$ 1,485.7	100.0%
Non-accrual (1)	7.9	0.5%	—	—
Total	$ 1,643.6	100.0%	$ 1,485.7	100.0%

($ in millions)	September 30, 2016		December 31, 2015	
	Amortized Cost	Percentage	Amortized Cost	Percentage
Performing	$ 1,655.0	99.3%	$ 1,529.7	100.0%
Non-accrual (1)	10.9	0.7%	—	—
Total	$ 1,665.9	100.0%	$ 1,529.7	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.

The weighted average yields and interest rates of our performing debt investments at fair value as of September 30, 2016 and December 31, 2015 were as follows:

	September 30, 2016	December 31, 2015
Weighted average total yield of debt and income producing securities	10.3%	10.3%
Weighted average interest rate of debt and income producing securities	9.8%	9.8%
Weighted average spread over LIBOR of all floating rate investments	8.9%	8.8%

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

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

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

- An investment is rated 1 if, in the opinion of the Adviser, it is performing as agreed and there are no concerns about the portfolio company's performance or ability to meet covenant requirements. For these investments, the Adviser generally prepares monthly reports on loan performance and intensive quarterly asset reviews.
- An investment is rated 2 if it is performing as agreed, but, in the opinion of the Adviser, there may be concerns about the company's operating performance or trends in the industry. For these investments, in addition to monthly reports and quarterly asset reviews, the Adviser also researches any areas of concern with the objective of early intervention with the borrower.

- An investment will be assigned a rating of 3 if it is paying as agreed but a covenant violation is expected. For these investments, in addition to monthly reports and quarterly asset reviews, the Adviser also adds the company to its “watch list” and researches any areas of concern with the objective of early intervention with the borrower.
- An investment will be assigned a rating of 4 if a material covenant has been violated, but the company is making its scheduled payments. For these investments, the Adviser prepares a bi-monthly asset review email and generally has monthly meetings with senior management. For investments where there have been material defaults, including bankruptcy filings, failures to achieve financial performance requirements or failure to maintain liquidity or loan-to-value requirements, the Adviser often will take immediate action to protect its position. These remedies may include negotiating for additional collateral, modifying loan terms or structure, or payment of amendment and waiver fees.
- A rating of 5 indicates an investment is in default on its interest or principal payments. For these investments, our Adviser reviews the loans on a bi-monthly basis and, where possible, pursues workouts that achieve an early resolution to avoid further deterioration. The Adviser retains legal counsel and takes actions to preserve our rights, which may include working with the borrower to have the default cured, to have the loan restructured or to have the loan repaid through a consensual workout.

The following table shows the distribution of our investments on the 1 to 5 investment performance rating scale at fair value as of September 30, 2016 and December 31, 2015. Investment performance ratings are accurate only as of those dates and may change due to subsequent developments relating to a portfolio company’s business or financial condition, market conditions or developments, and other factors.

Investment Performance Rating	September 30, 2016		December 31, 2015	
	Investments at Fair Value ($ in millions)	Percentage of Total Portfolio	Investments at Fair Value ($ in millions)	Percentage of Total Portfolio
1	$ 1,160.6	70.6%	$ 1,078.3	72.6%
2	363.0	22.1	266.1	17.9
3	112.1	6.8	114.5	7.7
4	—	—	26.8	1.8
5	7.9	0.5	—	—
Total	$ 1,643.6	100.0%	$ 1,485.7	100.0%

Results of Operations

Operating results for the three and nine months ended September 30, 2016 and 2015 were as follows:

($ in millions)	Three Months Ended September 30, 2016	Three Months Ended September 30, 2015	Nine Months Ended September 30, 2016	Nine Months Ended September 30, 2015
Total investment income	$ 53.9	$ 46.8	$ 142.7	$ 129.9
Less: Net expenses	22.6	20.5	61.8	57.0
Net investment income before income taxes	31.3	26.3	80.9	72.9
Less: Income taxes, including excise taxes	0.7	0.5	1.6	1.3
Net investment income	30.6	25.8	79.3	71.6
Net realized gains (losses) (1)	1.4	(5.0)	1.9	(3.3)
Net change in unrealized gains (losses) (1)	4.9	(11.5)	23.1	(0.4)
Net increase in net assets resulting from operations	$ 36.9	$ 9.3	$ 104.3	$ 67.9

(1) Includes foreign exchange hedging activity.

Investment Income

($ in millions)	Three Months Ended September 30, 2016	Three Months Ended September 30, 2015	Nine Months Ended September 30, 2016	Nine Months Ended September 30, 2015
Interest from investments	$ 46.6	$ 45.5	$ 132.2	$ 124.5
Dividend income	0.5	0.5	1.4	0.5
Other income	6.8	0.8	9.1	4.9
Total investment income	$ 53.9	$ 46.8	$ 142.7	$ 129.9

Interest from investments, which includes amortization of upfront fees and prepayment fees, increased from $45.5 million for the three months ended September 30, 2015 to $46.6 million for the three months ended September 30, 2016. The average size of our investment portfolio increased from $1.4 billion during the three months ended September 30, 2015 to $1.6 billion during the three months ended September 30, 2016. Accelerated amortization of upfront fees primarily from unscheduled paydowns decreased from $3.8 million for the three months ended September 30, 2015 to $2.5 million for the three months ended September 30, 2016. Prepayment fees were $5.3 million for the three months ended September 30, 2015. There were no prepayment fees for the three months ended September 30, 2016. The accelerated amortization and prepayment fees primarily resulted from full paydowns on four portfolio investments and earning a prepayment fee on one existing portfolio investment during the three months ended September 30, 2015 and from full paydowns on three portfolio investments and a partial paydown on one existing portfolio investment during the three months ended September 30, 2016. Dividend income for each of the three months ended September 30, 2016 and September 30, 2015 was $0.5 million. Other income increased from $0.8 million for the three months ended September 30, 2015 to $6.8 million for the three months ended September 30, 2016, primarily due to higher syndication, amendment and other fees earned during the third quarter of 2016.

Interest from investments, which includes amortization of upfront fees and prepayment fees, increased from $124.5 million for the nine months ended September 30, 2015 to $132.2 million for the nine months ended September 30, 2016, primarily due to the increase in the size of our portfolio. The average size of our total investment portfolio increased from $1.3 billion during the nine months ended September 30, 2015 to $1.6 billion during the nine months ended September 30, 2016. In addition, accelerated amortization of upfront fees primarily from unscheduled paydowns decreased from $5.7 million for the nine months ended September 30, 2015 to $4.4 million for the nine months ended September 30, 2016. Prepayment fees decreased from $15.1 million for the nine months ended September 30, 2015 to $2.1 million for the nine months ended September 30, 2016. The accelerated amortization and prepayment fees primarily resulted from full paydowns on seven portfolio investments, a partial paydown on one portfolio investment and earning prepayment fees on two existing portfolio investments during the nine months ended September 30, 2015 and from full paydowns on five portfolio investments and partial paydowns on two portfolio investments during the nine months ended September 30, 2016. Dividend income increased from $0.5 million for the nine months ended September 30, 2015 to $1.4 million for the nine months ended September 30, 2016. Other income increased from $4.9 million for the nine months ended September 30, 2015 to $9.1 million for the nine months ended September 30, 2016, primarily due to higher syndication, amendment and other fees earned during the third quarter of 2016.

Expenses

Operating expenses for the three and nine months ended September 30, 2016 and 2015 were as follows:

($ in millions)	Three Months Ended September 30, 2016	Three Months Ended September 30, 2015	Nine Months Ended September 30, 2016	Nine Months Ended September 30, 2015
Interest	$ 6.1	$ 8.0	$ 17.0	$ 16.9
Management fees (net of waivers)	6.2	5.4	17.9	15.6
Incentive fees related to pre-incentive fee net investment income (net of waivers)	6.4	5.0	16.5	15.1
Incentive fees related to realized/unrealized capital gains	—	(2.0)	—	—
Professional fees	3.0	2.4	6.9	4.9
Directors fees	0.1	0.1	0.3	0.3
Other general and administrative	0.8	1.6	3.2	4.1
Net Expenses	$ 22.6	$ 20.5	$ 61.8	$ 56.9

Interest

Interest expense, including other debt financing expenses, decreased from $8.0 million for the three months ended September 30, 2015 to $6.1 million for the three months ended September 30, 2016. This decrease was primarily due to a decrease in loan origination

expenses from the termination of the TPG SL SPV facility on September 25, 2015. The average interest rate on our debt outstanding was 2.6% for the three months ended September 30, 2015 and 2.7% for the three months ended September 30, 2016.

Interest expense, including other debt financing expenses, increased from $16.9 million for the nine months ended September 30, 2015 to $17.0 million for the nine months ended September 30, 2016. This increase was primarily due to an increase in the average debt outstanding from $503.9 million for the nine months ended September 30, 2015 to $715.3 million for the nine months ended September 30, 2016. The average stated interest rate on our debt outstanding was 2.6% for each of the nine months ended September 30, 2015 and the nine months ended September 30, 2016.

Management Fees

Management Fees (net of waivers) increased from $5.4 million for the three months ended September 30, 2015 to $6.2 million for the three months ended September 30, 2016. Management Fees increased from $5.5 million for the three months ended September 30, 2015 to $6.2 million for the three months ended September 30, 2016 due to the increase in total assets, which increased from an average of $1.4 billion for the three months ended September 30, 2015 to an average of $1.6 billion for the three months ended September 30, 2016. Management Fees waived increased from $20.7 for the three months ended September 30, 2015 to $66.5 for the three months ended September 30, 2016, in each case consisting solely of Management Fees attributable to our ownership of shares of the TICC Shares.

Management Fees (net of waivers) increased from $15.6 million for the nine months ended September 30, 2015 to $17.9 million for the nine months ended September 30, 2016. Management Fees increased from $15.7 million for the nine months ended September 30, 2015 to $18.0 million for the nine months ended September 30, 2016 due to the increase in total assets, which increased from an average of $1.4 billion for the nine months ended September 30, 2015 to an average of $1.6 billion for the nine months ended September 30, 2016. Management Fees waived increased from $20.7 for the nine months ended September 30, 2015, to $97.2 for the nine months ended September 30, 2016, in each case consisting solely of Management Fees attributable to our ownership of shares of common stock in TICC Capital Corp., or the TICC Shares.

