



# SIXTH STREET SPECIALTY LENDING, INC

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May 2021

# DISCLAIMER AND FORWARD-LOOKING STATEMENT

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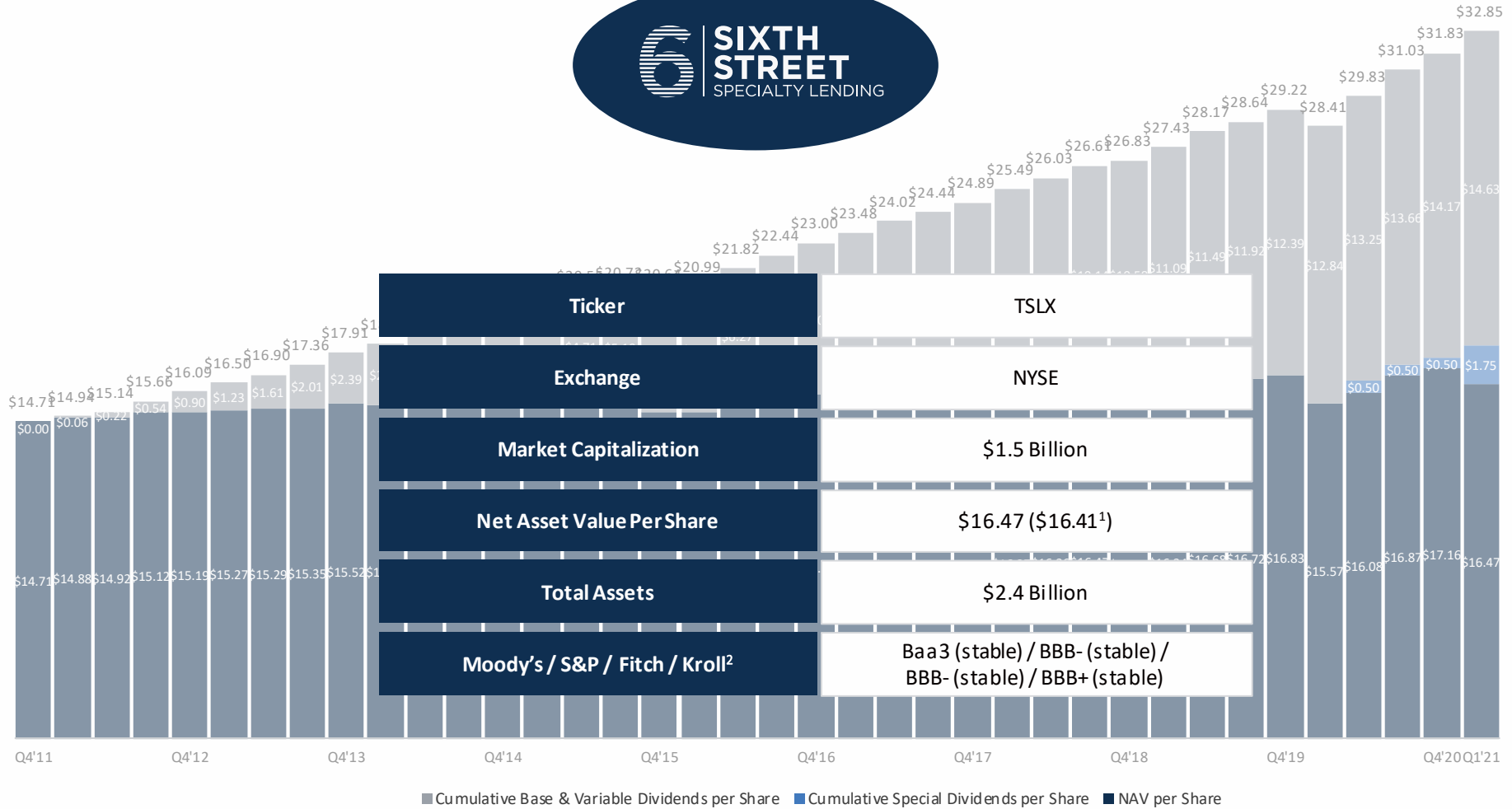
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This Presentation includes forward-looking statements about TSLX that involve substantial risks and uncertainties. These forward-looking statements are not historical facts, but rather are based on current expectations, estimates and projections about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

# OVERVIEW

## SPECIALTY FINANCE COMPANY FOCUSED ON LENDING TO MIDDLE-MARKET COMPANIES



# OUR COMPETITIVE ADVANTAGES



## Leading Platform and Proprietary Deal Flow

- 33 dedicated professionals as of May 2021
- Leverage resources of Sixth Street
- 99% of investments are directly originated
- SEC exemptive order for co-investments

## Disciplined Investment / Underwriting Process

- Focus on risk-adjusted returns, not absolute return
- Strong documentation with effective voting control on 87% of debt investments
- Robust and active asset management

## Senior, Floating Portfolio w/ Strong Yields

- 68 companies with a weighted average total yield of 10.1% at amortized cost<sup>1</sup>
- 94.9% first lien, 99.0% floating rate<sup>2</sup>
- 84% of debt investments have call protection
- Embedded inflation and reinvestment protection

## Experienced Management Team

- Senior team members have over 240 years of collective experience as commercial dealmakers and risk managers
- Average gross unlevered IRR, weighted by capital invested, of approximately 18.9% on fully exited investments totaling \$5.0 billion of cash invested

## ROE-Enhancing Opportunities

- Revised financial policy of 0.90x-1.25x debt-to-equity following the adoption of the SBCAA in October 2018; potential to drive higher ROEs
- Investment grade ratings from Moody's, S&P, Fitch and Kroll

1. Total yield on investments is calculated based on the interest rate and the accretion of original issue discount ("OID")

2. Includes fixed rate investments for which TSLX entered into an interest rate swap agreement to swap to a floating rate. Calculation includes income earning debt investments only

Note: As of 3/31/2021, unless otherwise noted

# TSLX CREDIT HIGHLIGHTS

**1.**  
Strong Liquidity and Funding Profile

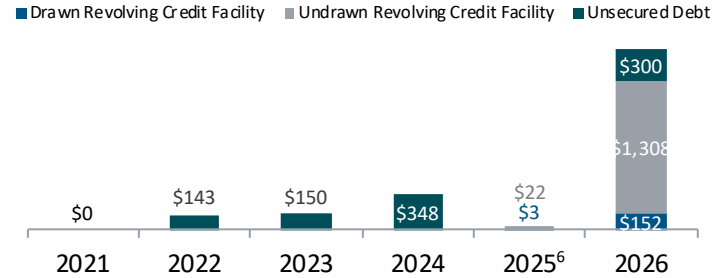
**2.**  
Track Record of Strong Performance

**3.**  
Strong Interest and Dividend Coverage

**4.**  
Low Volatility Portfolio

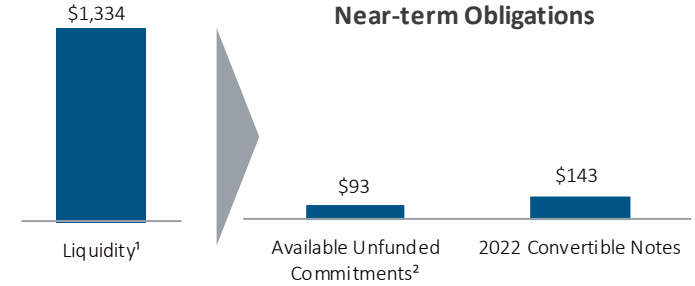
## STAGGERED, LONG-TERM DEBT MATURITIES

As of March 31, 2021 / \$ Millions

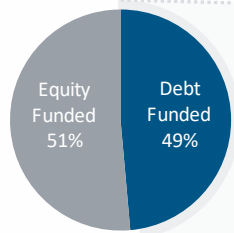


## ROBUST LIQUIDITY VS. NEAR-TERM OBLIGATIONS

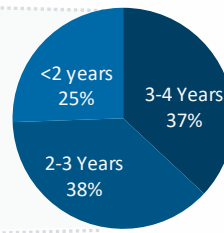
As of March 31, 2021 / \$ Millions



## PORTFOLIO FUNDING PROFILE<sup>3</sup>

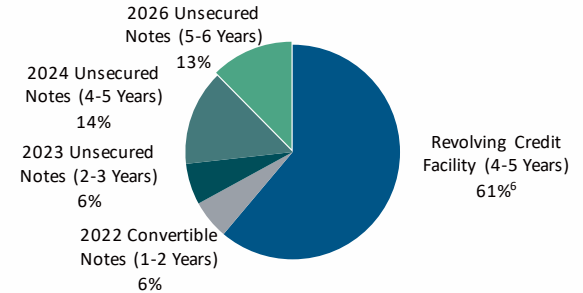


## INVESTMENTS FUNDED WITH DEBT



Weighted average remaining life of investments funded by debt of ~2.4 years<sup>4</sup>

## REMAINING DURATION OF DEBT



Weighted average remaining maturity of debt of ~4.3 years<sup>5</sup>

**Well protected balance sheet and ability to reinvest in a wider spread environment**

1. Represents total undrawn capacity on revolving credit facility and unrestricted cash
  2. Commitments may be subject to limitations on borrowings set forth in the agreements between the Company and the applicable portfolio company. As a result, portfolio companies may not be eligible to borrow the full commitment amount on such date. Such ineligible amounts are excluded
  3. Net of Deferred Financing Costs and Interest Rate Fair Value Hedging. Deferred Financing Costs total \$21.4M at 3/31/20, \$19.7M at 6/30/20, \$18.4M at 9/30/20, \$17.2M at 12/31/20 and \$23.7M at 3/31/21. Fair value hedge on interest rate swaps related to the 2024 and 2026 notes total \$17.0M at 3/31/20, \$19.3M at 6/30/20, \$18.1M at 9/30/20, \$16.8M at 12/31/20 and \$2.2M at 3/31/21
  4. Weighted by amortized cost of debt investments. Investments are financed by debt and permanent equity capital. This analysis assumes longer-dated investments are currently funded by permanent equity capital (51% of investments) and the remaining (shorter-dated) investments (49% of investments) are currently funded by debt financing. Investments for purposes of this analysis exclude unfunded commitments, and permanent equity capital is defined as 3/31/21 estimated net assets
  5. Weighted by gross commitment amount
  6. Pro forma for the extension of \$70mm additional commitments to a maturity date of February 4, 2026 that occurred in April 2021
- Note: As of 3/31/21. Numbers may not sum to 100% due to rounding

# TSLX CREDIT HIGHLIGHTS

1.  
Strong Liquidity and  
Funding Profile

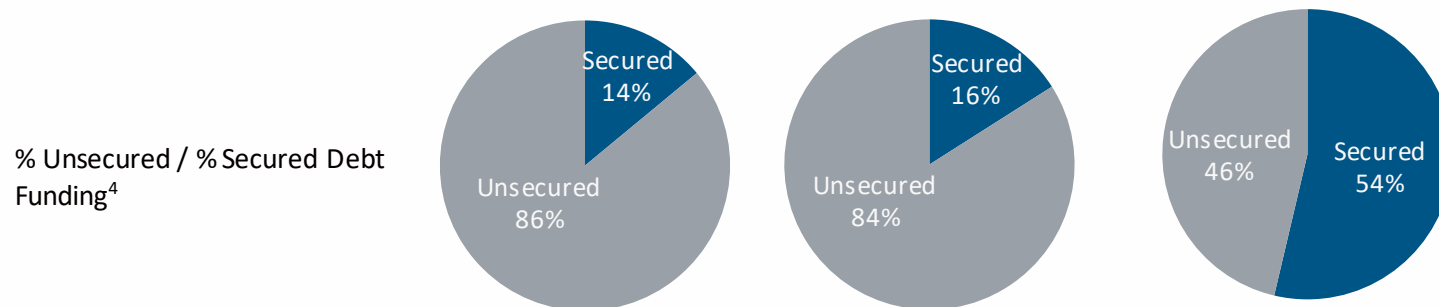
2.  
Track Record of Strong  
Performance

3.  
Strong Interest and  
Dividend Coverage

4.  
Low Volatility Portfolio

## TSLX LIQUIDITY & FUNDING PROFILE VS PEERS

	TSLX		Rated BDC Peers <sup>1</sup>
	Q1 2021	Q4 2020*	Q4 2020 Median
Liquidity as % of Total Assets <sup>2</sup>	55%	56%	20%
Liquidity as a Multiple of Unfunded Commitments <sup>3</sup>	14.4x	14.4x	3.8x
Regulatory Leverage (Net)	0.92x <sup>5</sup>	0.95x	0.95x



\*Adjusted to reflect the \$300 million 2026 unsecured notes offering, of which the net proceeds were used to pay down a portion of the outstanding revolver borrowings, and the February 2021 amendment to the revolving credit facility, which upsized the facility by \$150 million to \$1.485 billion and extended the maturity date to February 2026 for \$1.390 billion of commitments

1. Rated BDC Peers include 18 publicly-traded BDCs that are rated by Moody's, S&P, Fitch, and/or Kroll

2. Calculated as (total undrawn commitments under revolving credit facility + unrestricted cash) / total assets

3. Calculated as (total undrawn commitments under revolving credit facility + unrestricted cash) / unfunded commitments. Since unfunded commitments may be subject to limitations on borrowings set forth in the agreements between the Company and the applicable portfolio company, when data is available, we use the lesser of i) eligible unfunded commitment to be drawn for applicable period, or latest available and ii) total unfunded commitments

4. Based on debt outstanding pro forma for any unsecured debt issuances post quarter ended 12/31/20

5. Pro forma for the payment of the \$1.25/share special dividend with a record date in Q1 2021, debt to equity at quarter-end Q1 2021 is 1.00x

Source: SNL, Company filings / information

# TSLX CREDIT HIGHLIGHTS

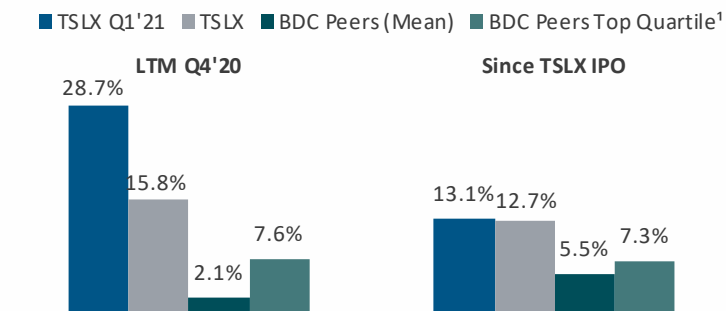
1. Strong Liquidity and Funding Profile

2. Track Record of Strong Performance

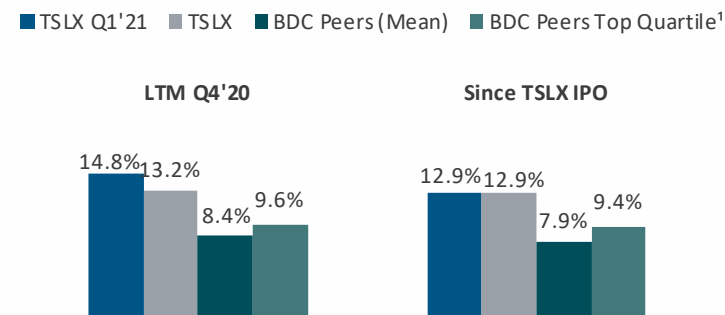
3. Strong Interest and Dividend Coverage

4. Low Volatility Portfolio

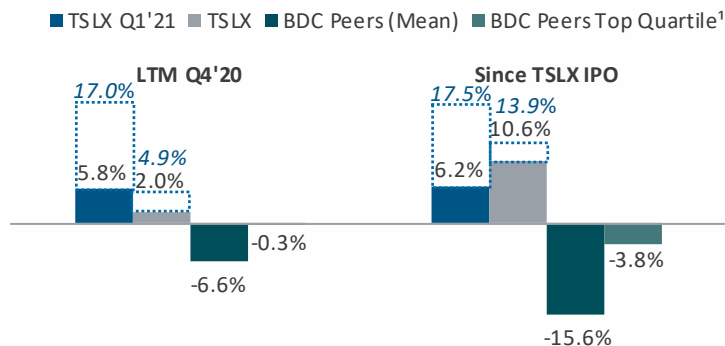
## NI RETURN ON EQUITY<sup>2</sup>



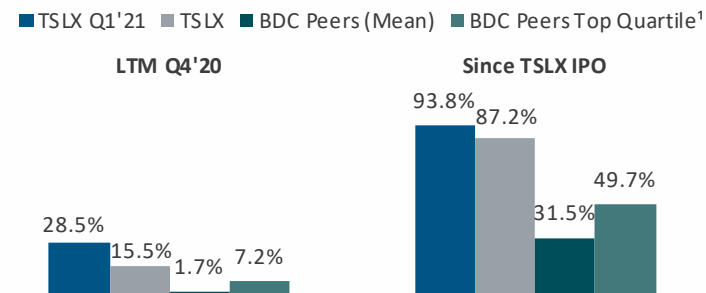
## NII RETURN ON EQUITY<sup>2</sup>



## NAV GROWTH PER SHARE<sup>3</sup>



## TOTAL ECONOMIC RETURN (CHANGE IN NAV PLUS DIVIDENDS)<sup>4</sup>



■ TSLX Q1'21 "LTM" and "Since TSLX IPO" calculations include Q1 2021 quarterly results

▨ Adjusted for cumulative special dividends with record dates applicable to each time period

1. Top quartile constituents for each metric and time period varies based on BDC peer set's performance rankings

2. Calculated as reported net investment income and reported net income per share over each time period, divided by beginning NAV per share; "Since TSLX IPO" figure is adjusted for annual basis. TSLX NI and NII are adjusted to exclude the capital gains incentive fee expense that was accrued, but not paid, related to cumulative unrealized capital gains in excess of cumulative net realized capital gains less any cumulative unrealized losses and capital gains incentive fees paid inception to date

3. Calculated as the cumulative change in reported net asset value per share over each time period, unless otherwise indicated

4. For "LTM" and "Since TSLX IPO", reflects change in reported net asset value per share plus dividends (based on record date) from 12/31/2019 through 12/31/2020 and 3/31/2014 through 12/31/2020, respectively

Note: BDC Peers consist of 19 externally managed BDCs in the S&P BDC Index with total assets greater than \$750 million as of 6/30/20 financials, with the addition of BKCC, MRCC, OCSI, GAIN and SUNS. Source: SNL Financial as of December 31, 2020

# TSLX CREDIT HIGHLIGHTS

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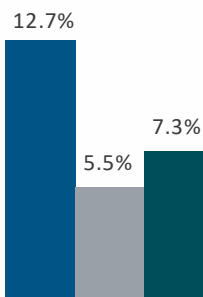
4.  
Low Volatility Portfolio

## TSLX UNIT ECONOMICS VS. PEERS

### NI RETURN ON EQUITY

- TSLX
- BDC Peers (Mean)
- BDC Peers Top Quartile

Since TSLX IPO



### Unit Economics (since TSLX IPO)

	<u>BDC Peers</u>	<u>TSLX</u>	
<b>Return on Assets:</b>			
<b>All-in Yield (on Assets)</b>	9.8%	13.0%	<i>Higher return on assets</i>
Cost of funds <sup>(1)</sup>	(4.6%)	(4.6%)	
Debt/Equity	0.81x	0.74x	<i>Lower leverage</i>
<b>ROE (on Equity)*</b>	<b>14.0%</b>	<b>19.3%</b>	
Management Fees <sup>(2)</sup>	(2.8%)	(2.6%)	<i>Lower structural fees</i>
Operating Expenses	(0.8%)	(1.3%)	
<b>ROE Before Incentive Fee</b>	<b>10.4%</b>	<b>15.4%</b>	
Incentive Fees <sup>(2)</sup>	(2.0%)	(2.7%)	
Management & Incentive Fee Waivers <sup>(3)</sup>	0.9%	0.0%	
Net Realized & Unrealized Gains (Losses)	(3.8%)	0.0%	<i>Lower losses</i>
<b>ROE on NI</b>	<b>5.5%</b>	<b>12.7%</b>	

\*Calculated as All-in-Yield (on Assets) x (1 + Assumed Debt/Equity) – Cost of Funds x Assumed Debt/Equity

1. Cost of funds reflect the annualized interest expense over average debt outstanding for the 6.75-year period beginning 3/31/2014 (including deferred financing costs and amortization of upfront fees) and giving effect to the swap-adjusted interest rate on debt instruments

2. TSLX fee structure reflects management fees of 1.50% on average quarterly assets and incentive fees of 17.50% on pre-incentive fee income; industry fee structure for the purpose of this analysis reflects average BDC Peers management fees of ~1.50% and incentive fees of ~19.1% pre-incentive fee income

3. Reflects the impact of management & incentive fee waivers on ROEs

Source: SNL Financial as of 12/31/20



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## TSLX VS RATED BDC PEERS

(\$ in millions)	Ticker	Long Term Credit Ratings				Key Credit Metrics				ROE (NI)					
		Moody's	S&P	Fitch	KBRA	Debt / Equity <sup>(1)</sup>	Debt / Assets <sup>(1)</sup>	Interest Coverage <sup>(2)</sup>	Interest & Dividend Coverage <sup>(3)</sup>	Assets	Debt <sup>(1)</sup>	% 1st Lien <sup>(4)</sup>	% Debt Unsecured <sup>(5)</sup>	LTM <sup>(6)</sup>	Since TSLX IPO <sup>(7)</sup>
		Ares Capital Corp	ARCC	Baa3 (stable)	BBB- (stable)	BBB (neg)		1.19x	53%	3.6x	1.1x	\$16,196	\$8,550	46%	67%
Owl Rock Capital Corporation	ORCC	Baa3 (stable)	BBB- (stable)	BBB- (stable)	BBB (stable)	0.92x	47%	4.4x	1.3x	11,304	5,293	78%	45%	6.6%	8.9%
FS KKR Capital II	FSKR				BBB (neg)	0.93x	46%	3.8x	1.4x	8,522	3,960	66%	12%	-7.6%	2.6%
FS KKR Capital	FSK	Baa3 (stable)		BBB- (neg)	BBB (stable)	1.29x	55%	2.9x	1.0x	7,237	3,997	51%	70%	-10.6%	0.1%
Prospect Capital	PSEC	Baa3 (stable)	BBB- (neg)		BBB- (stable)	0.62x	37%	3.0x	1.2x	5,701	2,132	58%	87%	13.5%	6.4%
Golub Capital	GBDC		BBB- (neg)		BBB- (stable)	0.95x	48%	3.2x	1.1x	4,803	2,322	57%	43%	2.0%	7.9%
New Mountain Finance Corp	NMFC	Baa3 (stable)		BBB- (neg)	BBB- (stable)	1.45x	58%	2.5x	1.0x	3,098	1,798	53%	43%	4.8%	7.3%
Main Street Capital	MAIN		BBB- (stable)			0.80x	44%	3.8x	1.0x	2,769	1,214	97%	48%	1.5%	10.8%
Bain Capital Specialty Finance	BCSF	Baa3 (stable)				1.37x	56%	2.4x	1.0x	2,603	1,458	87%	62%	-1.3%	4.0%
Apollo Investment	AINV				BBB- (neg)	1.49x	59%	3.0x	1.1x	2,579	1,512	86%	23%	-6.5%	1.2%
Hercules Capital	HTGC	Baa3 (stable)			BBB+ (stable)	1.00x	49%	3.3x	1.1x	2,624	1,296	84%	64%	18.7%	10.7%
Solar Capital	SLRC	Baa3 (stable)		BBB- (stable)		0.79x	35%	3.2x	0.9x	1,936	671	94%	66%	1.7%	5.7%
BlackRock TCP Capital	TCPC	Baa3 (stable)		BBB- (stable)		1.11x	51%	3.1x	1.1x	1,672	850	88%	88%	9.4%	6.6%
Oaktree Specialty Lending	OCSL	Baa3 (stable)		BBB- (stable)		0.72x	39%	3.9x	1.2x	1,794	695	60%	43%	9.8%	0.8%
Goldman Sachs BDC	GSBD	Baa3 (stable)		BBB- (stable)		1.01x	49%	3.9x	0.8x	3,312	1,627	82%	62%	10.7%	6.5%
Barings BDC Inc	BBDC	Baa3 (stable)				1.31x	57%	2.4x	1.0x	1,223	691	92%	7%	0.5%	1.4%
Crescent Capital BDC	CCAP				BBB- (stable)	0.84x	45%	4.4x	1.1x	1,054	472	78%	9%	10.0%	6.5%
BlackRock Capital	BKCC				BB- (stable)	0.57x	35%	3.2x	1.3x	512	180	37%	79%	-24.0%	-0.9%
<b>Median</b>						<b>0.98x</b>	<b>49%</b>	<b>3.2x</b>	<b>1.1x</b>			<b>78%</b>	<b>55%</b>	<b>3.4%</b>	<b>6.4%</b>
<b>Mean</b>						<b>1.02x</b>	<b>48%</b>	<b>3.3x</b>	<b>1.1x</b>			<b>72%</b>	<b>51%</b>	<b>2.5%</b>	<b>5.3%</b>
Sixth Street Specialty Lending	TSLX	Baa3 (stable)	BBB- (stable)	BBB- (stable)	BBB+ (stable)	0.95x	48%	5.1x	1.4x	\$2,339	\$ 1,119	96%	84%	15.8%	12.7%
Sixth Street Specialty Lending	TSLX	Baa3 (stable)	BBB- (stable)	BBB- (stable)	BBB+ (stable)	0.92x	45%	5.6x	1.4x	\$2,418	\$ 1,096	95%	86%	28.7%	13.1%

TSLX calculations are as of and for the quarter ended 3/31/2021

Source: SNL Financial and company filings, data as of quarter ended 12/31/2020

(1) Debt figure includes SBA debentures

(2) Interest coverage defined as (LTM net investment income + LTM interest expense) / LTM interest expense

(3) Interest & dividend coverage defined as (LTM net investment income + LTM interest expense) / (LTM interest expense + LTM regular dividends paid); excludes special dividends paid

(4) Based on fair value. Senior secured debt was split evenly between first and second lien for GBDC

(5) Pro forma for any unsecured debt issuances post quarter ended 12/31/20

(6) Calculated as LTM 12/31/2020 cumulative reported net income per share divided by beginning NAV per share at 12/31/2019. TSLX NI is adjusted to exclude the capital gains incentive fee expense that was accrued, but not paid, related to cumulative unrealized capital gains in excess of cumulative net realized capital gains less any cumulative unrealized losses and capital gains incentive fees paid inception to date

(7) Calculated as cumulative reported net income per share from 3/31/2014 to 12/31/2020, divided by beginning NAV per share at 3/31/2014, adjusted for annual basis. TSLX NI is adjusted to exclude the capital gains incentive fee expense that was accrued, but not paid, related to cumulative unrealized capital gains in excess of cumulative net realized capital gains less any cumulative unrealized losses and capital gains incentive fees paid inception to date

# TSLX CREDIT HIGHLIGHTS

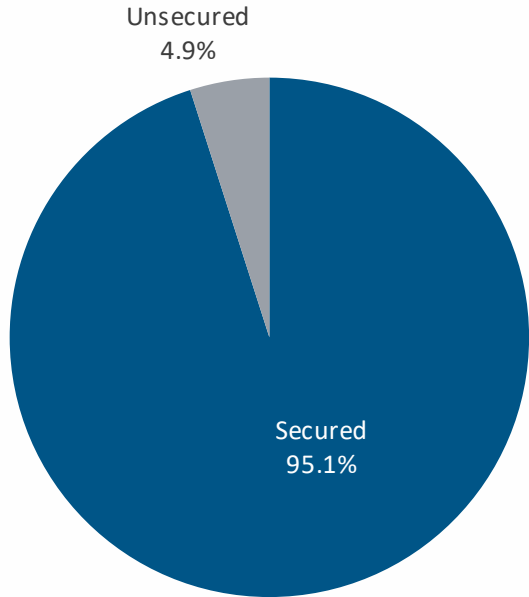
## LOW VOLATILITY PORTFOLIO

1.  
Strong Liquidity and  
Funding Profile

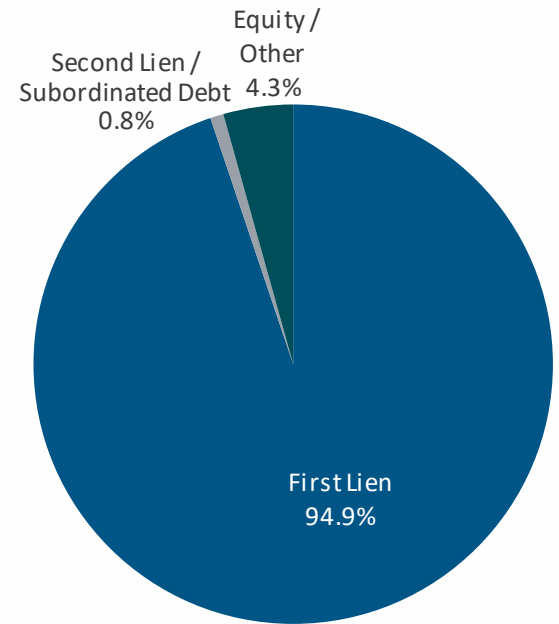
2.  
Track Record of Strong  
Performance