The Adviser has voluntarily waived the Management Fee on our ownership of the TICC Shares for any period in which TICC Capital Corp. remains our portfolio company. Any waived Management Fees are not subject to recoupment by the Adviser. Following our IPO, with the exception of its waiver of Management Fees attributable to our ownership of the TICC Shares, the Adviser has not waived its right to receive the full Management Fee payable pursuant to the Investment Advisory Agreement. There can be no assurance that the Adviser will continue to waive Management Fees related to the TICC Shares, as the Adviser can discontinue the voluntary waiver at any time. Accordingly, we may be required to pay the full amount of the Management Fee, including with respect to the TICC Shares, in future periods.

Incentive Fees

Incentive Fees (net of waivers) related to pre-Incentive Fee net investment income increased from $5.0 million for the three months ended September 30, 2015 to $6.4 million for the three months ended September 30, 2016. This increase resulted from the increase in the size of the portfolio and related increase in net investment income, including an increase in syndication, amendment, and other fees. Incentive Fees related to pre-Incentive Fee net investment income of $82.9 were waived for each of the three months ended September 30, 2015 and September 30, 2016, consisting solely of Incentive Fees attributable to our ownership of the TICC Shares. Incentive Fees related to capital gains and losses were $(2.0) million for the three months ended September 30, 2015. There were no Incentive Fees related to capital gains and losses for the three months ended September 30, 2016 due to unrealized losses on our investments.

Incentive Fees (net of waivers) related to pre-Incentive Fee net investment income increased from $15.1 million for the nine months ended September 30, 2015 to $16.5 million for the nine months ended September 30, 2016. This increase resulted from the increase in the size of the portfolio and related increase in net investment income, including an increase in syndication, amendment, and other fees. Incentive Fees related to pre-Incentive Fee net investment income waived, consisting solely of Incentive Fees attributable to our ownership of the TICC Shares, increased from $82.9 for the nine months ended September 30, 2015 to $248.7 for the nine months ended September 30, 2016. This increase resulted from the continued ownership of the TICC Shares that began August 5, 2015. There were no Incentive Fees related to capital gains and losses for the nine months ended September 30, 2015 or September 30, 2016 due to cumulative unrealized losses on our investments.

The Adviser has voluntarily waived the Incentive Fees attributable to pre-Incentive Fee net investment income accrued by us as a result of our ownership of the TICC Shares for any period in which TICC Capital Corp. remains our portfolio company. The Adviser has not waived any part of the Incentive Fee related to capital gains and losses attributable to our ownership of the TICC Shares and, accordingly, any realized capital gains or losses and unrealized capital appreciation and depreciation with respect to the TICC Shares will be applied towards our cumulative realized capital gains on which the Incentive Fee related to capital gains and losses is calculated.

Any waived Incentive Fees are not subject to recoupment by the Adviser. There can be no assurance that the Adviser will continue to waive any Incentive Fee related to the TICC Shares, as the Adviser can discontinue the voluntary waiver at any time. Accordingly, we may be required to pay the full amount of the Incentive Fee, including with respect to the TICC Shares, in future periods.

Professional Fees and Other General and Administrative Expenses

Professional fees increased from $2.4 million for the three months ended September 30, 2015 to $3.0 million for the three months ended September 30, 2016 due to an increase in costs associated with servicing a growing investment portfolio and as a result of our corporate actions with respect to our investment in the TICC Shares. Other general and administrative fees decreased from $1.6 million for the three months ended September 30, 2015 to $0.8 million for the three months ended September 30, 2016.

Professional fees increased from $4.9 million for the nine months ended September 30, 2015 to $6.9 million for the nine months ended September 30, 2016 due to an increase in costs associated with servicing a growing investment portfolio and as a result of our corporate actions with respect to our investment in the TICC Shares. Other general and administrative fees decreased from $4.1 million for the nine months ended September 30, 2015 to $3.2 million for the nine months ended September 30, 2016.

Income Taxes, Including Excise Taxes

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

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

For the three months ended September 30, 2016 and 2015, we recorded an expense of $0.7 million and $0.5 million, respectively, for U.S. federal excise tax. For the nine months ended September 30, 2016 and 2015, we recorded an expense of $1.6 million and $1.3 million, respectively, for U.S. federal excise tax.

Net Realized and Unrealized Gains and Losses

The following table summarizes our net realized and unrealized gains (losses) for the three and nine months ended September 30, 2016 and 2015:

($ in millions)	Three Months Ended September 30, 2016	Three Months Ended September 30, 2015	Nine Months Ended September 30, 2016	Nine Months Ended September 30, 2015
Net realized gains (losses) on investments	$ 1.5	$ (5.0)	$ 1.9	$ (5.0)
Net realized gains on interest rate swaps	—	—	—	1.9
Net realized gains (losses) on foreign currency transactions	0.1	0.0	(0.0)	(0.2)
Net realized losses on foreign currency investments	(1.8)	(0.1)	(2.0)	(0.3)
Net realized gains on foreign currency borrowings	1.6	0.1	2.0	0.3
Net realized gains (losses)	$ 1.4	$ (5.0)	$ 1.9	$ (3.3)
Change in unrealized gains on investments	$ 18.2	$ 7.1	$ 36.7	$ 12.2
Change in unrealized losses on investments	(11.4)	(21.7)	(15.2)	(17.8)
Net Change in Unrealized Gains (Losses) on Investments	$ 6.8	$ (14.6)	$ 21.5	$ (5.6)
Unrealized appreciation (depreciation) on foreign currency borrowings	$ (1.4)	$ 1.3	$ 0.5	$ 4.5
Unrealized appreciation (depreciation) on foreign currency cash and forward contracts	0.0	(0.1)	(0.0)	(0.0)
Unrealized appreciation (depreciation) on interest rate swaps	(0.5)	1.9	1.1	0.7
Net Change in Unrealized Gains (Losses) on Foreign Currency Transactions and Interest Rate Swaps	$ (1.9)	$ 3.1	$ 1.6	$ 5.2
Net Change in Unrealized Gains (Losses)	$ 4.9	$ (11.5)	$ 23.1	$ (0.4)

For the three and nine months ended September 30, 2016, we had net realized gains on investments of $1.4 million and $1.9 million, respectively. For the three and nine months ended September 30, 2016, we did not have realized gains or losses on interest rate swaps. For the three and nine months ended September 30, 2016, we had net realized gains of $0.1 million and net realized losses of less than $0.1 million, respectively, on foreign currency transactions, primarily as a result of translating currency related to our investments denominated in foreign currencies. For the three and nine months ended September 30, 2016, we had net realized losses of $1.8 million and $2.0 million, respectively, on foreign currency investments. For the three and nine months ended September 30, 2016, we had net realized gains of $1.6 million and $2.0 million, respectively, on foreign currency borrowings.

For the three months ended September 30, 2016 we had $18.2 million in unrealized appreciation on 42 portfolio company investments, which was offset by $11.4 million in unrealized depreciation on 14 portfolio company investments. For the nine months ended September 30, 2016 we had $36.7 million in unrealized appreciation on 43 portfolio company investments, which was offset by $15.2 million in unrealized depreciation on 14 portfolio company investments. Unrealized appreciation resulted from an increase in fair market value, primarily due to a tightening spread environment and positive credit-related adjustments. Unrealized depreciation primarily resulted from the reversal of prior period unrealized appreciation and in some instances negative credit-related adjustments.

For the three and nine months ended September 30, 2016, we had unrealized depreciation of $1.4 million and unrealized appreciation of $0.5 million, respectively, on foreign currency borrowings as a result of fluctuations in the GBP, SEK and EUR exchange rates. For the three and nine months ended September 30, 2016, we had unrealized appreciation of less than $0.1 million and unrealized depreciation of less than $0.1 million, respectively, on foreign currency cash and forward contracts. For the three and nine months ended September 30, 2016, we had unrealized depreciation of $0.5 million and unrealized appreciation $1.1 million, respectively, on interest rate swaps due to fluctuations in interest rates.

For the three and nine months ended September 30, 2015, we had net realized losses on investments of $5.0 million and $5.0 million, respectively, primarily related to two portfolio companies. For the nine months ended September 30, 2015, we had net realized gains on interest rate swaps of $1.9 million. We did not have realized gains or losses on interest rate swaps for the three months ended September 30, 2015. For the three and nine months ended September 30, 2015, we had net realized gains on foreign currency transactions of less than $0.1 million and net realized losses on foreign currency transactions of $0.2 million, respectively, primarily from translating currency related to our investments denominated in foreign currencies. For the three and nine months ended September 30, 2015, we had net realized foreign currency losses on investments denominated in foreign currencies of $0.1 million and $0.3 million, respectively. For the three and nine months ended September 30, 2015, we had net realized foreign currency gains on borrowings of $0.1 million and $0.3 million, respectively.

For the three months ended September 30, 2015, we had $7.1 million in unrealized appreciation on seven portfolio company investments, which was offset by $21.7 million in unrealized depreciation on 33 portfolio company investments. For the nine months ended September 30, 2015, we had $12.2 million in unrealized appreciation on 16 portfolio company investments, which was offset by $17.8 million in unrealized depreciation on 26 portfolio company investments. Unrealized appreciation for the three and nine months ended September 30, 2015 resulted from an increase in fair market value, primarily due to positive valuation adjustments in the portfolio. Unrealized depreciation for the three and nine months ended September 30, 2015 primarily resulted from widening in credit spreads, the reversal of prior period unrealized appreciation and in some instances negative credit-related adjustments.

For the three and nine months ended September 30, 2015, we had unrealized appreciation of $1.3 million and $4.5 million, respectively, on the translation of foreign currency borrowings, primarily as a result of fluctuations in the GBP, SEK and EUR exchange rates. For the three and nine months ended September 30, 2015, we had unrealized depreciation on foreign currency cash and forward contracts of $0.1 million and less than $0.1 million, respectively. For the three and nine months ended September 30, 2015, we had unrealized appreciation on interest rate swaps of $1.9 million and $0.7 million, respectively.