3.  
Strong Interest and  
Dividend Coverage

### HIGHLY SECURED



### TOP OF THE CAPITAL STRUCTURE



***TSLX maintains a low volatility portfolio that is highly secured***

4.  
Low Volatility Portfolio

Note: By fair value of investments as of 3/31/2021

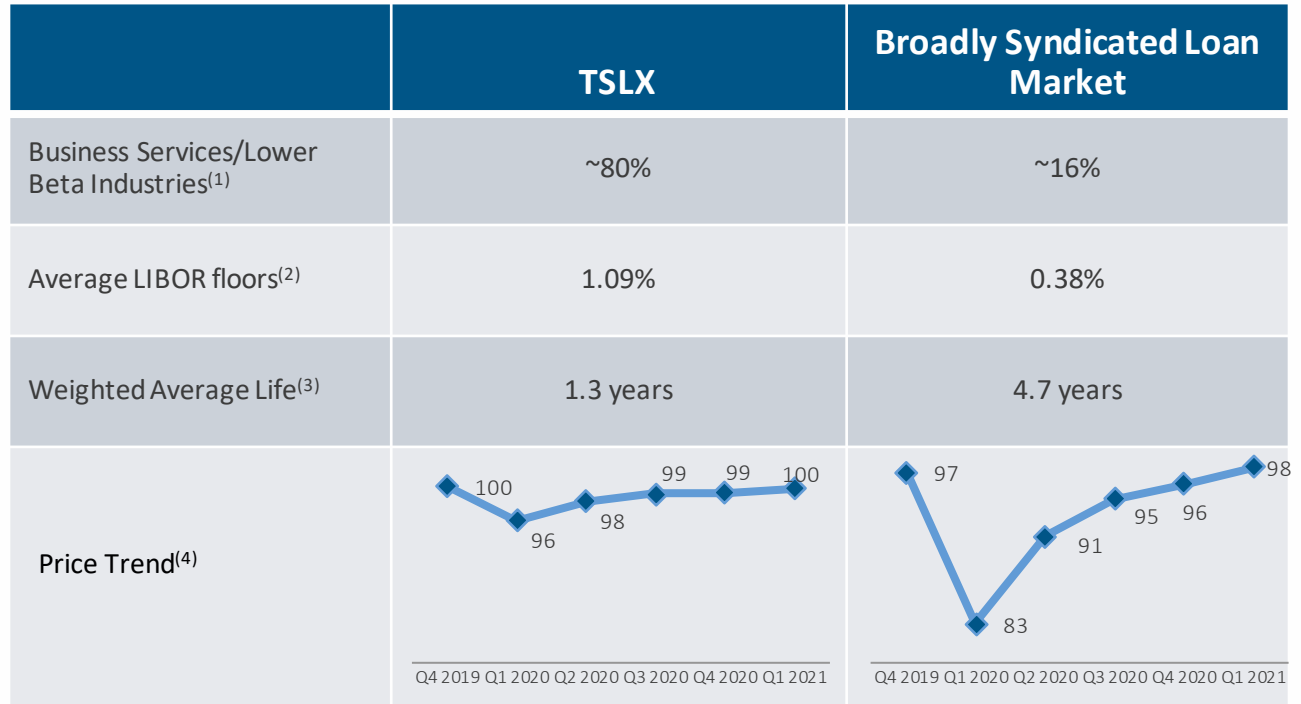
# TSLX CREDIT HIGHLIGHTS

## TSLX PORTFOLIO VS. BROADLY SYNDICATED LOAN MARKET

1.  
Strong Liquidity and  
Funding Profile

2.  
Track Record of Strong  
Performance

3.  
Strong Interest and  
Dividend Coverage



### Characteristics of our portfolio that contribute to lower beta

(1) TSLX classifies the industries of its portfolio companies by end-market (such as healthcare, and business services) and not by the products or services (such as software) directed to those end-markets. For the broadly syndicated loan market, the figure represents the percentage weighting of “Electronics/electric” names in the SPLSTA Leveraged Loan Index by market value

(2) Reflects average LIBOR floors across the entire TSLX portfolio and the SPLSTA Leveraged Loan Index, respectively

(3) Represents the weighted average duration assumption of TSLX’s Level III debt investments and the years to maturity for the SPLSTA Leveraged Loan Index, respectively

(4) Weighted average fair value mark of debt portfolio for TSLX and the prices for the SPLSTA Leveraged Loan Index, respectively

Source: LCD, as of March 31, 2021

# TSLX PRINCIPLES AND INVESTMENT STRATEGY

---

## 1 Differentiated Platform Expertise and Capabilities

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

## 2 Disciplined Sector Approach

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

## 3 Maintain a Low Volatility Portfolio

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

## 4 Focused Risk Management

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

# TSLX PRINCIPLES AND INVESTMENT STRATEGY

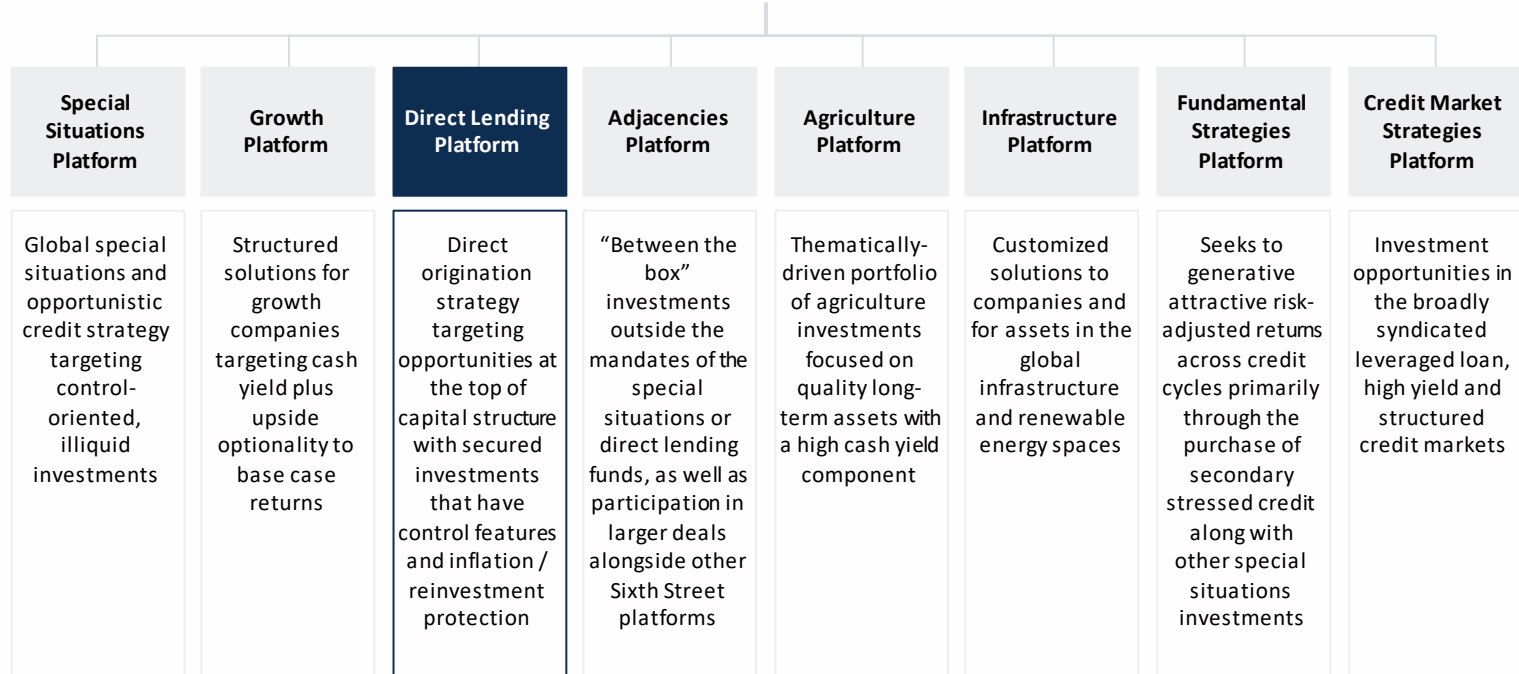


1.  
Differentiated  
Platform Expertise  
and Capabilities

2.  
Disciplined Sector  
Approach

3.  
Maintain a Low  
Volatility Portfolio

4.  
Focused Risk  
Management



- TSLX sits within the Direct Lending Platform of Sixth Street, a global investment firm with over \$50 billion of AUM as of March 31, 2021
- TSLX is the first-stop channel for directly originated, U.S. middle market credit opportunities within the Sixth Street platform

# TSLX PRINCIPLES AND INVESTMENT STRATEGY

1.  
Differentiated  
Platform Expertise  
and Capabilities

2.  
Disciplined Sector  
Approach

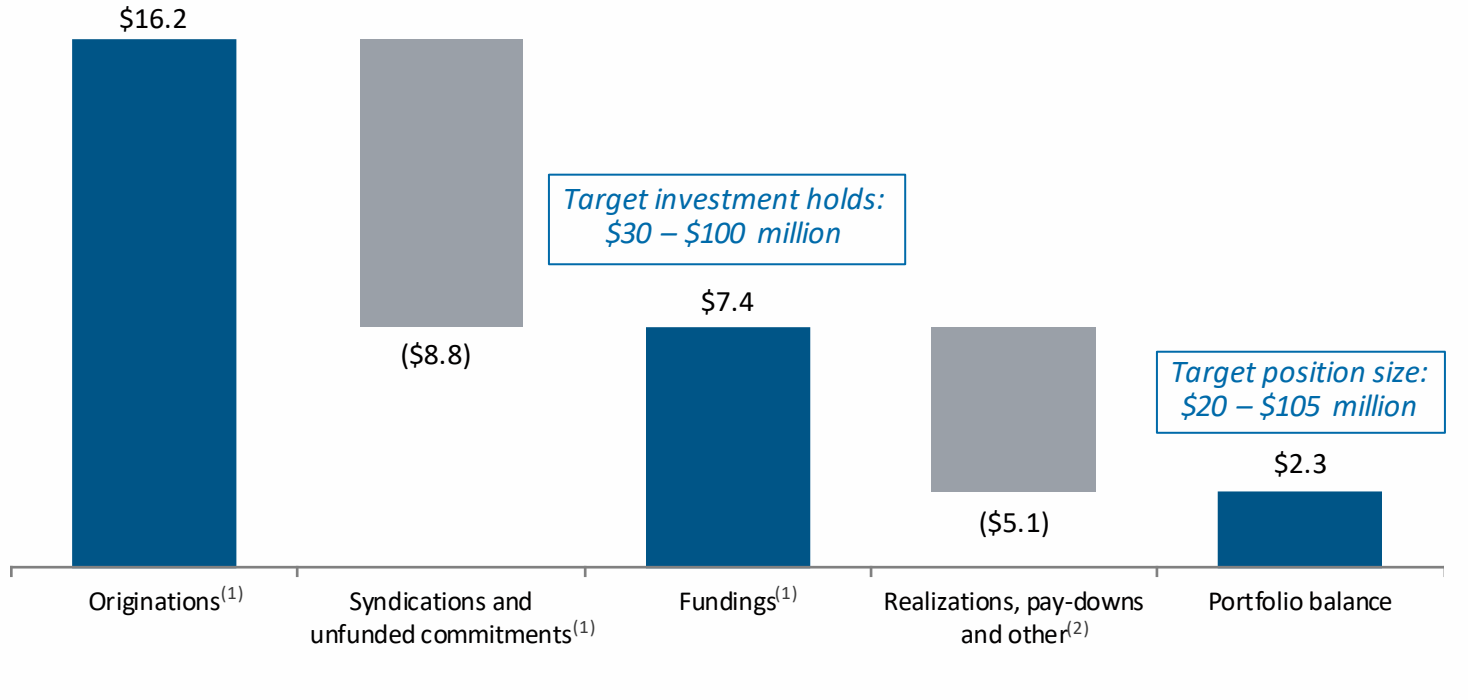
3.  
Maintain a Low  
Volatility Portfolio

4.  
Focused Risk  
Management

## ORIGINATIONS AND FUNDING ACTIVITIES

(\$ in Billions)

*Origination sizes:  
Up to \$500+ million*



***TSLX has the ability to originate large transactions and syndicate to its desired hold size***

1. At par value; since inception through 3/31/2021

2. Pay-downs include amortization of term loans and revolver pay-downs; other reflects the difference between the basis of fundings (par value) and portfolio balance (fair value as of 3/31/2021)

Note: as of 3/31/2021

# TSLX PRINCIPLES AND INVESTMENT STRATEGY

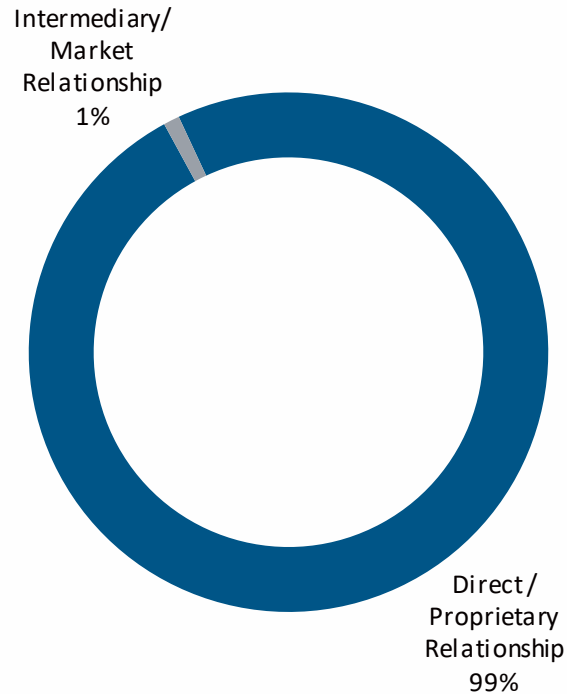
1.  
Differentiated  
Platform Expertise  
and Capabilities