Aggregate Cash Flow Realized Gross Internal Rate of Return

Since we began investing in 2011 through September 30, 2016, our exited investments have resulted in an aggregate cash flow realized gross internal rate of return to us of 15.6% (based on cash invested of $1.5 billion and total proceeds from these exited investments of $1.9 billion). Ninety two percent of these exited investments resulted in an aggregate cash flow realized gross internal rate of return to us of 10% or greater.

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

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

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

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

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

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

Hedging

Our current approach to hedging the foreign currency exposure in our non-U.S. dollar denominated investments is primarily to borrow the necessary local currency under our Revolving Credit Facility to fund these investments. For the three and nine months ended September 30, 2016, we had an unrealized loss of $1.4 million and an unrealized gain of $0.5 million, respectively, on the translation of our non-U.S. dollar denominated debt into U.S. dollars; such amounts approximate the corresponding unrealized gains and losses on the translation of our non-U.S. dollar denominated investments into U.S. dollars for the three and nine months ended September 30, 2016. 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, 2016. 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.

During the three months ended September 30, 2016, we did not enter into any foreign currency forward contracts related to our investments denominated in foreign currencies. During the nine months ended September 30, 2016 and the three and nine months ended September 30, 2015, we entered into foreign currency forward contracts to facilitate settlement of purchases and sales of investments denominated in foreign currencies. We bear the costs incurred in connection with entering into, administering and settling derivative contracts. There can be no assurance any hedging strategy we employ will be successful.

Financial Condition, Liquidity and Capital Resources

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

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

The capital commitments of our private phase investors terminated upon the completion of our IPO. We intend to continue to generate cash primarily from cash flows from operations, future borrowings and future offerings of securities. We may from time to time enter into additional debt facilities, increase the size of existing facilities or issue debt securities. Any such incurrence or issuance would be subject to prevailing market conditions, our liquidity requirements, contractual and regulatory restrictions and other factors. In accordance with the 1940 Act, with certain limited exceptions, we are only allowed to incur borrowings, issue debt securities or issue preferred stock if immediately after the borrowing or issuance the ratio of total assets (less total liabilities other than indebtedness) to total indebtedness plus preferred stock, is at least 200%. As of September 30, 2016 and December 31, 2015, our asset coverage ratio was 236.5% and 225.7%, 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 200% asset coverage limitation to cover any outstanding unfunded commitments we are required to fund.

Cash and cash equivalents as of September 30, 2016, 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, 2016, we had approximately $245.5 million of availability on our Revolving Credit Facility.

As of September 30, 2016, we had $3.9 million in cash and cash equivalents, an increase of $1.5 million from December 31, 2015. During the nine months ended September 30, 2016, we used $54.0 million in cash for operating activities, primarily as a result of funding portfolio investments of $643.8 million and net cash from other operating activity of $4.8 million, which was partially offset by repayments on investments of $490.3 million and an increase in net assets resulting from operations of $104.3 million. Lastly, cash provided by financing activities was $55.5 million during the period, primarily due to borrowings of $476.4 million and proceeds from issuance of common stock, net of offering and underwriting costs, of $78.2 million, which was partially offset by repayments on debt of $438.4 million, purchases of treasury stock of $1.3 million, and dividends paid of $59.4 million.

As of September 30, 2016, we had $0.8 million of restricted cash pledged as collateral under our interest rate swap agreements, a decrease of $0.1 million from December 31, 2015.

Equity

On March 3, 2016, we issued 5,000,000 shares of common stock at $16.42 per share. Net of underwriting fees and offering costs, we received total cash proceeds of $78.3 million.

During the nine months ended September 30, 2016 and 2015, we issued 502,634 and 230,189 shares of our common stock, respectively, to investors who have not opted out of our dividend reinvestment plan for proceeds of $8.0 million and $3.9 million, respectively. On November 1, 2016, we issued 135,692 shares of our common stock through our dividend reinvestment plan for proceeds of $2.3 million, which is not reflected in the number of shares issued for the nine months ended September 30, 2016 in this section or the consolidated financial statements for the three and nine months ended September 30, 2016.

On November 3, 2014, the Board approved the Company 10b5-1 Plan to acquire up to $50 million in the aggregate of our common stock at prices just below our net asset value over a specified period, in accordance with the guidelines specified in Rule 10b-18 and Rule 10b5-1 of the Exchange Act. We put the Company 10b5-1 Plan in place because we believe that, in the current market conditions, if our common stock is trading below our then-current net asset value, it is in the best interest of our stockholders for us to reinvest in our portfolio and increase our leverage ratio through share repurchases.

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

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

The Company 10b5-1 Plan expired in accordance with its terms on June 30, 2015. On August 4, 2015, the Board authorized us to enter into a new stock repurchase plan, on substantially the same terms as the prior stock repurchase plan. On August 3, 2016, the Board authorized the extension of the termination date of the Company 10b5-1 Plan to February 28, 2017. Unless extended or terminated by the Board, the Company 10b5-1 Plan will be in effect through the earlier of February 28, 2017 or such time as the current approved repurchase amount of up to $50 million has been fully utilized, subject to certain conditions.

During the nine months ended September 30, 2016, 86,081 shares were repurchased under the Company 10b5-1 Plan at a weighted average price per share of $15.44, inclusive of commissions, for a total cost of $1.3 million. No shares were repurchased under the Company 10b5-1 Plan during the three months ended September 30, 2016. During each of the three and nine months ended September 30, 2015, 2,000 shares were repurchased under the Company 10b5-1 Plan at a weighted average price per share of $14.44, inclusive of commissions, for a total cost of $28.9.

Debt

Debt obligations consisted of the following as of September 30, 2016 and December 31, 2015:

	September 30, 2016			
($ in millions)	Aggregate Principal Amount Committed	Outstanding Principal	Amount Available (1)	Carrying Value (2)
Revolving Credit Facility	$ 821.3	$ 575.8	$ 245.5	$ 569.7
Convertible Senior Notes	115.0	115.0	—	110.4
Total Debt	$ 936.3	$ 690.8	$ 245.5	$ 680.1

(1) The amount available reflects any limitations related to the respective debt facilities' borrowing bases.
(2) The carrying values of the Revolving Credit Facility and Convertible Senior Notes are presented net of deferred financing costs of $6.2 million and $2.5 million, respectively.

($ in millions)	December 31, 2015							
	Aggregate Principal Amount Committed		Outstanding Principal		Amount Available (1)		Carrying Value (2)	
Revolving Credit Facility	$	821.3	$	540.3	$	280.9	$	533.0
Convertible Senior Notes		115.0		115.0		—		109.4
Total Debt	$	936.3	$	655.3	$	280.9	$	642.4

(1) The amount available reflects any limitations related to the respective debt facilities' borrowing bases.
(2) The carrying values of the Revolving Credit Facility and Convertible Senior Notes are presented net of deferred financing costs of $7.3 million and $3.1 million, respectively.

As of September 30, 2016 and December 31, 2015, we were in compliance with the terms of our debt arrangements. We intend to continue to utilize our credit facilities to fund investments and for other general corporate purposes.

Revolving Credit Facility

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

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

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

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

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

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

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

- extending the stated maturity date from February 27, 2019 to October 17, 2019; and
- increasing the sublimit applicable to letters of credit from $20 million to $100 million.

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

On October 2, 2015, we entered into a fourth amendment to the Revolving Credit Facility:

- decreasing the applicable margin with respect to (i) any loan bearing interest at a rate determined by reference to the Alternate Base Rate from 1.00% to 0.75% and (ii) any loan bearing interest at a rate determined by reference to the Adjusted LIBO Rate from 2.00% to 1.75%, in each case, if the Borrowing Base is equal to or greater than 1.85 times the Combined Debt Amount;
- increasing the aggregate commitments from $781.3 million to $821.3 million;
- extending the revolving period from October 17, 2018 to October 2, 2019;
- extending the stated maturity date from October 17, 2019 to October 2, 2020; and
- increasing the accordion feature, which allows us, under certain circumstances, to increase the size of the Revolving Credit Facility, from a maximum of $956.3 million to a maximum of $1.25 billion.

On December 10, 2015, TPG SL SPV, LLC became a guarantor under the Revolving Credit Facility.

We may borrow amounts in U.S. dollars or certain other permitted currencies. As of September 30, 2016, we had outstanding debt denominated in Swedish Krona (SEK) of 201.2 million, Euro (EUR) of 47.6 million and Pound Sterling (GBP) of 14.9 million on our Revolving Credit Facility, included in the Outstanding Principal amount in the table above.

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

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

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

- an asset coverage ratio of no less than 2 to 1 on the last day of any fiscal quarter;
- a liquidity test under which we must maintain cash and liquid investments of at least 10% of the covered debt amount under circumstances where our adjusted covered debt balance is greater than 90% of our adjusted borrowing base under the facility; and
- stockholders’ equity of at least $500 million plus 25% of the net proceeds of the sale of equity interests after October 2, 2015.

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

SPV Asset Facility

On May 8, 2012, the Closing Date, our wholly owned subsidiary, TPG SL SPV, LLC, entered into a credit and security agreement with Natixis, New York Branch. Also on May 8, 2012, we contributed certain investments to TPG SL SPV pursuant to the terms of a Master Sale and Contribution Agreement by and between us and TPG SL SPV. We consolidate TPG SL SPV in our consolidated financial statements, and no gain or loss was recognized as a result of the contribution. Proceeds from the SPV Asset Facility were permitted to be used to finance the acquisition of eligible assets by TPG SL SPV, including the purchase of such assets from us. We

retain a residual interest in assets contributed to or acquired by TPG SL SPV through our ownership of TPG SL SPV. The facility size was subject to availability under the borrowing base, which was based on the amount of TPG SL SPV's assets from time to time, and satisfaction of certain conditions, including an asset coverage test, an asset quality test and certain concentration limits.