2.  
Disciplined Sector  
Approach

3.  
Maintain a Low  
Volatility Portfolio

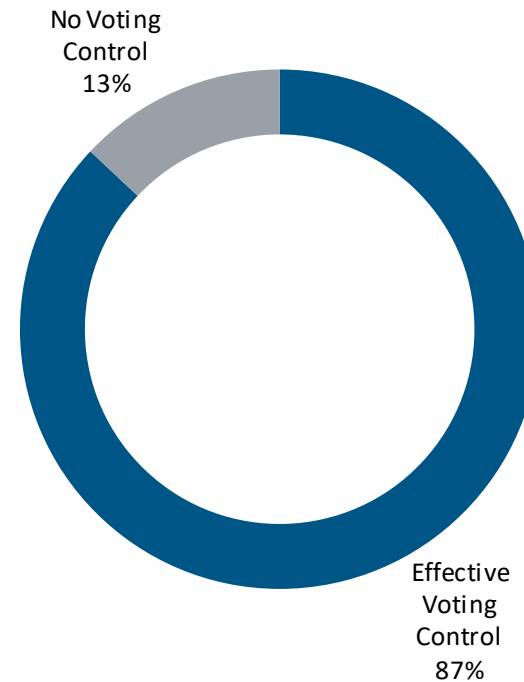
4.  
Focused Risk  
Management

## SOURCING



***99% sourced away  
from Wall Street***

## VOTING CONTROL



***Effective voting control in 87% of  
portfolio debt investments***

Note: By fair value of investments as of 3/31/2021

# TSLX PRINCIPLES AND INVESTMENT STRATEGY

**1.**  
Differentiated  
Platform Expertise  
and Capabilities

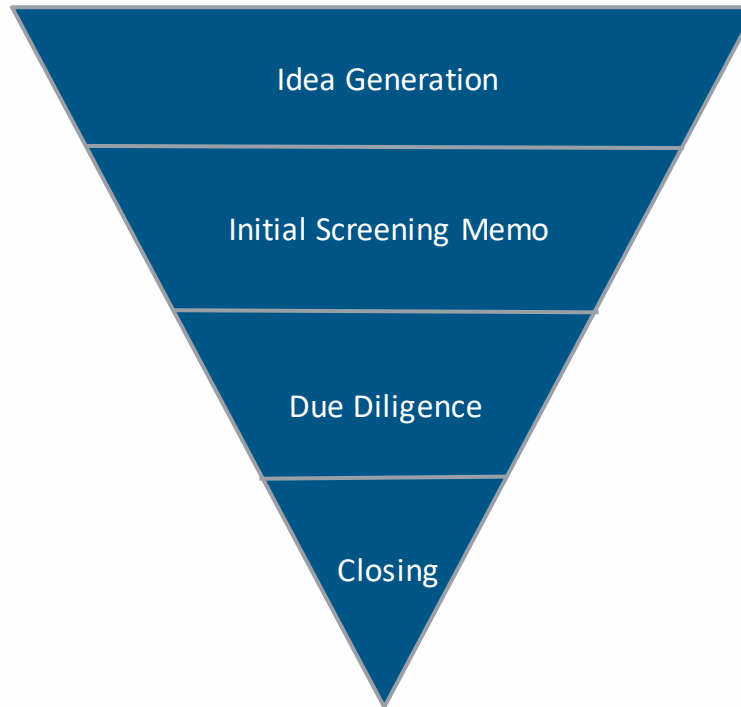
**2.**  
Disciplined Sector  
Approach

**3.**  
Maintain a Low  
Volatility Portfolio

**4.**  
Focused Risk  
Management

## TSLX DEAL FUNNEL

Typical underwriting process 1–3 months



TSLX DEAL  
FUNNEL

PERCENT OF  
SOURCED

~9,750

100.0%

Idea Generation

1,021

10.5%

Initial Screening Memo

Due Diligence

421

4.3%

Closing

200

2.1%

***Our direct sourcing model is a differentiator;  
highly selective investment process***

Note: Since inception through 3/31/2021



# TSLX PRINCIPLES AND INVESTMENT STRATEGY

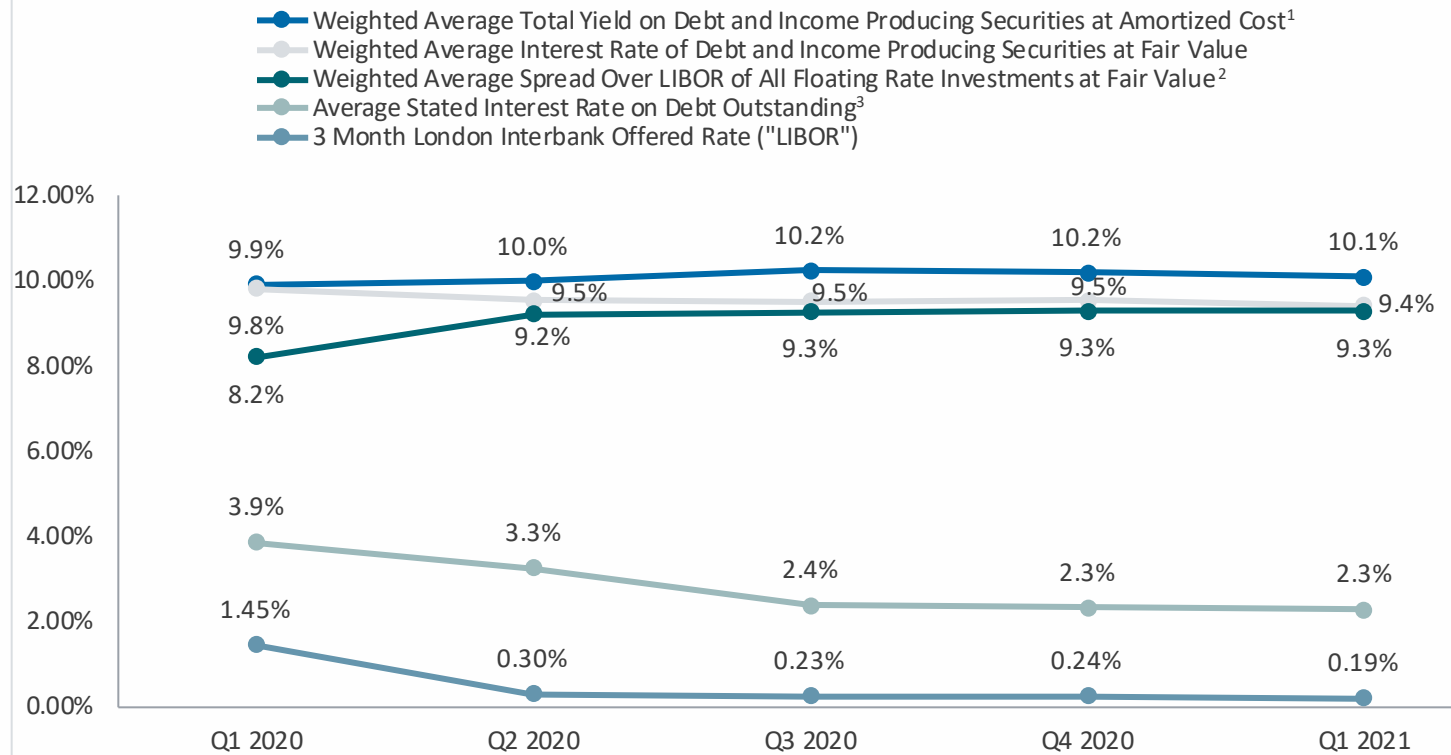
1.  
Differentiated  
Platform Expertise  
and Capabilities

2.  
Disciplined Sector  
Approach

3.  
Maintain a Low  
Volatility Portfolio

4.  
Focused Risk  
Management

## NET INTEREST MARGIN



1. Total yield on investments is calculated based on the interest rate and the accretion of OID, exclusive of investments on non-accrual status

2. Includes one or more fixed rate investments for which TSLX entered into an interest rate swap agreement to swap to a floating rate

3. Adjusted average interest rate on debt outstanding includes the swap-adjusted interest expense related to our convertible notes and unsecured notes, adjusted for quarterly settlement timing

**Net interest margin has been stable... the benefit of direct originations**

# TSLX PRINCIPLES AND INVESTMENT STRATEGY

## REPRESENTATIVE THEMES

1.  
Differentiated  
Platform Expertise  
and Capabilities

2.  
Disciplined Sector  
Approach

3.  
Maintain a Low  
Volatility Portfolio

4.  
Focused Risk  
Management

Software and/or  
Recurring Revenue

**Curriculum  
Associates**

intapp

idera

validity

**FRONTLINE**  
TECHNOLOGIES

Qlik

avidxchange

ABL / ABL Retail

Save *alot* Neiman Marcus

**AÉROPOSTALE**

iHeart MEDIA INC

Payless  
SHOESOURCE

PSI POWER SOLUTIONS  
INTERNATIONAL

**SEARS**

BARNEYS  
NEW YORK

sears **SPORTS  
AUTHORITY**

Financing Pharma  
Royalty Streams

biohaven  
pharmaceuticals

Ironwood

**NEKTAR**

AR Securitization

CENTRIC  
BRANDS

**exela**  
TECHNOLOGIES

Upstream E&P

**VERDAD**  
RESOURCES

REX  
ENERGY

Northern  
Oil & Gas, Inc.

*Defensive themes consistent with our late-cycle minded approach*

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

# TSLX PRINCIPLES AND INVESTMENT STRATEGY

1. Differentiated Platform Expertise and Capabilities

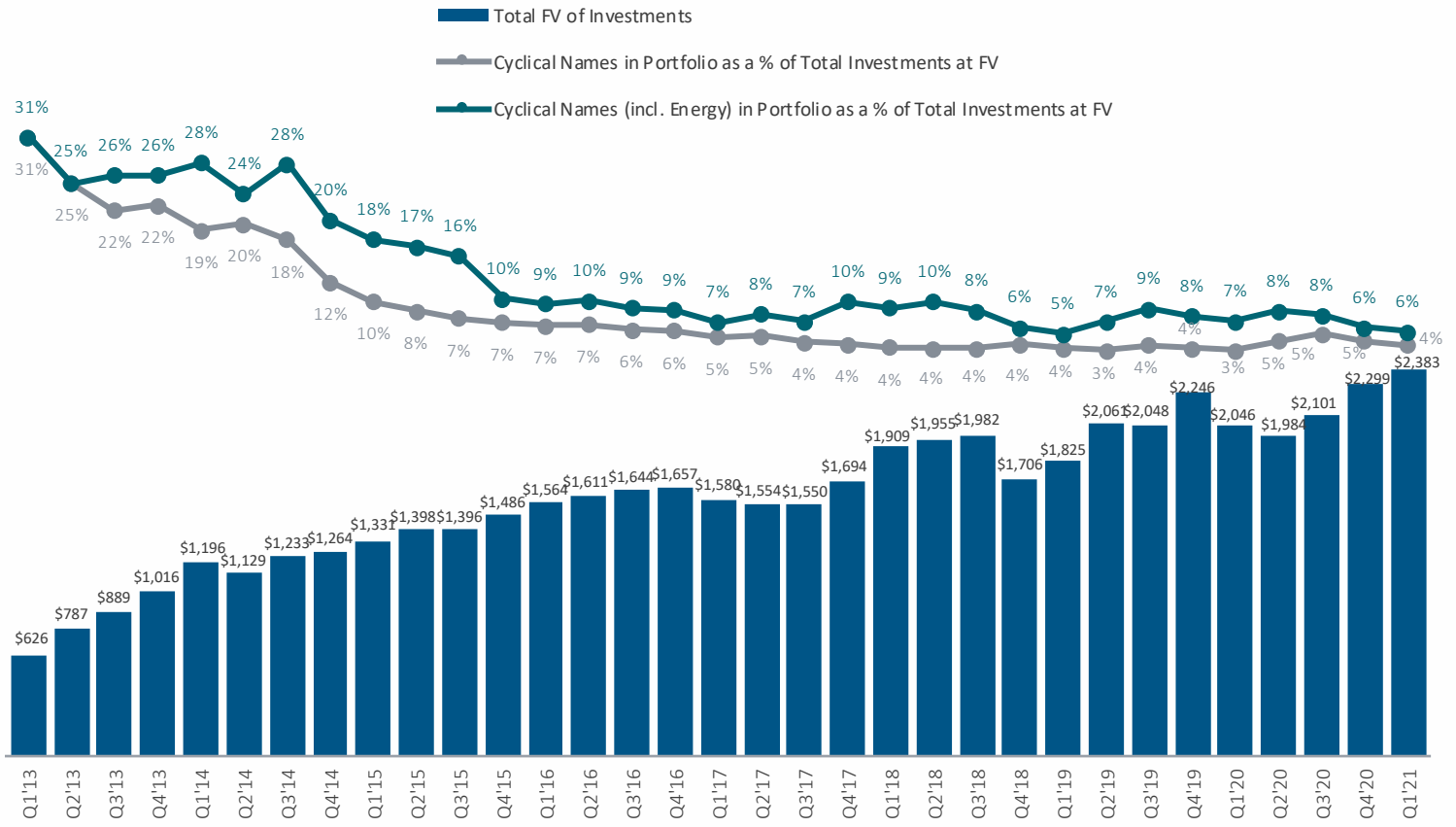
2. Disciplined Sector Approach

3. Maintain a Low Volatility Portfolio

4. Focused Risk Management

## REDUCING CYCLICAL EXPOSURE

\$ Millions By Fair Value



*Late cycle-minded sector selection*

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

# TSLX PRINCIPLES AND INVESTMENT STRATEGY

1. Differentiated Platform Expertise and Capabilities

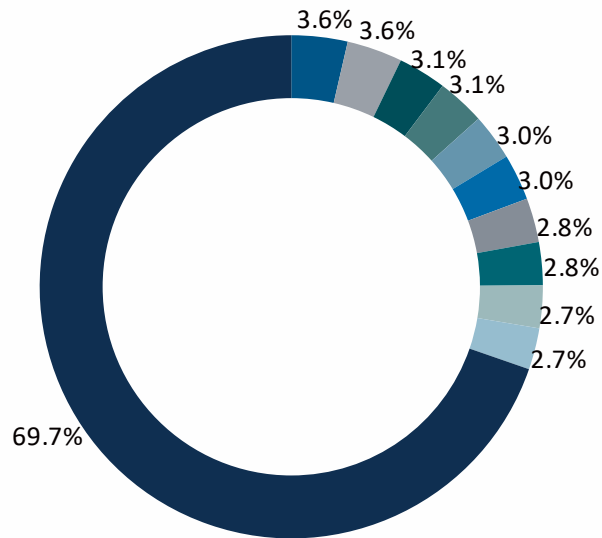
2. Disciplined Sector Approach

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4. Focused Risk Management

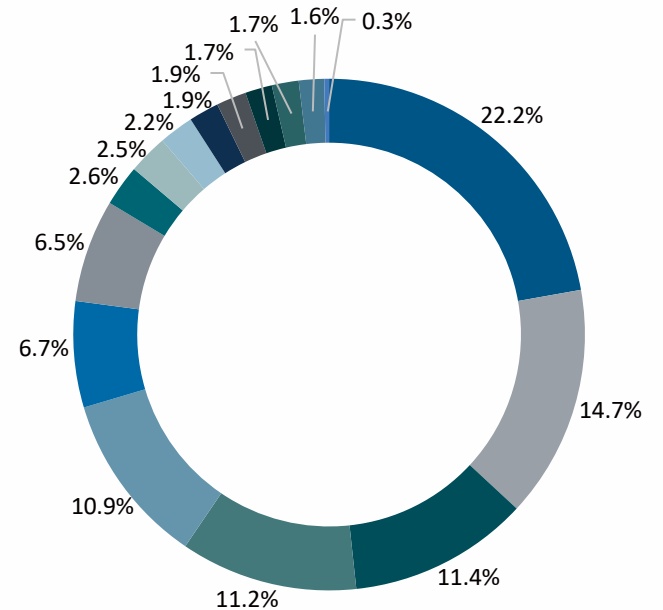
## TOP 10 BORROWER DIVERSIFICATION

- Nintex
- Frontline
- Follet
- Intapp
- J.C. Penney ABL FILO
- PayScale
- PayLease
- Motus
- Alpha Midco
- Netwrix



## INDUSTRY DIVERSIFICATION

- Business services
- Financial services
- Retail and consumer products
- Human resource support services
- Education
- Healthcare
- Internet services
- Other
- Pharmaceuticals
- Insurance
- Communications
- Marketing services
- Oil, gas and consumable fuels
- Real Estate
- Hotel, gaming, and leisure
- Office products