The credit and security agreement provided for a contribution and reinvestment period for up to 18 months after the Closing Date, or the Commitment Termination Date. The Commitment Termination Date was November 8, 2013, at which point the reinvestment period of the SPV Asset Facility expired and accordingly any undrawn availability under the facility terminated. The reinvestment period was subsequently reopened for the period from January 21, 2014 to January 21, 2015, thereby extending the Commitment Termination Date to January 21, 2015. Proceeds received by TPG SL SPV from interest, dividends or fees on assets were required to be used to pay expenses and interest on outstanding borrowings, and the excess could be returned to us, subject to certain conditions, on a quarterly basis. Prior to the Commitment Termination Date, proceeds received from principal on assets could be used to pay down borrowings or make additional investments. Following the Commitment Termination Date, proceeds received from principal on assets were required to be used to make payments of principal on outstanding borrowings on a quarterly basis. Proceeds received from interest and principal at the end of a reporting period that have not gone through the settlement process for these payment obligations are considered to be restricted cash.

After giving effect to amendments to the credit and security agreement in January 2014 and March 2015, the facility had commitments of $175 million and the pricing ranged from cost of funds plus 225 basis points to LIBOR plus 235 basis points and the facility was scheduled to mature on January 21, 2021.

The undrawn portion of the commitment bore an unutilized commitment fee of 0.75%. This fee ceased to accrue on January 21, 2015 when the reinvestment period ended. The SPV Asset Facility contained customary covenants, including covenants relating to separateness from the Adviser and its affiliates and long-term credit ratings with respect to the underlying collateral obligations, and events of default. The SPV Asset Facility was secured by a perfected first priority security interest in the assets of TPG SL SPV and on any payments received by TPG SL SPV in respect of such assets, which accordingly were not available to pay our other debt obligations.

On September 25, 2015, TPG SL SPV prepaid all loans outstanding under the facility and the facility was terminated. Upon termination of the facility, the security interests in the assets of TPG SL SPV and on payments received by TPG SL SPV in respect of such assets were released.

Convertible Senior Notes

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

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

The notes are senior unsecured obligations and rank senior in right of payment to our future indebtedness that is expressly subordinated in right of payment to the notes; equal in right of payment to our existing and future indebtedness that is not so subordinated; effectively junior in right of payment to any of our secured indebtedness (including unsecured indebtedness that we later secure) to the extent of the value of the assets securing such indebtedness; and structurally junior to all existing and future indebtedness (including trade payables) incurred by our subsidiaries, financing vehicles or similar facilities.

As of September 30, 2016, the principal amount of the Convertible Senior Notes exceeded the value of the underlying shares multiplied by the per share closing price of our common stock.

The Convertible Senior Notes Indenture contains certain covenants, including covenants requiring us to comply with the requirement under the 1940 Act that our asset coverage ratio, as defined in the 1940 Act, equal at least 200% and to provide financial information to the holders of the Convertible Senior Notes under certain circumstances. These covenants are subject to important limitations and exceptions that are described in the Convertible Senior Notes Indenture. As of September 30, 2016, we were in compliance with the terms of the Convertible Senior Notes Indenture.

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

Off-Balance Sheet Arrangements

Portfolio Company Commitments

From time to time, we may enter into commitments to fund investments. Our senior secured revolving loan commitments are generally available on a borrower’s demand and may remain outstanding until the maturity date of the applicable loan. Our senior secured term loan commitments are generally available on a borrower’s demand and, once drawn, generally have the same remaining term as the associated loan agreement. Undrawn senior secured term loan commitments generally have a shorter availability period than the term of the associated loan agreement. As of September 30, 2016 and December 31, 2015, we had the following commitments to fund investments in current portfolio companies:

($ in millions)	September 30, 2016	December 31, 2015
AppStar Financial, LLC - Revolver	$ 2.0	$ 2.0
AvidXchange, Inc. - Delayed Draw Term Loan	15.4	15.4
Clarabridge, Inc. - Revolver	2.5	2.5
CrunchTime Information Systems, Inc. - Delayed Draw Term Loan	12.0	12.0
CrunchTime Information Systems, Inc. - Revolver	2.0	2.0
Ecommerce Industries, Inc. - Delayed Draw Term Loan	—	4.8
Ecommerce Industries, Inc. - Revolver	2.5	2.5
Heartland Automotive Holdings, LLC - Revolver	4.7	2.8
Helix Health, Ltd. - Revolver	4.1	2.4
Highwinds Capital, Inc. - Revolver	—	0.2
IRGSE Holding Corp. - Revolver	0.2	0.6
Leaf US Holdings, Inc. - Revolver	2.0	2.0
Marketo Inc. - Revolver	1.9	—
MyAlarm Center, LLC - Delayed Draw	1.4	2.2
Network Merchants, Inc. - Revolver	0.8	0.8
PayLease, LLC - Revolver	5.0	5.0
SailPoint Technologies Inc. - Revolver	1.2	—
ScentAir Technologies, Inc. - Multi Draw Term Loan	—	1.5
ScentAir Technologies, Inc. - Revolver	2.1	2.1
Sears - ABL Revolver	—	17.9
Sovos Compliance, LLC - Revolver	0.8	—
Total Portfolio Company Commitments	$ 60.6	$ 78.6

Other Commitments and Contingencies

As of September 30, 2016, we had additional unfunded commitments of $50.0 million to fund investments to new borrowers that were not current portfolio companies as of September 30, 2016.

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, 2016 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	$ 575.8	$ —	$ —	$ 575.8	$ —
Convertible Senior Notes	115.0	—	—	115.0	—
Total Contractual Obligations	$ 690.8	$ —	$ —	$ 690.8	$ —

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

Distributions

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

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

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

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

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

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

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

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

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

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

Related-Party Transactions

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

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

Critical Accounting Policies

The preparation of our consolidated financial statements requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses. Changes in the economic environment, financial markets, and any other parameters used in determining such estimates could cause actual results to differ. Our critical accounting policies, including those relating to the valuation of our investment portfolio, are described in our Annual Report on Form 10-K for the year ended December 31, 2015, filed with the SEC on February 24, 2016, 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, 2016, 97.9% of our debt investments based on fair value in our portfolio bore interest at floating rates (when including investment specific hedges), with 94.8% of these subject to interest rate floors. Our credit facilities also bear interest at floating rates. In connection with our Convertible Senior Notes, which bear interest at a fixed rate, we have entered into fixed-to-floating interest rate swaps in order to continue to align the interest rates of our liabilities with our investment portfolio.

Assuming that our consolidated balance sheet as of September 30, 2016 were to remain constant and that we took no actions to alter our existing interest rate sensitivity, the following table shows the annualized impact of hypothetical base rate changes in interest rates (considering interest rate floors for floating rate instruments):

($ in millions)

Basis Point Change	Interest Income	Interest Expense	Net Income
Up 300 basis points	$ 45.5	$ 20.6	$ 24.9
Up 200 basis points	$ 29.4	$ 13.7	$ 15.7
Up 100 basis points	$ 13.3	$ 6.9	$ 6.4
Down 25 basis points	$ (0.3)	$ (1.5)	$ 1.2

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

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

Currency Risk

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

ITEM 4. CONTROLS AND PROCEDURES

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

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

PART II – OTHER INFORMATION

None.

ITEM 1. Legal Proceedings

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

Item 1A. Risk Factors.

In addition to the other information set forth in this report, you should carefully consider the risk factors discussed in Part I, “Item 1A. Risk Factors” in our Annual Report on Form 10-K for the fiscal year ended December 31, 2015, and our Quarterly Report on Form 10-Q for the period ended June 30, 2016, which could materially affect our business, financial condition and/or operating results. These risks are not the only risks facing our Company. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially and adversely affect our business, financial condition and/or operating results.

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

None.

Item 3. Defaults Upon Senior Securities.

Not applicable.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

On November 7, 2016, the Board of Directors of the Company approved the change of the Company's registered agent in Delaware and approved the amended and restated bylaws of the Company (the "Amended and Restated Bylaws") reflecting such change. On November 7, 2016, the Company filed a Certificate of Change of Registered Agent and/or Registered Office (the "Certificate of Change") with the State of Delaware Secretary of State to effectuate the change.

A copy of the Certificate of Change is attached as Exhibit 3.1 to this Quarterly Report on Form 10-Q, and a copy of the Amended and Restated Bylaws is attached as Exhibit 3.2 to this Quarterly Report on Form 10-Q.

Item 6. Exhibits.

(a) Exhibits.

3.1	Certificate of Change of Registered Agent and/or Registered Office
3.2	Bylaws of TPG Specialty Lending, Inc., effective as of November 7, 2016
31.1	Certification of Co-Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification of Co-Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.3	Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32	Certification of Co-CEOs and CFO Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

SIGNATURES

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

	TPG SPECIALTY LENDING, INC.
Date: November 7, 2016	By: /s/ Joshua Easterly Joshua Easterly Co-Chief Executive Officer
Date: November 7, 2016	By: /s/ Michael Fishman Michael Fishman Co-Chief Executive Officer
Date: November 7, 2016	By: /s/ Ian Simmonds Ian Simmonds Chief Financial Officer

Exhibit 3.1

STATE OF DELAWARE
CERTIFICATE OF CHANGE OF REGISTERED AGENT AND/OR REGISTERED OFFICE

The corporation organized and existing under the General Corporation Law of the State of Delaware, hereby certifies as follows:

1. The name of the corporation is TPG Specialty Lending, Inc.

2. The Registered Office of the corporation in the State of Delaware is changed to 4001 Kennett Pike, Suite 302, Wilmington, New Castle County, DE 19807. The name of the Registered Agent at such address upon whom process against this corporation may be served is Maples Fiduciary Services (Delaware) Inc.

3. The foregoing change to the registered office/agent was adopted by a resolution of the Board of Directors of the corporation.

By: /s/ David Stiepleman
Name: David Stiepleman
Title: Vice President

Exhibit 3.2

TPG SPECIALTY LENDING, INC.

(a Delaware corporation)

BYLAWS

Effective November 7, 2016

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OF

TPG SPECIALTY LENDING, INC.