***Diversity across borrower and industry concentrations***

Note: By fair value of investments as of 3/31/2021. Numbers may not sum due to rounding

# TSLX PRINCIPLES AND INVESTMENT STRATEGY

1.  
Differentiated  
Platform Expertise  
and Capabilities

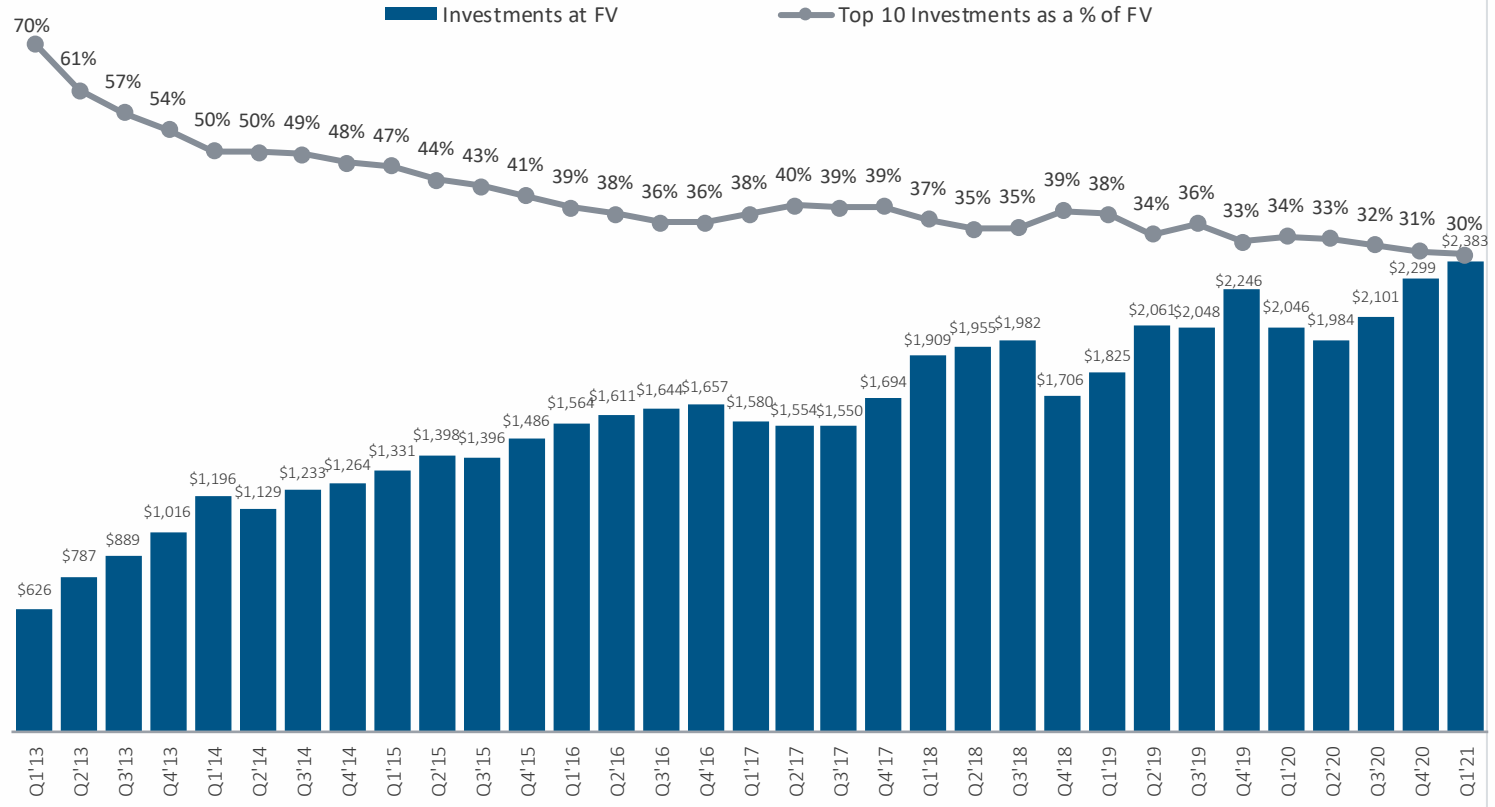
2.  
Disciplined Sector  
Approach

3.  
Maintain a Low Volatility  
Portfolio

4.  
Focused Risk  
Management

## PORTFOLIO DIVERSIFICATION

\$ Millions By Fair Value



*Continued diversification of exposure across borrowers*

# TSLX PRINCIPLES AND INVESTMENT STRATEGY

1.  
Differentiated  
Platform Expertise  
and Capabilities

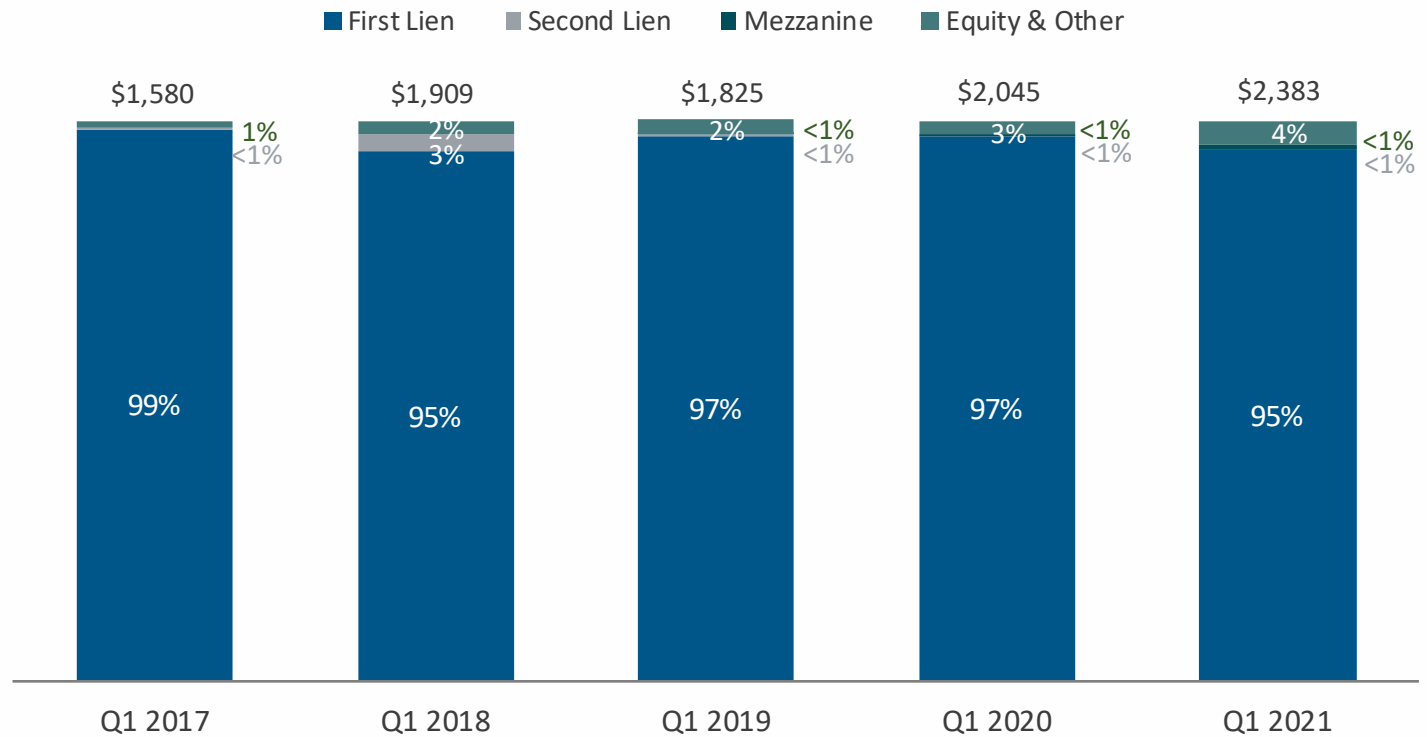
2.  
Disciplined Sector  
Approach

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Portfolio

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Focused Risk  
Management

## CAPITAL STRUCTURE

\$ Millions By Fair Value



Note: By fair value of investments as of respective quarter-end date

*Late cycle-minded capital structure selection*

# TSLX PRINCIPLES AND INVESTMENT STRATEGY

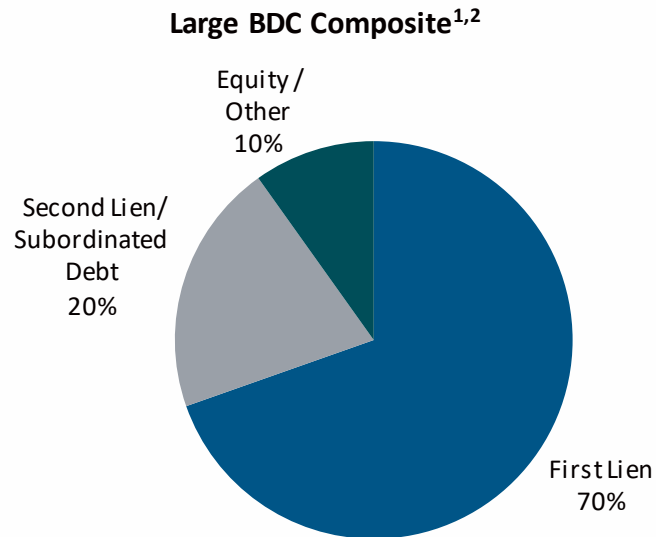
1. Differentiated Platform Expertise and Capabilities

2. Disciplined Sector Approach

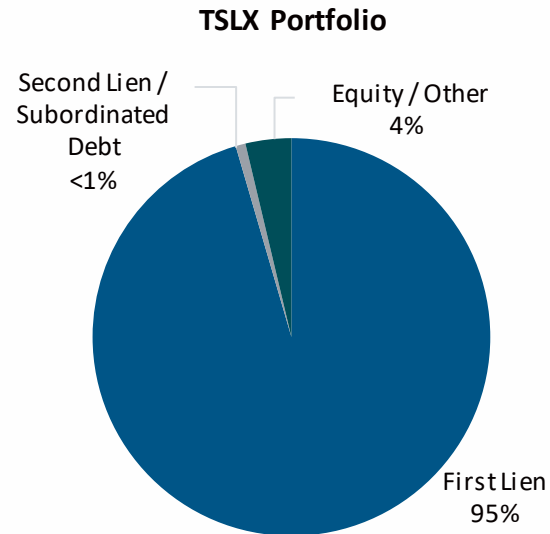
3. Maintain a Low Volatility Portfolio

4. Focused Risk Management

## RELATIVE VALUE



**Yield at Amortized Cost<sup>3</sup>: 8.6%**  
**Average Return on Equity<sup>4</sup>: 1.7%**



**Yield at Amortized Cost<sup>3</sup>: 10.1%**  
**Return on Equity<sup>4</sup>: 28.7%**

1. Excludes investments on non-accrual status

2. BDC Composite consists of 17 externally traded BDCs with more than \$1.0 billion of Total Assets as of 12/31/2020, excluding TSLX

3. As of 3/31/21 for TSLX and as of 12/31/20 for BDC Peers. PSEC, OCSL, TCPC, GBDC and ORCC yield at fair value as proxy for yield at amortized cost

4. For TSLX calculated as LTM 3/31/21 cumulative net income per share divided by the beginning net asset value per share at 3/31/20 and for BDC Peers calculated as LTM 12/31/20 cumulative reported net income per share divided by the beginning net asset value per share at 12/31/19. TSLX NI is adjusted to exclude the capital gains incentive fee expense that was accrued, but not paid, related to cumulative unrealized capital gains in excess of cumulative net realized capital gains less any cumulative unrealized losses and capital gains incentive fees paid inception to date

Note: Based on portfolio fair value as of 3/31/21 for TSLX and 12/31/20 for BDC Peers. Senior debt was split evenly between first and second lien for GBDC. Numbers may not sum to 100% due to rounding

Source: Company Reports, SNL Financial

**TSLX generates strong unlevered returns on a substantially more senior portfolio than the average large BDC manager**

# TSLX PRINCIPLES AND INVESTMENT STRATEGY

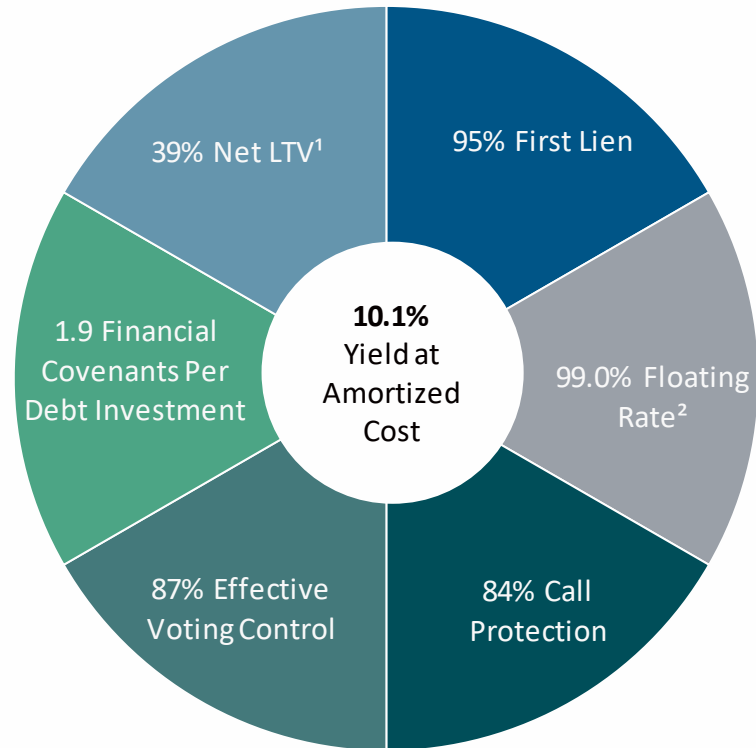
1.  
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Platform Expertise  
and Capabilities

2.  
Disciplined Sector  
Approach

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Maintain a Low Volatility  
Portfolio

4.  
Focused Risk  
Management

## DISCIPLINED PORTFOLIO CONSTRUCTION



1. Reflects the portfolio's average net loan-to-value, weighted on a fair value basis

2. Includes one or more fixed rate investments for which we entered into an interest rate swap agreement to swap to a floating rate. Calculation includes income earning debt investments only