ARTICLE I

[Reserved]

ARTICLE II
MEETINGS OF STOCKHOLDERS

(A) **Place of Meetings.** All meetings of the stockholders for the election of directors or for any other purpose shall be held at any such place, either within or outside the State of Delaware, as shall be designated from time to time by the Board of Directors and stated in the notice of meeting or in a duly executed waiver of notice thereof.

(B) **Annual Meeting.** An annual meeting of stockholders shall be held each year and stated in a notice of meeting or in a duly executed waiver thereof. The date, time and place of such meeting shall be determined by the Chief Executive Officer of the Corporation; provided that if the Chief Executive Officer does not act, the Board of Directors shall determine the date, time, and place of such meeting. At such annual meeting, the stockholders shall elect, by a plurality vote, a Board of Directors and transact such other business as may properly be brought before the meeting.

(C) **Notice of Meetings.** Except as otherwise expressly required by statute, written notice of each annual and special meeting of stockholders stating the date, time and place of the meeting (and, in the case of a special meeting, the purpose or purposes for which the meeting is called) shall be given to each stockholder of record entitled to vote thereat not less than ten (10) nor more than sixty (60) days before the date of the meeting. Business transacted at any special meeting of stockholders shall be limited to the purposes stated in the notice. Notice shall be given personally or by mail and, if by mail, shall be sent in a postage prepaid envelope, addressed to the stockholder at his or her address as it appears on the records of the Corporation. Notice by mail shall be deemed given at the time when the same shall be deposited in the United States mail, postage prepaid. Notice of any meeting shall not be required to be given to any person (a) who attends such meeting, except when such person attends the meeting in person or by proxy for the express purpose of objecting (at the beginning of the meeting) to the transaction of any business because the meeting is not lawfully called or convened, or (b) who (either before or after the meeting) shall submit a signed written waiver of notice thereof either in person or by proxy. Neither the business to be transacted at, nor the purpose of, an annual or special meeting of stockholders need be specified in any written waiver of notice.

(D) **Special Meetings.** Special meetings of stockholders may be called for any purpose by the Board of Directors, the Chairman of the Board of Directors or the Chief Executive Officer and may be held on such date and at such time and place, either within or outside the State of Delaware, as shall be stated in a notice of meeting or in a duly executed waiver of notice thereof.

(E) **List of Stockholders.** The officer who has charge of the stock ledger of the Corporation shall prepare and make, at least ten (10) days before each meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting, arranged in alphabetical order, showing the address of and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least ten (10) days prior to the meeting: (a) on a reasonably accessible electronic network, provided that the information required to gain access to such list is provided with the notice of the meeting, or (b) during ordinary business hours, at the principal place of business of the Corporation. If the meeting is to be held at a place, then the list shall be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any such stockholder who is present.

(F) **Quorum; Adjournments.** The holders of a majority of the voting power of the issued and outstanding stock of the Corporation entitled to vote thereat (present in person or represented by proxy) shall constitute a quorum for the transaction of business at all meetings of stockholders, except as otherwise provided by statute or by the Corporation's Certificate of Incorporation (as such may be amended from time to time, the "Certificate of Incorporation"). If such quorum shall not be present or represented by proxy at any meeting of stockholders, then the stockholders entitled to vote thereat (present in person or represented by proxy) shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented by proxy. At such adjourned meeting at which a quorum shall be present or represented by proxy, any business may be transacted which might have been transacted at the meeting as originally called. If the adjournment is for more than thirty (30) days, or, if after adjournment a new record date is set, then a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting.

(G) **Organization.** At each meeting of stockholders, the Chairman of the Board of Directors (if one shall have been elected, or, in his absence or if one shall not have been elected, the Chief Executive Officer, or in the absence of the Chief Executive Officer, such officer as the Board of Directors may designate) shall act as chairman of the meeting. The Secretary (or, in his absence or inability to act, the person whom the chairman of the meeting shall appoint secretary of the meeting) shall act as secretary of the meeting and keep the minutes thereof.

(H) **Order of Business.** The order of business at all meetings of the stockholders shall be as determined by the chairman of the meeting.

(I) **Voting.** Except as otherwise provided by the Certificate of Incorporation or the General Corporation Law of the State of Delaware, each stockholder of the Corporation shall be entitled at each meeting of stockholders to one (1) vote for each share of capital stock of the Corporation standing in his name on the record of stockholders of the Corporation: (a) on the date fixed pursuant to the provisions of Section (G) of Article VII of these Bylaws as the record date for the determination of the stockholders who shall be entitled to notice of and to vote at such meeting; or (b) if no such record date shall have been so fixed, then at the close of business on the day next preceding the day on which notice thereof shall be given, or, if notice is waived, at the close of business on the date next preceding the day on which the meeting is held.

Each stockholder entitled to vote at any meeting of stockholders may authorize another person or persons to act for him or her by a proxy that is in writing or transmitted as permitted by law, including, without limitation, electronically, via telegram, internet, interactive voice response system, or other means of electronic transmission executed or authorized by such stockholder or his attorney-in-fact, but no proxy shall be voted after (3) three years from its date, unless the proxy provides for a longer period. Any such proxy shall be delivered to the secretary of the meeting at or prior to the time designated in the order of business for so delivering such proxies. Any proxy transmitted electronically shall set forth information from which it can be determined by the secretary of the meeting that such electronic transmission was authorized by the stockholder. When a quorum is present at any meeting, the vote of the holders of a majority of the voting power of the issued and outstanding stock of the Corporation entitled to vote thereon, present and voting, in person or represented by proxy, shall decide any question brought before such meeting, unless the question is one upon which by express provision of statute or of the Certificate of Incorporation or of these Bylaws, a different vote is required, in which case such express provision shall govern and control the decision of such question. Unless required by statute, or determined by the chairman of the meeting to be advisable, the vote on any question need not be by ballot. On a vote by ballot, each ballot shall be signed by the stockholder voting, or by his proxy, if there be such proxy, and shall state the number of shares voted and the number of votes to which each share is entitled.

(J) **Inspectors.** The Board of Directors may, in advance of any meeting of stockholders, appoint one or more inspectors to act at such meeting or any adjournment thereof. If any of the inspectors so appointed shall fail to appear or act, then the chairman of the meeting shall, or if inspectors shall not have been appointed, the chairman of the meeting may, appoint one or more inspectors. Each inspector, before entering upon the discharge of his duties, shall take and sign an oath faithfully to execute the duties of inspector at such meeting with strict impartiality and according to the best of his ability. The inspectors shall determine the number of shares of capital stock of the Corporation outstanding and the voting power of each, the number of shares represented at the meeting, the existence of a quorum, the validity and effect of proxies, and shall receive votes, ballots or consents, hear and determine all challenges and questions arising in connection with the right to vote, count and tabulate all votes, ballots or consents, determine the results, and do such acts as are proper to conduct the election or vote with fairness to all stockholders. On request of the chairman of the meeting, the inspectors shall make a report in writing of any challenge, request or matter determined by them and shall execute a certificate of any fact found by them. No director or candidate for the office of director shall act as an inspector of an election of directors. Inspectors need not be stockholders.

(K) **Advance Notice Provisions for Election of Directors.** Only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the Corporation. Nominations of persons for election to the Board of Directors may be made at any annual meeting of stockholders, or at any special meeting of stockholders called for the purpose of electing directors as provided under Section (D) of this Article II, (a) by or at the direction of the Board of Directors (or any duly authorized committee thereof) (subject to Section A(1) of Article IV of these Bylaws) or (b) by any stockholder of the Corporation (i) who is a stockholder of record on the date of the giving of the notice provided for in this Section (K) and on the record date for the determination of stockholders entitled to vote at such meeting and (ii) who complies with the notice procedures set forth in this Section (K).

In addition to any other applicable requirements, for a nomination to be made by a stockholder, such stockholder must have given timely notice thereof in proper written form to the Secretary of the Corporation.

To be timely, a stockholder's notice to the Secretary must be delivered to or mailed and received at the principal executive offices of the Corporation (a) in the case of an annual meeting, not less than ninety (90) days prior to the date of the anniversary of the previous year's annual meeting; provided, however, that in the event the annual meeting is scheduled to be held on a date more than thirty (30) days prior to or delayed by more than sixty (60) days after such anniversary date, notice by the stockholder in order to be timely must be so received not later than the later of the close of business ninety (90) days prior to such annual meeting or the tenth (10th) day following the day on which such notice of the date of the annual meeting was mailed or such public disclosure of the date of the annual meeting was made and (b) in the case of a special meeting of stockholders called for the purpose of electing directors, not later than the close of business on the tenth (10th) day following the day on which notice of the date of the special meeting was mailed or public disclosure of the date of the special meeting was made, whichever first occurs.

To be in proper written form, a stockholder's notice to the Secretary must set forth (a) as to each person whom the stockholder proposes to nominate for election as a director (i) the name, age, business address and residence address of the person, (ii) the principal occupation or employment of the person, (iii) the class or series and number of shares of capital stock of the Corporation which are owned beneficially or of record by the person and (iv) any other information relating to the person that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of directors pursuant to Section 14 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and the rules and regulations promulgated thereunder; and (b) as to the stockholder giving the notice (i) the name and record address of such stockholder, (ii) the class or series and number of shares of capital stock of the Corporation which are owned beneficially or of record by such stockholder, (iii) a description of all arrangements or understandings between such stockholder and each proposed nominee and any other person or persons (including their names) pursuant to which the nomination(s) are to be made by such stockholder, (iv) a representation that such stockholder intends to appear in person or by proxy at the meeting to nominate the persons named in its notice; and (v) any other information relating to such stockholder that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of directors pursuant to Section 14 of the Exchange Act and the rules and regulations promulgated thereunder. Such notice must be accompanied by a written consent of each proposed nominee to being named as a nominee and to serve as a director if elected.

No person shall be eligible for election as a director of the Corporation unless nominated in accordance with the procedures set forth in this Section (K). If the chairman of the meeting determines that a nomination was not made in accordance with the foregoing procedures, the chairman shall declare to the meeting that the nomination was defective and such defective nomination shall be disregarded.