Note: By fair value of investments as of 3/31/2021, unless otherwise indicated

***Strong credit and non-credit risk mitigation with attractive portfolio yields***



# TSLX PRINCIPLES AND INVESTMENT STRATEGY

1. Differentiated Platform Expertise and Capabilities

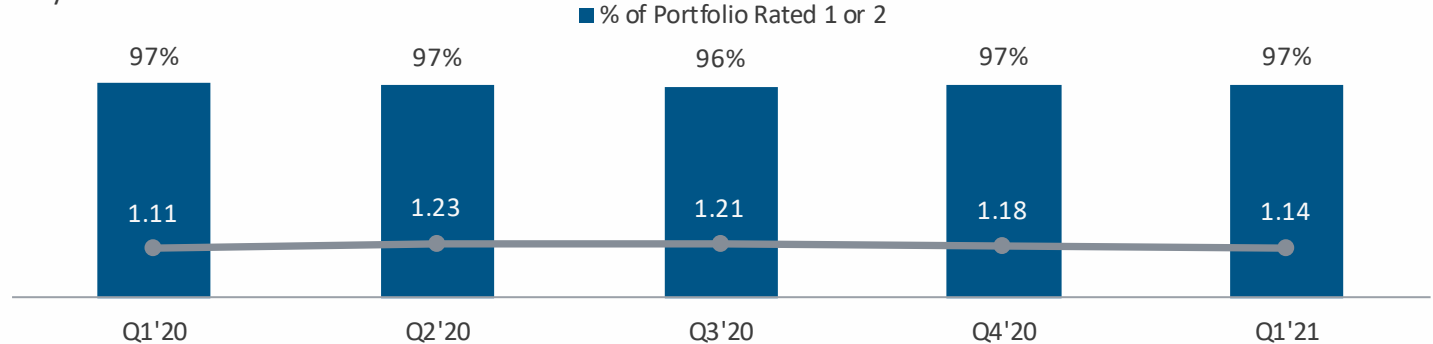
2. Disciplined Sector Approach

3. Maintain a Low Volatility Portfolio

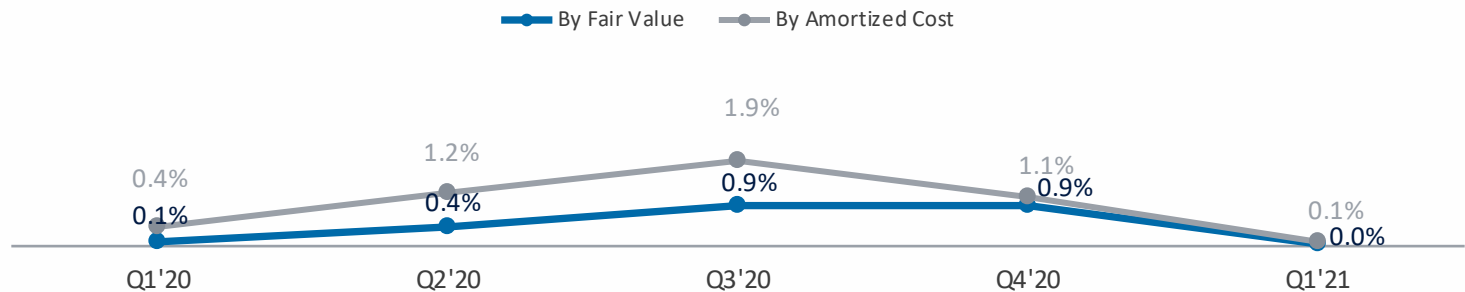
4. Focused Risk Management

## WEIGHTED AVERAGE PORTFOLIO PERFORMANCE RATING

By Fair Value



## % OF INVESTMENTS ON NON-ACCRUAL



Note: Portfolio company metrics as of 3/31/2021

- *The weighted average investment performance rating of the portfolio as of March 31, 2021 is 1.14 (1 being the lowest risk), and 88% of the portfolio is rated 1 and 97% of the portfolio is rated 1 or 2*
- *As of March 31, 2021, there were 2 investments on non-accrual status which represented 0.02% of investments at fair value. Names on non-accrual include:*
  1. American Achievement Sub Debt which represents 0.02% of the portfolio at fair value
  2. Mississippi Resources which represents 0.00% of the portfolio at fair value

# TSLX PRINCIPLES AND INVESTMENT STRATEGY

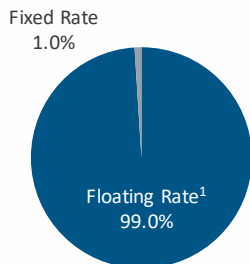
1. Differentiated Platform Expertise and Capabilities

2. Disciplined Sector Approach

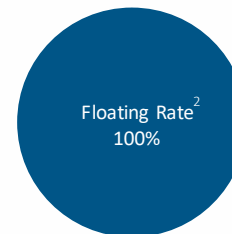
3. Maintain a Low Volatility Portfolio

4. Focused Risk Management

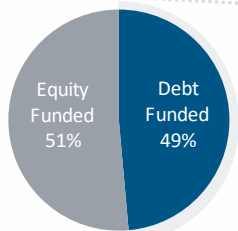
## DEBT PORTFOLIO COMPOSITION



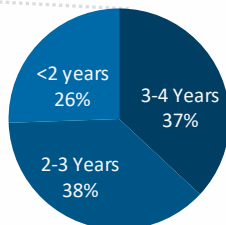
## DEBT FUNDING COMPOSITION



## PORTFOLIO FUNDING PROFILE<sup>3</sup>

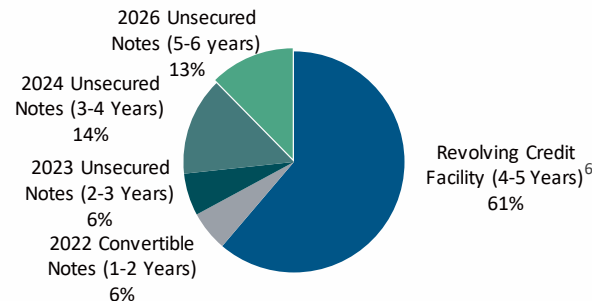


## INVESTMENTS FUNDED WITH DEBT



Weighted average remaining life of investments funded by debt of ~2.4 years<sup>4</sup>

## REMAINING DURATION OF DEBT



Weighted average remaining maturity of debt of ~4.3 years<sup>5</sup>

## Sixth Street Specialty Lending is match funded from an interest rate and duration perspective

1. Includes one or more fixed rate investments for which TSLX entered into an interest rate swaps agreement to swap to a floating rate. Calculation includes income earning debt investments only

2. Convertible debt and unsecured notes treated as floating rate due to interest rate swaps TSLX entered into to swap fixed notes payments for floating rate payments

3. Net of Deferred Financing Costs and Interest Rate Fair Value Hedging. Deferred Financing Costs total \$21.4M at 3/31/20, \$19.7M at 6/30/20, \$18.4M at 9/30/20, \$17.2M at 12/31/20 and \$23.7M at 3/31/21. Fair value hedge on interest rate swaps related to the 2024 and 2026 notes total \$17.0M at 3/31/20, \$19.3M at 6/30/20, \$18.1M at 9/30/20, \$16.8M at 12/31/20 and \$2.2M at 3/31/21

4. Weighted by amortized cost of debt investments. Investments are financed by debt and permanent equity capital. This analysis assumes longer-dated investments are currently funded by permanent equity capital (51% of investments) and the remaining (shorter-dated) investments (49% of investments) are currently funded by debt financing. Investments for purposes of this analysis exclude unfunded commitments, and permanent equity capital is defined as 3/31/21 net assets

5. Weighted by gross commitment amount.

6. Pro forma for the extension of \$70mm additional commitments to a maturity date of February 4, 2026 that occurred in April 2021

Note: As of 3/31/21. Numbers may not sum to 100% due to rounding

# TSLX PRINCIPLES AND INVESTMENT STRATEGY

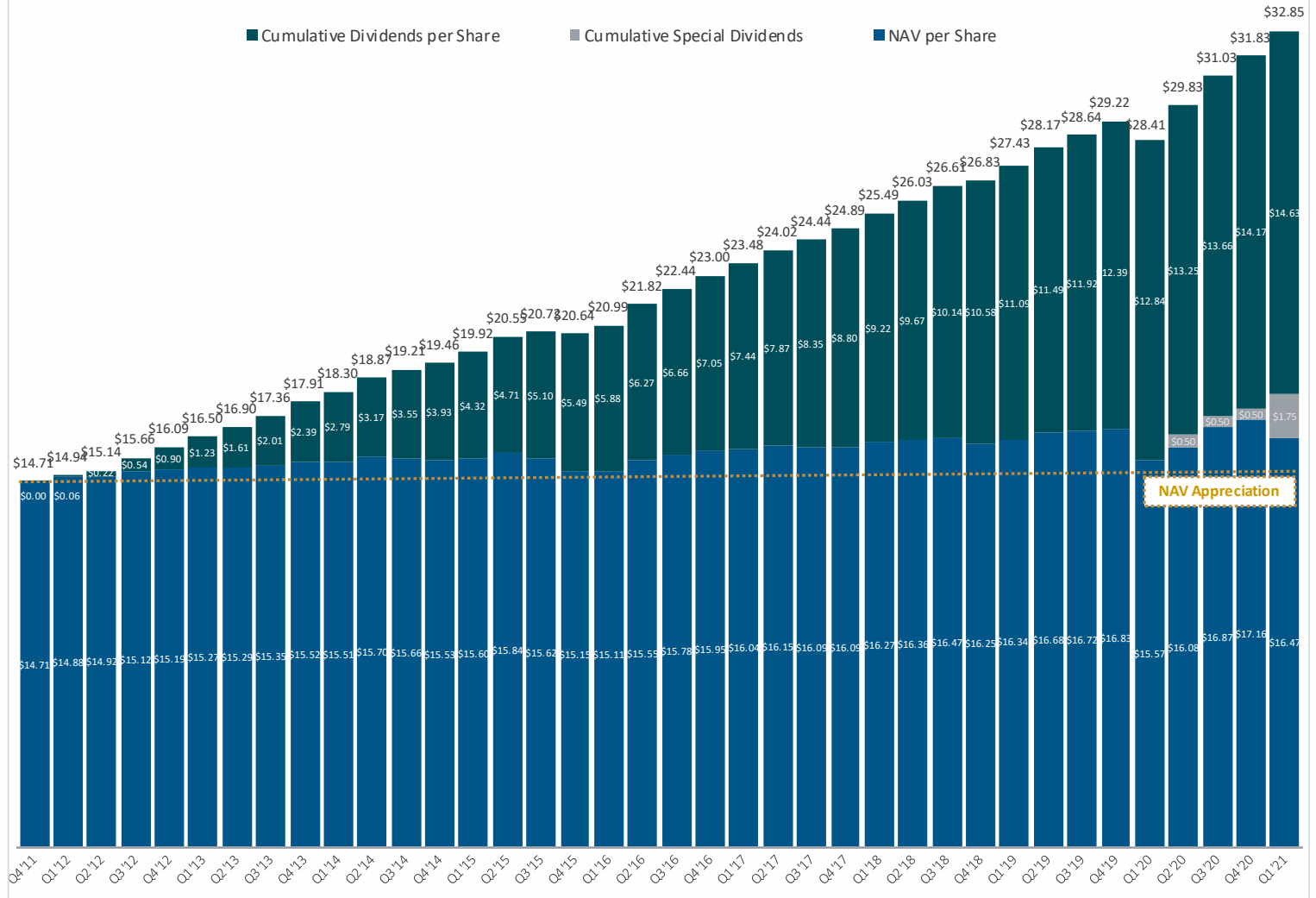
1. Differentiated Platform Expertise and Capabilities

2. Disciplined Sector Approach

3. Maintain a Low Volatility Portfolio

4. Focused Risk Management

## BOOK VALUE PER SHARE AND DIVIDENDS PAID





# ADDITIONAL MATERIALS

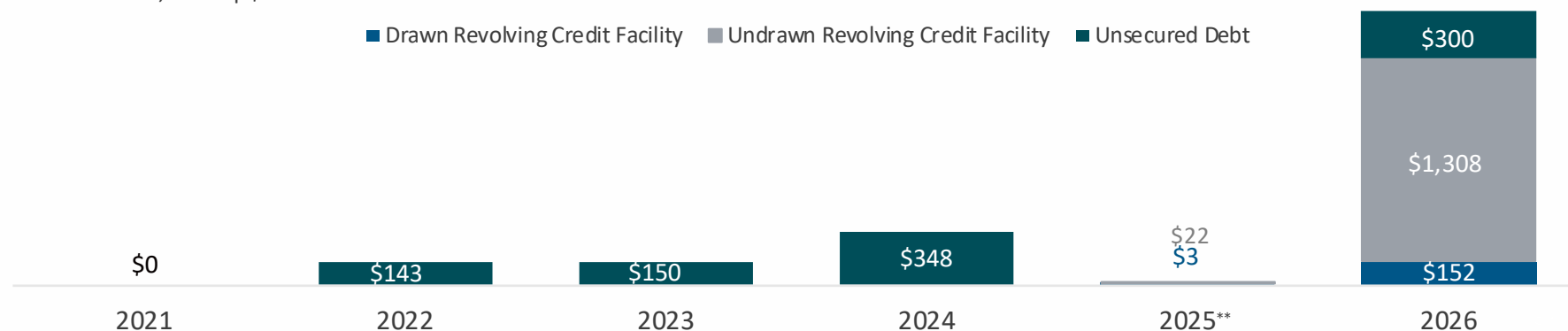
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# LIQUIDITY MANAGEMENT

Revolving Credit Facility <sup>1</sup>		Unsecured Notes				
		Convertible Notes		Unsecured Notes		
Size:	\$1.485 Billion; Uncommitted Accordion Feature Can Increase Total Size to \$2.00 Billion	Size:	\$143 Million	\$150 Million	\$348 Million	\$300 Million
Revolving Period*:	February 4, 2025	Maturity:	August 1, 2022	January 22, 2023	November 1, 2024	August 1, 2026
Maturity Date*:	February 4, 2026	Coupon:	4.500%	4.500%	3.875%	2.500%
Interest Rate:	LIBOR + 1.875% / LIBOR + 1.75%	Interest Rate Swap Pricing <sup>2</sup> :	LIBOR + 2.11%	LIBOR + 1.99%	LIBOR + 2.28%	LIBOR + 1.91%
Undrawn Fee:	0.375%	Implied Spread over Treasury <sup>3</sup> :	255 bps / 155 bps	212 bps	245 bps / 195 bps	225 bps
		Initial / Current Conversion Price <sup>4</sup> :	\$21.34 / \$18.63	N/A	N/A	N/A

## DEBT PROFILE BY MATURITY DATE

As of March 31, 2021 | \$ Millions



\*Includes \$95 million of non-extending commitments with a maturity of January 31, 2025 and a revolving period ending January 31, 2024. Note that in April 2021, \$70 million of these commitments were extended to a maturity date of February 4, 2026 and a revolving period ending February 4, 2025

\*\*Pro forma for the extension of \$70mm additional commitments to a maturity date of February 4, 2026 that occurred in April 2021