(L) **Advance Notice Provisions for Business to be Transacted at Annual Meeting.** No business may be transacted at an annual meeting of stockholders, other than business that is either (a) specified in the notice of meeting (or any supplement thereto) given by or at the direction of the Board of Directors (or any duly authorized committee thereof), (b) otherwise properly brought before the annual meeting by or at the direction of the Board of Directors (or any duly authorized committee thereof) or (c) otherwise properly brought before the annual meeting by any stockholder of the Corporation (i) who is a stockholder of record on the date of the giving of the notice provided for in this Section (L) and on the record date for the determination of stockholders entitled to vote at such annual meeting and (ii) who complies with the notice procedures set forth in this Section (L).

In addition to any other applicable requirements, for business to be properly brought before an annual meeting by a stockholder, such stockholder must have given timely notice thereof in proper written form to the Secretary of the Corporation.

To be timely, a stockholder's notice to the Secretary must be delivered to or mailed and received at the principal executive offices of the Corporation not less than ninety (90) days prior to the date of the anniversary of the previous year's annual meeting; provided, however, that in the event the annual meeting is scheduled to be held on a date more than thirty (30) days prior to or delayed by more than sixty (60) days after such anniversary date, notice by the stockholder in order to be timely must be so received not later than the later of the close of business ninety (90) days prior to such annual meeting or the tenth (10th) day following the day on which such notice of the date of the annual meeting was mailed or such public disclosure of the date of the annual meeting was made.

To be in proper written form, a stockholder's notice to the Secretary must set forth as to each matter such stockholder proposes to bring before the annual meeting (a) a brief description of the business desired to be brought before the annual meeting and the reasons for conducting such business at the annual meeting, (b) the name and record address of such stockholder, (c) the class or series and number of shares of capital stock of the Corporation which are owned beneficially or of record by such stockholder, (d) a description of all arrangements or understandings between such stockholder and any other person or persons (including their names) in connection with the proposal of such business by such stockholder and any material interest of such stockholder in such business; and (e) a representation that such stockholder intends to appear in person or by proxy at the annual meeting to bring such business before the meeting.

No business shall be conducted at the annual meeting of stockholders except business brought before the annual meeting in accordance with the procedures set forth in this Section (L); provided, however, that, once business has been properly brought before the annual meeting in accordance with such procedures, nothing in this Section (L) shall be deemed to preclude discussion by any stockholder of any such business. If the chairman of an annual meeting determines that business was not properly brought before the annual meeting in accordance with the foregoing procedures, the chairman shall declare to the meeting that the business was not properly brought before the meeting and such business shall not be transacted.

ARTICLE III
DIRECTORS

(A) **General Powers.** The business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors. The Board of Directors may exercise all such authority and powers of the Corporation and do all such lawful acts and things as are not by statute or the Certificate of Incorporation directed or required to be exercised or done by the stockholders.

(B) **Number and Election.** The number of directors constituting the whole board as of the date of the approval of these Bylaws shall be four (4) but may be increased or decreased from time to time by the Board of Directors; provided, however, that (a) the number of directors shall not be fewer than four (4) or greater than nine (9) and (b) no decrease in the number of directors shall shorten the term of any incumbent director. Except as otherwise provided by the Bylaws, the directors shall be elected at the annual meeting of stockholders

(C) **Resignations, Newly Created Directorships, Vacancies and Removals.** Any director of the Corporation may resign at any time by giving notice in writing or by electronic transmission of his resignation to the Corporation. Any such resignation shall take effect at the time specified therein or, if the time when it shall become effective shall not be specified therein, immediately upon its receipt. Unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. Newly created directorships resulting from any increase in the number of directors or any vacancies in the Board of Directors resulting from death, resignation, retirement, disqualification, removal or any other cause shall be filled as provided in the Certificate of Incorporation. Any director may be removed as provided in the Certificate of Incorporation.

(D) **Place of Meetings.** The Board of Directors may hold meetings, both regular and special, either within or without the State of Delaware.

(E) **Annual Meeting.** The Board of Directors shall meet for the purpose of organization, the election of officers and the transaction of other business, as soon as practicable after each annual meeting of stockholders (which, if required by law, shall be on the same day and at the same place where such annual meeting of stockholders shall be held). In the event such annual meeting is not so held, the annual meeting of the Board of Directors may be held at such other time or place (within or outside the State of Delaware) as shall be specified in a notice thereof given as hereinafter provided in Section (H) of this Article III.

(F) **Regular Meetings.** Regular meetings of the Board of Directors shall be held at such time and place as the Board of Directors may fix. If any day fixed for a regular meeting shall be a legal holiday at the place where the meeting is to be held, then the meeting which would otherwise be held on that day shall be held at the same hour on the next succeeding business day.

(G) **Special Meetings.** Special meetings of the Board of Directors may be called by the Chairman of the Board or by two (2) or more directors or by the Chief Executive Officer.

(H) **Notice of Meetings.** Notice of regular meetings of the Board of Directors need not be given except as otherwise required by law or these Bylaws. Notice of each special meeting of

the Board of Directors, and of each regular and annual meeting of the Board of Directors for which notice shall be required, shall be given by the Secretary as hereinafter provided in this Section (H), in which notice shall be stated the time and place of the meeting. Except as otherwise required by these Bylaws, such notice need not state the purposes of such meeting. Notice of any special meeting, and of any regular or annual meeting for which notice is required, shall be given to each director at least (a) twelve (12) hours before the meeting if by telephone or by being personally delivered or sent by telex, telecopy, email or similar means, or (b) three (3) days before the meeting if delivered by mail to the director's residence or usual place of business. Such notice shall be deemed to be delivered when deposited in the United States mail so addressed, with postage prepaid, or when transmitted if sent by telex, telecopy, or similar means. Neither the business to be transacted at, nor the purpose of, any special meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting. Any director may waive notice of any meeting by a writing signed by the director entitled to the notice and filed with the minutes or corporate records.

(I) **Waiver of Notice and Presumption of Assent.** Any member of the Board of Directors or any committee thereof who is present at a meeting shall be conclusively presumed to have waived notice of such meeting except when such member attends for the express purpose of objecting at the beginning of the meeting to the transaction of any business because the meeting is not lawfully called or convened. Such member shall be conclusively presumed to have assented to any action taken unless his or her dissent shall be entered in the minutes of the meeting or unless his or her written dissent to such action shall be filed with the person acting as the secretary of the meeting before the adjournment thereof or shall be forwarded by registered mail to the Secretary of the Corporation immediately after the adjournment of the meeting. Such right to dissent shall not apply to any member who voted in favor of such action.

(J) **Quorum; Manner of Action.** A majority of the entire Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board of Directors, and, except as otherwise expressly required by statute or the Certificate of Incorporation or these Bylaws, the act of a majority of the directors present at any meeting at which a quorum is present shall be the act of the Board of Directors. In the absence of a quorum at any meeting of the Board of Directors, a majority of the directors present thereat may adjourn such meeting to another time and place. Notice of the time and place of any such adjourned meeting shall be given to all of the directors unless such time and place were announced at the meeting at which the adjournment was taken, in which case such notice shall only be given to the directors who were not present thereat. At any adjourned meeting at which a quorum is present, any business may be transacted which might have been transacted at the meeting as originally called. The directors shall act only as a Board of Directors and the individual directors shall have no power as such.

(K) **Organization.** At each meeting of the Board of Directors, the Chairman of the Board of Directors, if one shall have been elected, or, in the absence of the Chairman of the Board of Directors or if one shall not have been elected, the Chief Executive Officer (or, in his absence, another director chosen by a majority of the directors present) shall act as chairman of the meeting and preside thereat. The Secretary or, in his absence, any person appointed by the chairman of the meeting, shall act as secretary of the meeting and keep the minutes thereof.

(L) **Compensation.** The Board of Directors shall have authority to fix the compensation, including fees and reimbursement of expenses, of directors for services to the Corporation in any capacity.

(M) **Action by Consent.** Unless restricted by the Certificate of Incorporation, any action required or permitted to be taken by the Board of Directors or any committee thereof may be taken without a meeting if all members of the Board of Directors or such committee, as the case may be, consent thereto in writing or by electronic transmission, and the writing or writings are filed with the minutes of the proceedings of the Board of Directors or such committee, as the case may be. Such filing shall be in paper form if the minutes are maintained in paper form and shall be in electronic form if the minutes are maintained in electronic form.

(N) **Meetings by Telephone or Similar Communications.** Unless restricted by the Certificate of Incorporation, any one or more members of the Board of Directors or any committee thereof may participate in a meeting of the Board of Directors or such committee by means of a conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other. Participation by such means shall constitute presence in person at a meeting.

ARTICLE IV
COMMITTEES

(A) **Committees.** The Board of Directors, by resolutions adopted by a majority of the whole Board, may appoint such committee or committees as it shall deem advisable and with such functions and duties as the Board of Directors shall prescribe. The following Committees of the Board of Directors shall be established in addition to any additional Committee the Board of Directors may in its discretion establish as described herein:

(1) **Audit Committee**. There shall be an Audit Committee composed of at least of three directors. The members of the Audit Committee shall not be "interested persons" of the Corporation, as such term is defined in the 1940 Act, and shall be "independent directors" as defined in applicable listing standards and regulations. The Audit Committee shall have and may exercise those rights, powers and authority of the Board of Directors as may from time to time be granted to it by the Board of Directors; provided, however, that in addition to any such rights, powers or authority, the Audit Committee shall issue instructions to and receive reports from outside accounting firms and serve as the liaison between the Corporation and the said firms; and review all potential conflict-of-interest situations arising in respect of the Corporation's affairs and involving the Corporation's affiliates or employees, and to make a report, oral or written, to the full Board of Directors with recommendations for their resolutions.

(2) **IPO Committee**. There shall be an IPO Committee composed of at least three directors. The IPO Committee shall serve in an advisory capacity to the entire Board of Directors with respect to matters relating to an initial public offering of the Corporation, including: (i) the preparation and filing with the Securities and Exchange Commission under the Securities Act of 1933, as amended, of one or more Registration Statements on Form S-1, with exhibits (the "Registration Statement"), including

post-effective amendments, and any supplements to the prospectus or prospectuses contained therein as counsel for the Corporation may deem necessary or advisable or appropriate; (ii) the issuance and sale of shares of the Corporation's common stock (the "Common Stock"), par value $0.01 per share, plus the grant of an option to purchase (and the issuance and sale upon exercise of such option) additional shares of Common Stock to cover over-allotments, if any, to a group of underwriters (the "Underwriters"); (iii) the negotiation and finalization of the terms and conditions of an Underwriting Agreement (the "Underwriting Agreement") between the Corporation and the Underwriters relating to the public offering of shares of the Common Stock, including the determination of the consideration to be obtained by the Corporation upon the sale of shares of the Common Stock to the Underwriters pursuant to the Underwriting Agreement; (iv) the determination that, when issued and paid for pursuant to the Underwriting Agreement, all shares of the Common Stock, sold by the Corporation to the Underwriters, shall be validly issued, fully paid and nonassessable; and (v) the authorization of the Chairman of the Board, the President and Chief Executive Officer, the Chief Financial Officer and the General Counsel, and each of them, to take all such further action, and to execute and deliver all such further instruments and documents, and to make such filings, in the name and on behalf of the Corporation, and whether under its corporate seal attested by its Secretary or otherwise, and to cause the Corporation to pay such expenses, as in their judgment shall be necessary or desirable in order fully to carry out the intent and accomplish the purpose of the foregoing, the taking of any such further action, the execution of any such further instruments or documents, the making of any such filings or the payment of any such expenses to be conclusive evidence of such judgment. Notwithstanding anything to the contrary contained in this Article IV, any determination to (x) pursue an initial public offering of the Company or (y) take any action with respect to the matters described in Section (A)(2) of this Article IV shall, in either case, be prescribed by a resolution passed by a majority of the entire Board of Directors; provided, however, that in making such determination, the Board of Directors shall take into consideration any recommendations of the IPO Committee.

(3) **Other Committees**. The Board of Directors, by resolution passed by a majority of the entire Board of Directors, may designate one or more additional committees, each committee to consist of one or more of the directors of the Corporation. Subject to subsection (1) of this Section (A), the Board of Directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. Except to the extent restricted by statute or the Certificate of Incorporation, each such committee, to the extent provided in the resolution creating it, shall have and may exercise all the powers and authority of the Board of Directors and may authorize the seal of the Corporation to be affixed to all papers which require it. Each such committee shall serve at the pleasure of the Board of Directors and shall have such name as may be determined from time to time by resolution adopted by the Board of Directors. Each committee shall keep regular minutes of its meetings and report the same to the Board of Directors.

(B) **Committee Rules.** Each committee of the Board of Directors may fix its own rules of procedure and shall hold its meetings as provided by such rules, except as may otherwise be provided by a resolution of the Board of Directors designating such committee or in these

Bylaws. Unless otherwise provided in such a resolution or in these Bylaws, the presence of at least a majority of the members of the committee shall be necessary to constitute a quorum. Unless otherwise provided by resolution or in these Bylaws, in the event that a member and that member's alternate, if alternates are designated by the Board of Directors as provided in Section (A)(2) of this Article IV, of such committee is or are absent or disqualified, the member or members thereof present at any meeting and not disqualified from voting, whether or not such member or members constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in place of any such absent or disqualified member.

ARTICLE V
OFFICERS

(A) **Number and Qualifications.** The officers of the Corporation, who need not be employees of the Corporation, shall be elected by the Board of Directors and shall include the Chief Executive Officer, the Chief Financial Officer, the Chief Compliance Officer, and the Secretary. The Corporation, at the discretion of the Board of Directors, may also have such other officers as are desired, including a Chairman of the Board of Directors, a President, one or more Vice Presidents, a Chief Operating Officer, a Chief Investment Officer, a Treasurer, one or more Assistant Treasurers, one or more Assistant Secretaries, and such other officers as may be necessary or desirable for the business of the Corporation. If there are two or more Vice Presidents, then one or more may be designated as Executive Vice President, Senior Vice President, Assistant Vice President or other similar or dissimilar title. At the time of the election of officers, the directors may by resolution determine the order of their rank. Any number of offices may be held by the same person, and no officer (except the Chairman of the Board of Directors, if any) need be a director. In its discretion, the Board of Directors may choose not to fill any office for any period as it may deem advisable, except that the offices of Chief Executive Officer and the Secretary shall be filled as expeditiously as possible.

(B) **Election and Term of Office.** The officers of the Corporation shall be elected annually by the Board of Directors at its first meeting held after each annual meeting of stockholders or as soon thereafter as is convenient. The Chairman of the Board of Directors (if one is elected) and Chief Executive Officer shall be elected annually by the Board of Directors at the first meeting of the Board of Directors held after each annual meeting of stockholders or as soon thereafter as is convenient. Vacancies may be filled or new offices created and filled at any meeting of the Board of Directors. Each officer shall hold office until his successor shall have been duly elected and shall have qualified, or until his death, or until he or she shall have resigned or have been removed, as hereinafter provided in these Bylaws.

(C) **Resignations.** Any officer of the Corporation may resign at any time by giving written notice of his resignation to the Corporation. Any such resignation shall take effect at the time specified therein or, if the time when it shall become effective shall not be specified therein, immediately upon receipt. Unless otherwise specified therein, the acceptance of any such resignation shall not be necessary to make it effective.

(D) **Removal.** Any officer of the Corporation may be removed, either with or without cause, at any time, by the Board of Directors at any meeting thereof.

(E) **Vacancies.** Any vacancy occurring in any office because of death, resignation, removal, disqualification or otherwise, may be filled by the Board of Directors for the unexpired portion of the term by the Board of Directors then in office.

(F) **Chairman of the Board.** The Chairman of the Board of Directors (if one is elected) shall, if present, preside at all meetings of the Board of Directors and exercise and perform such other powers and duties as from time to time may be assigned to him or her by the Board of Directors or prescribed by these Bylaws.

(G) **Chief Executive Officer.** The Chief Executive Officer shall be the chief executive officer of the Corporation and shall have the powers and perform the duties incident to that position. He or she shall, in the absence of the Chairman of the Board of Directors, or if a Chairman of the Board of Directors shall not have been elected, preside at each meeting of the Board of Directors or the stockholders. He or she shall have the right to attend the meetings of the Board of Directors and all committees of the Board of Directors. Subject to the powers of the Board of Directors, he or she shall be in the general and active charge of the entire business and affairs of the Corporation, including authority over its officers, agents and employees, and shall have such other duties as may from time to time be assigned to him or her by the Board of Directors. The Chief Executive Officer shall be responsible for implementing all orders and resolutions of the Board of Directors, and shall execute bonds, mortgages and other contracts required to be executed under the seal of the Corporation, except when required or permitted by law to be otherwise signed and executed and except when the signing and execution thereof shall be expressly delegated by the Board of Directors or the Chief Executive Officer to some other officer or agent of the Corporation.

(H) **Chief Financial Officer; Treasurer.** The Chief Financial Officer:

(1) Shall have charge and custody of, and be responsible for, all the funds and securities of the Corporation;

(2) Shall keep full and accurate accounts of receipts and disbursements in books belonging to the Corporation;

(3) Shall deposit all moneys and other valuables to the credit of the Corporation in such depositories as may be designated by the Board of Directors or pursuant to its direction;

(4) Shall receive, and give receipts for, moneys due and payable to the Corporation from any source whatsoever;

(5) Shall disburse the funds of the Corporation and supervise the investments of its funds, taking proper vouchers therefore;

(6) Shall render to the Board of Directors, whenever the Board of Directors may require, an account of the financial condition of the Corporation; and

(7) Shall in general, perform all duties incident to the office of Chief Financial Officer and such other duties as from time to time may be assigned to him or her by the Board of Directors or the Chief Executive Officer.

The Chief Financial Officer may also be the Treasurer of the Corporation if so determined by the Board of Directors. The Treasurer shall assist the Chief Financial Officer in the performance of his duties and shall perform such other duties as may be required by law or as from time to time may be assigned to such officer by the Board of Directors or the Chief Executive Officer.

(I) **Secretary.** The Secretary:

(1) Shall keep or cause to be kept in one or more books provided for the purpose, the minutes of all meetings of the Board of Directors, the committees of the Board of Directors and the stockholders;

(2) Shall verify all notices are duly given in accordance with the provisions of these Bylaws and as required by law;

(3) Shall be custodian of the records and the seal of the Corporation and affix and attest the seal to all certificates for shares of the Corporation (unless the seal of the Corporation on such certificates shall be a facsimile, as hereinafter provided) and affix and attest the seal to all other documents to be executed on behalf of the Corporation under its seal;

(4) Shall verify that the books, reports, statements, certificates and other documents and records required by law to be kept and filed are properly kept and filed; and

(5) Shall, in general, perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him or her by the Board of Directors or the Chief Executive Officer.

(J) **Chief Compliance Officer.** The Chief Compliance Officer, subject to the direction of and reporting to the Board of Directors, shall be responsible for the oversight of the Corporation’s compliance with the Federal securities laws. The designation, compensation and removal of the Chief Compliance Officer must be approved by the Board of Directors, including a majority of the directors who are not “interested persons” (as such term is defined in Section 2(a)(19) of the 1940 Act) of the Corporation. The Chief Compliance Officer shall perform such executive, supervisory and management functions and duties as may be assigned to him or her from time to time.

(K) **Other Officers, Assistant Officers and Agents.** Officers, assistant officers and agents, if any, other than those whose duties are provided for in these Bylaws, shall have such authority and perform such duties as may from time to time be prescribed by resolution of the Board of Directors.

(L) **Officers' Bonds or Other Security.** If required by the Board of Directors, any officer of the Corporation shall give a bond or other security for the faithful performance of his duties, in such amount and with such surety as the Board of Directors may require.

(M) **Absence or Disability of Officers.** In the case of the absence or disability of any officer of the Corporation and of any person hereby authorized to act in such officer's place during such officer's absence or disability, the Board of Directors may by resolution delegate the powers and duties of such officer to any other officer or to any director, or to any other person whom it may select.