- Interest rate on the facility is a formula-based calculation. If the Borrowing Base is equal to or greater than 1.85 times the Combined Debt Amount (i.e. 1.85x total commitments), the applicable margin is L+1.75%
- In connection with the note offerings, the Company entered into interest rate swaps to continue to align the interest rates of its liabilities with its investment portfolio, which consists of predominately floating rate loans. In connection with certain notes repurchases, the Company entered into additional interest rate swaps to reduce the notional exposure of its existing interest rate swaps related to the notes to match the current principal amount of notes outstanding. As a result of the swaps, the effective interest rate (excluding OID) on the 2023 notes is LIBOR plus 1.99%; the effective interest rate (excluding OID) on the 2022 convertible notes is LIBOR plus 2.11%; the effective interest rate (excluding OID) on the 2024 notes is LIBOR plus 2.28%; and the effective interest rate (excluding OID) on the 2026 notes is LIBOR plus 1.91%.
- Reflects the implied spread over the treasury rate at the time of each transaction close
- Current conversion price adjusted for dividends in excess of dividend thresholds

# FINANCIAL HIGHLIGHTS

## DOLLAR AMOUNTS IN THOUSANDS

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

	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021
Adjusted Net Investment Income Per Share <sup>1</sup>	\$0.51	\$0.59	\$0.61	\$0.50	\$0.53
Adjusted Net Income (Loss) Per Share <sup>1</sup>	(\$0.80)	\$1.43	\$1.21	\$0.81	\$0.88
<i>(-) Accrued Capital Gains Incentive Fee Expense (Not Paid)</i>	<i>\$0.00</i>	<i>\$0.00</i>	<i>\$0.00</i>	<i>\$0.02</i>	<i>\$0.07</i>
Net Investment Income Per Share	\$0.51	\$0.59	\$0.61	\$0.48	\$0.46
Net Income (Loss) Per Share	(\$0.80)	\$1.43	\$1.21	\$0.79	\$0.81
Net Asset Value Per Share (Ending Shares)	\$15.57	\$16.08	\$16.87	\$17.16	\$16.47
Pro Forma Net Asset Value Per Share (Ending Shares) <sup>2</sup>	\$15.07	\$16.08	\$16.77	\$15.86	\$16.41
Distributions Per Share (Record Date)	\$0.47	\$0.91	\$0.41	\$0.51	\$1.71
Net Assets	\$1,036,736	\$1,082,601	\$1,141,220	\$1,161,315	\$1,185,332
Total Debt (Outstanding Principal)	\$986,799	\$874,942	\$931,624	\$1,112,590	\$1,095,724
Debt to Equity at Quarter-end <sup>3***</sup>	0.96x	0.81x	0.81x	0.95x	0.92x
Average Debt to Equity <sup>4</sup>	0.99x	0.87x	0.93x	0.87x	0.93x
Adjusted Annualized ROE on Net Investment Income <sup>1,5</sup>	12.0%	15.6%	15.1%	12.0%	13.3%
Adjusted Annualized ROE on Net Income (Loss) <sup>1,5</sup>	(18.9)%	38.0%	30.1%	19.2%	22.1%
Annualized ROE on Net Investment Income <sup>5</sup>	12.0%	15.6%	15.1%	11.5%	11.7%
Annualized ROE on Net Income (Loss) <sup>5</sup>	(18.9)%	38.0%	30.1%	18.7%	20.5%

1. Adjusted to exclude the capital gains incentive fee expense that was accrued, but not paid, related to cumulative unrealized capital gains in excess of cumulative net realized capital gains less any cumulative unrealized losses and capital gains incentive fees paid inception to date

2. Reflects NAV per share pro forma for the variable supplemental dividend per share related to that quarter's earnings. Note that Q1 2020 NAV per share is pro forma for the special dividends of \$0.50/share with record dates in Q2 2020, and Q4 2020 NAV per share is pro forma for the special dividend of \$1.25/share with a record date in Q1 2021

3. Pro-forma for unsettled trade receivables / (payables) of (\$4.6)M at 3/31/20, (\$261)k at 6/30/20, \$2.4M at 9/30/20, \$11.8M at 12/31/20 and \$0 at 3/31/21

4. Daily average debt outstanding during the quarter divided by daily average net assets during the quarter. Daily average net assets is calculated by starting with the prior quarter end net asset value and adjusting for capital activity during the quarter (adding common stock offerings / DRIP contributions)

5. Return on Equity is calculated using the prior period's ending net asset value per share

\*\*\*Pro forma for the payment of the \$1.25/share special dividend with a record date in Q1 2021, debt to equity at quarter-end Q1 2021 is 1.00x

# PORTFOLIO HIGHLIGHTS – SELECTED METRICS

## DOLLAR AMOUNTS IN THOUSANDS

	As of and For Three Months Ended				
	March 31, 2020	June 30, 2020	September 30, 2020	December 31, 2020	March 31, 2021
<b>Investments at Fair Value</b>	<b>\$2,045,572</b>	<b>\$1,983,844</b>	<b>\$2,100,765</b>	<b>\$2,298,870</b>	<b>\$2,382,746</b>
<b>Number of Portfolio Companies</b>	<b>62</b>	<b>65</b>	<b>70</b>	<b>70</b>	<b>68</b>
<b>Average Investment Size in Our Portfolio Companies</b>	<b>\$32,993</b>	<b>\$30,521</b>	<b>\$30,011</b>	<b>\$32,841</b>	<b>\$35,040</b>
<b>Asset Class:</b>					
First-Lien Debt Investments	97%	96%	95%	96%	95%
Second-Lien Debt Investments	<1%	<1%	<1%	<1%	<1%
Mezzanine Debt Investments	<1%	<1%	<1%	<1%	<1%
Equity and Other Investments	3%	4%	4%	4%	4%
<b>Interest Rate Type<sup>1</sup>:</b>					
% Floating Rate <sup>2</sup>	99.4%	98.8%	98.9%	99.1%	99.0%
% Fixed Rate	0.6%	1.2%	1.1%	0.9%	1.0%
<b>Yields at Fair Value unless Otherwise Noted:</b>					
Weighted Average Total Yield of Debt and Income Producing Securities at Amortized Cost <sup>3</sup>	9.9%	10.0%	10.2%	10.2%	10.1%
Weighted Average Total Yield of Debt and Income Producing Securities <sup>3</sup>	10.2%	10.0%	10.1%	10.0%	9.8%
Weighted Average Spread Over 3-Month LIBOR of All Floating Rate Investments <sup>2</sup>	8.2%	9.2%	9.3%	9.3%	9.3%
Weighted Average Interest Rate of Debt and Income Producing Securities	9.8%	9.5%	9.5%	9.5%	9.4%
Fair Value as a Percentage of Principal (Debt)	96.0%	98.1%	99.0%	99.4%	99.7%
Fair Value as a Percentage of Call Price (Debt)	92.4%	94.0%	94.6%	94.6%	95.0%
<b>Investment Activity at Par:</b>					
New Investment Commitments	\$134,005	\$89,188	\$435,531	\$525,987	\$145,449
Net Funded Investment Activity	(\$131,551)	(\$134,140)	\$79,278	\$184,112	\$45,250
<b>New Investment Commitments at Par:</b>					
Number of New Investment Commitments in New Portfolio Companies	3	6	12	10	2
Average New Investment Commitment Amount in New Portfolio Companies	\$41,351	\$9,467	\$34,800	\$42,250	\$36,250
Weighted Average Term for New Investment Commitments in New Portfolio Companies (In Years)	5.0	4.7	3.8	5.3	5.0
Weighted Average Interest Rate of New Investment Commitments	10.9%	10.1%	10.3%	9.9%	9.8%
Weighted Average Spread Over 3-Month LIBOR of New Floating Rate Investment Commitments <sup>2</sup>	9.3%	9.9%	10.1%	9.7%	9.6%

1. Calculation includes income earning debt investments only

2. Includes one or more fixed rate investments for which TSLX entered into an interest rate swap agreement to swap to a floating rate

3. Total yield on investments is calculated based on the interest rate and the accretion of OID, exclusive of investments on non-accrual status

# OPERATING RESULTS DETAIL

## DOLLAR AMOUNTS IN THOUSANDS

Except Per Share Data; Per Share Data is Based on Weighted Average Shares Outstanding

	For Three Months Ended				
	March 31, 2020	June 30, 2020	September 30, 2020	December 31, 2020	March 31, 2021
<b>Investment Income:</b>					
Interest From Investments – Interest and Dividend Income <sup>1</sup>	\$55,879	\$49,522	\$53,893	\$52,733	\$55,936
Interest From Investments – Other Fees <sup>2</sup>	\$7,582	\$14,254	\$9,320	\$4,307	\$8,028
<b>Total Interest From Investments</b>	<b>\$63,461</b>	<b>\$63,776</b>	<b>\$63,213</b>	<b>\$57,040</b>	<b>\$63,964</b>
Other Income <sup>3</sup>	\$2,809	\$6,458	\$8,103	\$5,177	\$2,278
<b>Total Investment Income</b>	<b>\$66,270</b>	<b>\$70,234</b>	<b>\$71,316</b>	<b>\$62,217</b>	<b>\$66,242</b>
<b>Expenses:</b>					
Interest	\$12,910	\$9,851	\$8,399	\$8,243	\$8,953
Management Fees	\$8,165	\$7,666	\$7,839	\$8,435	\$8,738
Incentive Fees	\$7,140	\$8,372	\$8,719	\$8,673	\$12,326
Other Operating Expenses	\$3,383	\$3,876	\$3,255	\$2,347	\$3,455
<b>Total Expenses</b>	<b>\$31,598</b>	<b>\$29,765</b>	<b>\$28,212</b>	<b>\$27,698</b>	<b>\$33,472</b>
<b>Net Expenses</b>	<b>\$31,598</b>	<b>\$29,765</b>	<b>\$28,212</b>	<b>\$27,698</b>	<b>\$33,472</b>
<b>Net Investment Income Before Income Taxes</b>	<b>\$34,672</b>	<b>\$40,469</b>	<b>\$43,104</b>	<b>\$34,519</b>	<b>\$32,770</b>
Income Taxes, Including Excise Taxes	\$1,010	\$1,000	\$2,000	\$1,750	\$460
<b>Net Investment Income</b>	<b>\$33,662</b>	<b>\$39,469</b>	<b>\$41,104</b>	<b>\$32,769</b>	<b>\$32,310</b>
Net Unrealized and Realized Gains (Losses)	(\$86,761)	\$56,401	\$40,753	\$20,711	\$24,342
<b>Net Income (Loss)</b>	<b>(\$53,099)</b>	<b>\$95,870</b>	<b>\$81,857</b>	<b>\$53,480</b>	<b>\$56,652</b>
<b>Per Share:</b>					
Net Investment Income	\$0.51	\$0.59	\$0.61	\$0.48	\$0.46
Net Income (Loss)	(\$0.80)	\$1.43	\$1.21	\$0.79	\$0.81
Distributions (Record Date)	\$0.47	\$0.91	\$0.41	\$0.51	\$1.71
Weighted Average Shares Outstanding for the Period	66,656,280	66,957,883	67,584,660	67,628,749	69,691,162
Shares Outstanding at End of Period	66,569,771	67,342,413	67,628,140	67,684,209	71,969,998

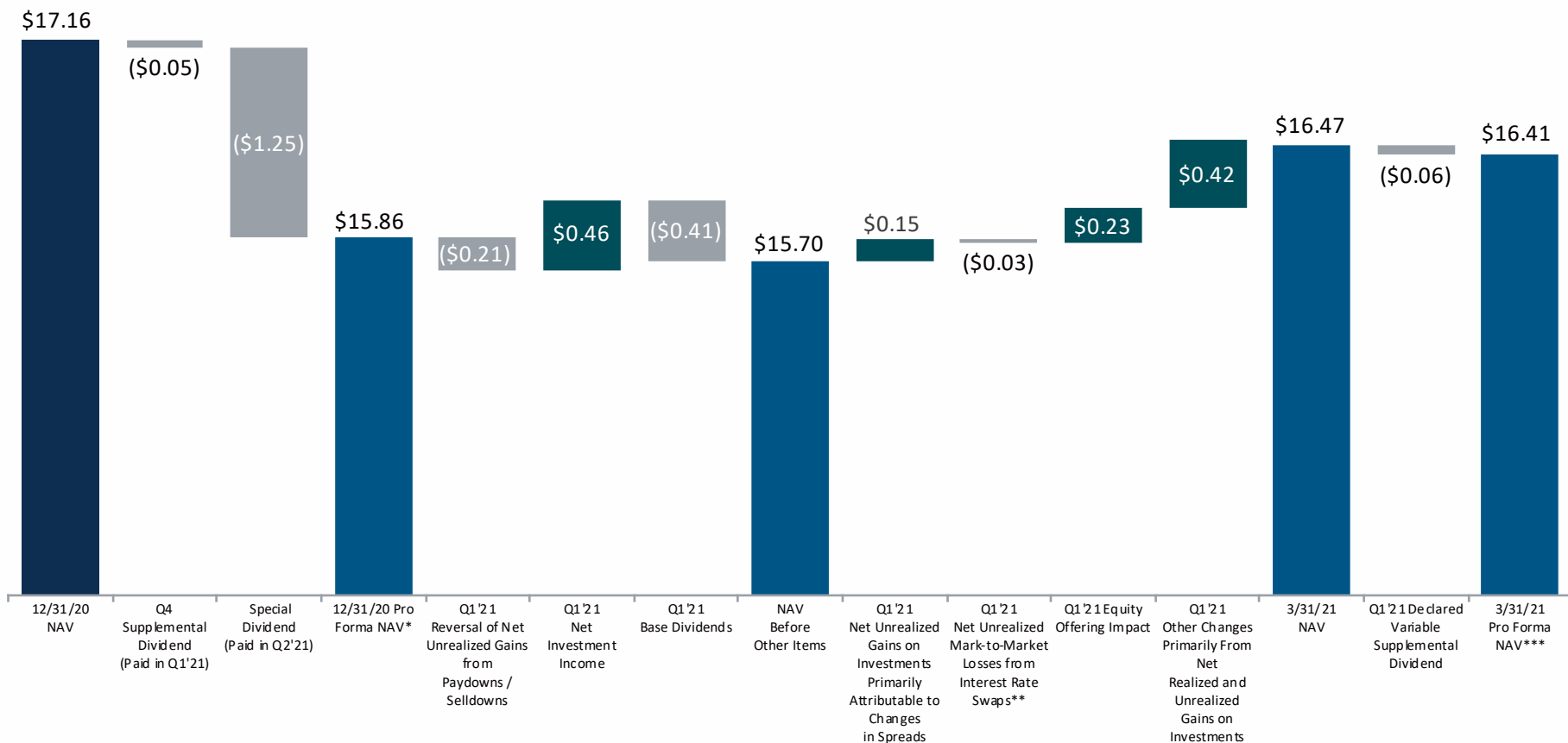
1. Interest from investments – interest and dividend income includes accrued interest and dividend income, amortization of purchase discounts (premiums) and certain fees, and accelerated amortization of upfront fees from scheduled principal payments

2. Interest from investments – other fees includes prepayment fees and accelerated amortization of upfront fees from unscheduled paydowns

3. Other income includes amendment fees, syndication fees, interest on cash and cash equivalents, and miscellaneous fees



# NET ASSET VALUE BRIDGE – Q1'21



\*Reflects Q4 2020 NAV per share pro forma for the declared variable supplemental dividend per share of \$0.05 related to Q4 2020 earnings and paid in Q1 2021 in addition to the special dividend of \$1.25/share with a record date in Q1 2021