ARTICLE VI
INDEMNI FICATION; EXCULPATION

(A) **General.** Indemnification and the right to advancement of expenses of the officers and directors of the Corporation and the Corporation's investment adviser (TSL Advisers, LLC, and hereinafter, the "Adviser") shall be governed by Articles VII and VIII of the Certificate of Incorporation. As permitted by Article VIII of the Certificate of Incorporation, the Corporation shall, to the fullest extent permitted by law, provide indemnification and the right to the advancement of expenses, to each person who was or is made a party or is threatened to be made a party to or is involved (including, without limitation, as a witness) in any actual or threatened action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he/she:

(i) is or was an officer, director, or other corporate agent of the Adviser or its affiliates, including without limitation the Administrator (as defined in the Administration Agreement between TPG Specialty Lending, Inc. and TSL Advisers, LLC, as amended from time to time), or is or was a member of the Adviser's Investment Review Committee (as defined in the Investment Advisory and Management Agreement Between TPG Specialty Lending, Inc. and TSL Advisers, LLC, as amended from time to time);

(ii) is or was a director or officer of the Corporation, or is or was serving on behalf of the Corporation as a director or officer of another corporation (including but not limited to any subsidiary of the Corporation), partnership, limited liability company, joint venture, trust or other enterprise, including service with respect to an employee benefit plan; or

(iii) is or was serving as an employee or agent of the Corporation to whom the Corporation has granted indemnification rights

(each such person, an "Indemnitee"), on the same general terms set forth in Article VIII of the Certificate of Incorporation, the terms of which are incorporated herein *mutatis mutandi*.

Notwithstanding the foregoing, indemnification under Article VIII of the Certificate of Incorporation shall not be permitted if the Indemnitee did not act in good faith with the reasonable belief that its conduct was in, or not opposed to, the best interest of the Corporation, or if the Indemnitee's conduct constituted gross negligence, bad faith, reckless disregard, or willful misconduct.

(B) **Severability.** Any determination by any court of competent jurisdiction of the invalidity of any provision of this Article VI will not affect the validity of any other provision of this Article VI, which will remain in full force and effect.

ARTICLE VII
STOCK CERTIFICAT ES AND THEIR TRANSFER

(A) **Stock Certificates.** The Board of Directors may issue stock certificates, or may provide by resolution or resolutions that some or all of any or all classes or series of stock of the Corporation shall be uncertificated shares of stock. Notwithstanding the adoption of such a resolution by the Board of Directors, every holder of stock represented by a certificate and, upon request, every holder of uncertificated shares shall be entitled to have a certificate, signed by, or in the name of the Corporation by, the Chief Executive Officer or other officer of the Corporation and by the Treasurer or an Assistant Treasurer or the Secretary or an Assistant Secretary of the Corporation, certifying the number of shares owned by him or her in the Corporation. A certificate representing shares issued by the Corporation shall, if the Corporation is authorized to issue more than one class or series of stock, set forth upon the face or back of the certificate, or shall state that the Corporation will furnish to any stockholder upon request and without charge, a full statement of the designations, preferences and relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights. The Corporation shall furnish to any holder of uncertificated shares, upon request and without charge, a full statement of the designations, preferences and relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights. Any request by a holder for a certificate shall be in writing and directed to the Secretary of the Corporation.

(B) **Facsimile Signatures.** Any or all of the signatures on a certificate may be a facsimile, engraved or printed. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the Corporation with the same effect as if he or she were such officer, transfer agent or registrar at the date of issue.

(C) **Lost Certificates.** The Board of Directors may direct a new certificate or certificates to be issued in place of any certificate or certificates theretofore issued by the Corporation alleged to have been lost, stolen, or destroyed. When authorizing such issue of a new certificate or certificates, the Board of Directors may, in its discretion and as a condition precedent to the issuance thereof, require the owner of such lost, stolen, or destroyed certificate or certificates, or his legal representative, to give the Corporation a bond in such sum as it may direct sufficient to indemnify it against any claim that may be made against the Corporation on account of the alleged loss, theft or destruction of any such certificate or the issuance of such new certificate.

(D) **Transfers of Stock.** Upon surrender to the Corporation or the transfer agent of the Corporation of a certificate for shares duly endorsed or accompanied by proper evidence of succession, assignment or authority to transfer, it shall be the duty of the Corporation to issue a new certificate to the person entitled thereto, cancel the old certificate and record the transaction

upon its records; provided, however, that the Corporation shall be entitled to recognize and enforce any lawful restriction on transfer. Whenever any transfer of stock shall be made for collateral security, and not absolutely, it shall be so expressed in the entry of transfer if, when the certificates are presented to the Corporation for transfer, both the transferor and the transferee request the Corporation to do so.

(E) **Transfer Agents and Registrars.** The Board of Directors may appoint, or authorize any officer or officers to appoint, one or more transfer agents and one or more registrars.

(F) **Regulations.** The Board of Directors may make such additional rules and regulations, not inconsistent with these Bylaws, as it may deem expedient concerning the issue, transfer and registration of certificates for shares of stock of the Corporation.

(G) **Fixing the Record Date.** In order that the Corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, or entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the Board of Directors may fix, in advance, a record date, which shall not be more than sixty (60) nor less than ten (10) days before the date of such meeting, nor more than sixty (60) days prior to any other action. If no record date is fixed by the Board of Directors, the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be the close of business on the day next preceding the day on which notice is given, or if notice is waived, at the close of business on the day next preceding the day on which the meeting is held. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for the adjourned meeting.

(H) **Registered Stockholders.** The Corporation shall be entitled to recognize the exclusive right of a person registered on its records as the owner of shares of stock to receive dividends and to vote as such owner, shall be entitled to hold liable for calls and assessments a person registered on its records as the owner of shares of stock, and shall not be bound to recognize any equitable or other claim to or interest in such share or shares of stock on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of Delaware.

ARTICLE VIII
GENERAL PROVISIONS

(A) **Dividends.** Subject to the provisions of statutes and the Certificate of Incorporation, dividends upon the shares of capital stock of the Corporation may be declared by the Board of Directors at any regular or special meeting. Dividends may be paid in cash, in property or in shares of stock of the Corporation, unless otherwise provided by statute or the Certificate of Incorporation.

(B) **Reserves.** Before payment of any dividend, there may be set aside out of any funds of the Corporation available for dividends such sum or sums as the Board of Directors may, from

time to time, in its absolute discretion, think proper as a reserve or reserves to meet contingencies, or for equalizing dividends, or for repairing or maintaining any property of the Corporation or for such other purpose as the Board of Directors may think conducive to the interests of the Corporation. The Board of Directors may modify or abolish any such reserves in the manner in which it was created.

(C) **Seal.** The seal of the Corporation shall be in such form as shall be approved by the Board of Directors, which form may be changed by resolution of the Board of Directors.

(D) **Fiscal Year.** The fiscal year of the Corporation shall end on December 31 of each calendar year and may thereafter be changed by resolution of the Board of Directors.

(E) **Checks, Notes, Drafts; Etc.** All checks, notes, drafts or other orders for the payment of money of the Corporation shall be signed, endorsed or accepted in the name of the Corporation by such officer, officers, person or persons as from time to time may be designated by the Board of Directors or by an officer or officers authorized by the Board of Directors to make such designation.

(F) **Execution of Contracts, Deeds, Etc.** The Board of Directors may authorize any officer or officers, agent or agents, in the name and on behalf of the Corporation to enter into or execute and deliver any and all deeds, bonds, mortgages, contracts and other obligations or instruments, and such authority may be general or confined to specific instances.

(G) **Inspection of Books and Records.** Any stockholder of record, in person or by attorney or other agent, shall, upon written demand under oath stating the purpose thereof, have the right during the usual hours for business to inspect for any proper purpose the Corporation’s stock ledger, a list of its stockholders, and its other books and records, and to make copies or extracts therefrom. A proper purpose shall mean any purpose reasonably related to such person’s interest as a stockholder. In every instance where an attorney or other agent shall be the person who seeks the right of inspection, the demand under oath shall be accompanied by a power of attorney or such other writing which authorizes the attorney or other agent to so act on behalf of the stockholder. The demand under oath shall be directed to the Corporation at its registered office in the State of Delaware or at its principal place of business.

(H) **References to Days.** For purposes of these Bylaws, all references herein to “days” shall mean calendar days unless otherwise expressly indicated to mean business days. Any period of time referenced herein that is scheduled to end on a day that is not a calendar day and any event that is scheduled to occur on a day that is not a calendar day, unless otherwise expressly indicated, shall instead end or occur on the next succeeding business day.

(I) **Inconsistent Provisions.** In the event that any provision of these Bylaws is or becomes inconsistent with any provision of the Certificate of Incorporation, the General Corporation Law of the State of Delaware or any other applicable law, the provision of these Bylaws shall not be given any effect to the extent of such inconsistency but shall otherwise be given full force and effect.

ARTICLE IX
AMENDMENTS

Except as otherwise provided in these Bylaws, these Bylaws may be amended or repealed or new Bylaws adopted only in accordance with Article VI of the Certificate of Incorporation.

Exhibit 31.1

CEO CERTIFICATION

I, Joshua Easterly, certify that:

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

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

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

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

a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles; and

c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

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

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

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

Date: November 7, 2016

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

Exhibit 31.2

CEO CERTIFICATION

I, Michael Fishman, certify that:

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

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

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

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

a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles; and

c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

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

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

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

Date: November 7, 2016

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

Exhibit 31.3

CFO CERTIFICATION

I, Ian Simmonds, certify that:

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

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

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

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

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles; and

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

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

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

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

Date: November 7, 2016

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 TPG Specialty Lending, Inc. (the "Company") for the quarterly period ended September 30, 2016, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Joshua Easterly and Michael Fishman, as Co-Chief Executive Officers of the Company, and 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: Co-Chief Executive Officer
Date: November 7, 2016

/s/ Michael Fishman
Name: Michael Fishman
Title: Co-Chief Executive Officer
Date: November 7, 2016

/s/ Ian Simmonds
Name: Ian Simmonds
Title: Chief Financial Officer
Date: November 7, 2016

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.