\*\*Excludes the impact from changes in the fair value of the interest rate swaps related to the 2024 and 2026 notes given the application of hedge accounting on these instruments

\*\*\*Reflects Q1 2021 NAV per share pro forma for the declared variable supplemental dividend per share of \$0.06 related to Q1 2021 earnings and payable in Q2 2021

Note: Per share data was derived using the Q1 2021 weighted average shares outstanding except for capital markets activity, dividends, beginning NAV & ending NAV. Numbers may not sum due to rounding

# OUR DRIVERS OF ROE

Return on Assets

Prudent Use of Leverage

Expense Management

Positioned For NAV Growth

## Illustrative Unit Economics / Return on Equity

### Return on Assets:

Weighted Average Interest Rate of Debt and Income Producing Securities	9.4%
Amortization of upfront fees <sup>1</sup>	0.9%
<b>Total Yield on Debt and Income Producing Securities</b>	<b>10.3%</b>
<b>Impact of Additional fees<sup>2</sup></b>	<b>1.6%</b>
<b>All-in Yield (on Assets)</b>	<b>11.9%</b>
Cost of funds <sup>3</sup>	(3.3%)
Assumed Debt/Equity	0.95x
<b>ROE (on Equity)*</b>	<b>20.1%</b>
Management Fees (1.50% of Assets)	(2.9%)
Operating Expenses (0.63% of Assets) <sup>4</sup>	(1.2%)
<b>ROE Before Incentive Fee</b>	<b>15.9%</b>
Incentive Fee	(2.8%)
<b>ROE on NII</b>	<b>13.1%</b>
<b>Base Book Dividend Yield based on Q1 2021 NAV</b>	<b>10.0%</b>

***Ability to generate a strong risk-adjusted return on equity in excess of our base dividend level and grow NAV***

\*Calculated as All-in-Yield (on Assets) x (1 + Assumed Debt/Equity) – Cost of Funds x Assumed Debt/Equity

1. Amortization of upfront fees assumes upfront fees of 225 bps and a 2.5-year average life

2. Reflects average prepayment fees, syndication fees and other income for the historical 3-year period ending 3/31/2021

3. Reflects the actual average interest cost under the terms of our debt for the quarter ended 3/31/2021. Calculation includes fees (such as fees on undrawn amounts and amortization of upfront fees) and gives effect to the swap-adjusted interest rate on our Convertible Notes and Unsecured Notes

4. Reflects average run-rate operating expenses for the historical 3-year period ending 3/31/2021

Note: For illustrative purposes only; not necessarily indicative of future returns

# ILLUSTRATIVE INTEREST COVERAGE THROUGHOUT CYCLES

Illustrative Interest Coverage							
	Debt to Equity						
	0.90x	0.95x	1.00x	1.05x	1.10x	1.25x	
All-in Yield (on Assets)	9.0%	3.67x	3.67x	3.66x	3.67x	3.67x	3.68x
	9.5%	3.93x	3.92x	3.92x	3.92x	3.92x	3.93x
	10.0%	4.18x	4.18x	4.17x	4.17x	4.18x	4.18x
	10.5%	4.43x	4.43x	4.43x	4.43x	4.43x	4.43x
	11.0%	4.69x	4.68x	4.68x	4.68x	4.68x	4.69x
	11.9%	5.15x	5.15x	5.14x	5.14x	5.14x	5.15x
	12.0%	5.20x	5.19x	5.19x	5.19x	5.19x	5.19x
	12.5%	5.45x	5.45x	5.44x	5.44x	5.44x	5.45x
	13.0%	5.71x	5.70x	5.70x	5.70x	5.70x	5.70x
	13.5%	5.96x	5.96x	5.95x	5.95x	5.95x	5.95x

Illustrative Interest Coverage							
	Debt to Equity						
	0.90x	0.95x	1.00x	1.05x	1.10x	1.25x	
Cost of Funds	2.75%	6.37x	6.20x	6.04x	5.91x	5.79x	5.48x
	3.00%	5.85x	5.69x	5.55x	5.43x	5.32x	5.04x
	3.25%	5.41x	5.27x	5.14x	5.03x	4.92x	4.67x
	3.50%	5.04x	4.91x	4.78x	4.68x	4.59x	4.35x
	3.75%	4.72x	4.59x	4.48x	4.38x	4.29x	4.07x
	4.00%	4.43x	4.31x	4.21x	4.12x	4.03x	3.83x
	4.25%	4.18x	4.07x	3.97x	3.88x	3.81x	3.61x
	4.50%	3.96x	3.85x	3.76x	3.68x	3.61x	3.42x
	4.75%	3.76x	3.66x	3.57x	3.49x	3.42x	3.25x
	5.00%	3.58x	3.49x	3.40x	3.33x	3.26x	3.10x

Illustrative Interest Coverage							
	Cost of Funds						
	2.75%	3.25%	3.75%	4.25%	4.75%	5.25%	
All-in Yield (on Assets)	9.0%	4.40x	3.75x	3.28x	2.91x	2.62x	2.39x
	9.5%	4.71x	4.01x	3.50x	3.11x	2.80x	2.55x
	10.0%	5.02x	4.27x	3.73x	3.31x	2.98x	2.71x
	10.5%	5.33x	4.53x	3.95x	3.51x	3.16x	2.87x
	11.0%	5.63x	4.79x	4.18x	3.71x	3.34x	3.03x
	11.9%	6.20x	5.27x	4.59x	4.07x	3.66x	3.33x
	12.4%	6.50x	5.53x	4.82x	4.27x	3.84x	3.49x
	12.9%	6.81x	5.79x	5.04x	4.47x	4.02x	3.65x
	13.4%	7.12x	6.05x	5.27x	4.67x	4.20x	3.81x
	13.9%	7.43x	6.31x	5.49x	4.87x	4.37x	3.97x

Illustrative Interest Coverage							
	Debt to Equity						
	0.90x	0.95x	1.00x	1.05x	1.10x	1.25x	
Credit Losses (on Assets)	0.00%	5.15x	5.15x	5.14x	5.14x	5.14x	5.15x
	0.25%	5.13x	5.13x	5.12x	5.13x	5.13x	5.13x
	0.50%	5.12x	5.11x	5.11x	5.11x	5.11x	5.11x
	0.75%	5.10x	5.09x	5.09x	5.09x	5.09x	5.09x
	1.00%	5.08x	5.07x	5.07x	5.07x	5.07x	5.08x
	1.25%	5.06x	5.06x	5.05x	5.05x	5.05x	5.06x
	1.50%	5.04x	5.04x	5.03x	5.03x	5.04x	5.04x
	1.75%	5.02x	5.02x	5.01x	5.02x	5.02x	5.02x
	2.00%	5.01x	5.00x	5.00x	5.00x	5.00x	5.00x
	2.25%	4.99x	4.98x	4.98x	4.98x	4.98x	4.98x

***We believe our senior secured floating rate portfolio and funding profile is well positioned for cycles***

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

# ILLUSTRATIVE ROE THROUGHOUT CYCLES

Illustrative ROE							
All-in Yield (on Assets)	Debt to Equity						
	0.90x	0.95x	1.00x	1.05x	1.10x	1.25x	
	9.0%	8.2%	8.4%	8.6%	8.9%	9.1%	9.8%
9.5%	9.0%	9.2%	9.5%	9.7%	10.0%	10.7%	
10.0%	9.8%	10.0%	10.3%	10.6%	10.8%	11.7%	
10.5%	10.6%	10.8%	11.1%	11.4%	11.7%	12.6%	
11.0%	11.4%	11.7%	11.9%	12.3%	12.6%	13.5%	
11.9%	12.8%	13.1%	13.5%	13.8%	14.2%	15.2%	
12.0%	12.9%	13.3%	13.6%	14.0%	14.3%	15.4%	
12.5%	13.7%	14.1%	14.4%	14.8%	15.2%	16.3%	
13.0%	14.5%	14.9%	15.2%	15.6%	16.0%	17.2%	
13.5%	15.3%	15.7%	16.1%	16.5%	16.9%	18.2%	

Illustrative ROE							
Cost of Funds	Debt to Equity						
	0.90x	0.95x	1.00x	1.05x	1.10x	1.25x	
	2.75%	13.3%	13.6%	13.9%	14.2%	14.5%	15.4%
3.00%	13.1%	13.4%	13.7%	14.0%	14.3%	15.2%	
3.25%	12.9%	13.2%	13.5%	13.7%	14.0%	14.9%	
3.50%	12.7%	13.0%	13.2%	13.5%	13.8%	14.6%	
3.75%	12.5%	12.8%	13.0%	13.3%	13.6%	14.4%	
4.00%	12.4%	12.6%	12.8%	13.1%	13.3%	14.1%	
4.25%	12.2%	12.4%	12.6%	12.9%	13.1%	13.9%	
4.50%	12.0%	12.2%	12.4%	12.7%	12.9%	13.6%	
4.75%	11.8%	12.0%	12.2%	12.4%	12.7%	13.4%	
5.00%	11.6%	11.8%	12.0%	12.2%	12.4%	13.1%	

Illustrative ROE							
All-in Yield (on Assets)	Cost of Funds						
	2.75%	3.25%	3.75%	4.25%	4.75%	5.25%	
	9.0%	8.9%	8.5%	8.1%	7.7%	7.3%	6.9%
9.5%	9.7%	9.3%	8.9%	8.5%	8.1%	7.7%	
10.0%	10.5%	10.1%	9.7%	9.3%	8.9%	8.5%	
10.5%	11.3%	10.9%	10.5%	10.1%	9.7%	9.3%	
11.0%	12.1%	11.7%	11.3%	10.9%	10.5%	10.1%	
11.9%	13.6%	13.2%	12.8%	12.4%	12.0%	11.6%	
12.4%	14.4%	14.0%	13.6%	13.2%	12.8%	12.4%	
12.9%	15.2%	14.8%	14.4%	14.0%	13.6%	13.2%	
13.4%	16.0%	15.6%	15.2%	14.8%	14.4%	14.0%	
13.9%	16.8%	16.4%	16.0%	15.6%	15.2%	14.8%	

Illustrative ROE							
Credit Losses (on Assets)	Debt to Equity						
	0.90x	0.95x	1.00x	1.05x	1.10x	1.25x	
	0.00%	12.8%	13.1%	13.5%	13.8%	14.2%	15.2%
0.25%	12.3%	12.6%	13.0%	13.3%	13.6%	14.7%	
0.50%	11.8%	12.1%	12.5%	12.8%	13.1%	14.1%	
0.75%	11.4%	11.7%	12.0%	12.3%	12.6%	13.5%	
1.00%	10.9%	11.2%	11.5%	11.8%	12.1%	13.0%	
1.25%	10.4%	10.7%	11.0%	11.2%	11.5%	12.4%	
1.50%	9.9%	10.2%	10.5%	10.7%	11.0%	11.8%	
1.75%	9.5%	9.7%	10.0%	10.2%	10.5%	11.3%	
2.00%	9.0%	9.2%	9.5%	9.7%	10.0%	10.7%	
2.25%	8.5%	8.7%	9.0%	9.2%	9.4%	10.2%	

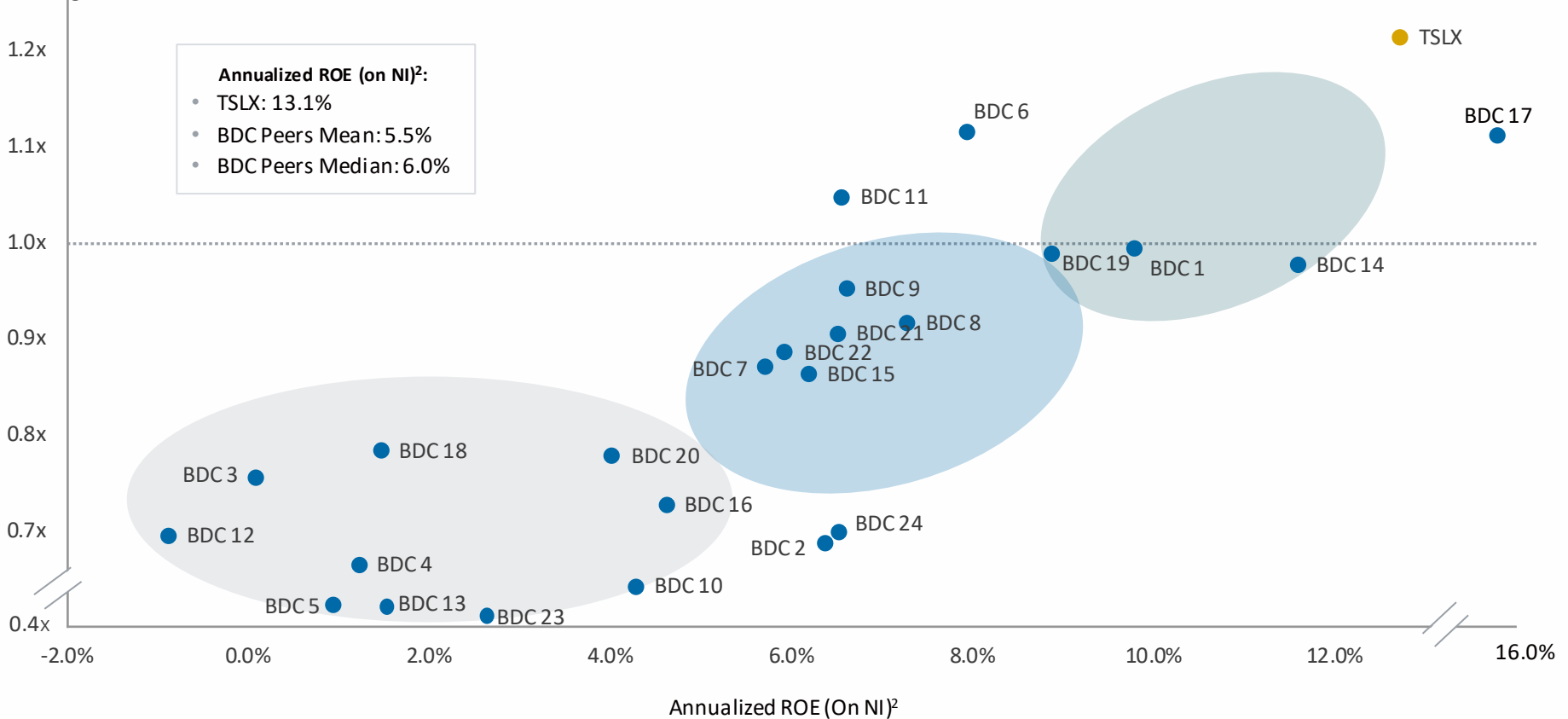
***We believe our senior secured floating rate portfolio and funding profile is well positioned for cycles***

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

# SECTOR OBSERVATIONS

## BDC SECTOR PRICE-TO-BOOK VS. ROE ON NET INCOME (SINCE TSLX IPO)

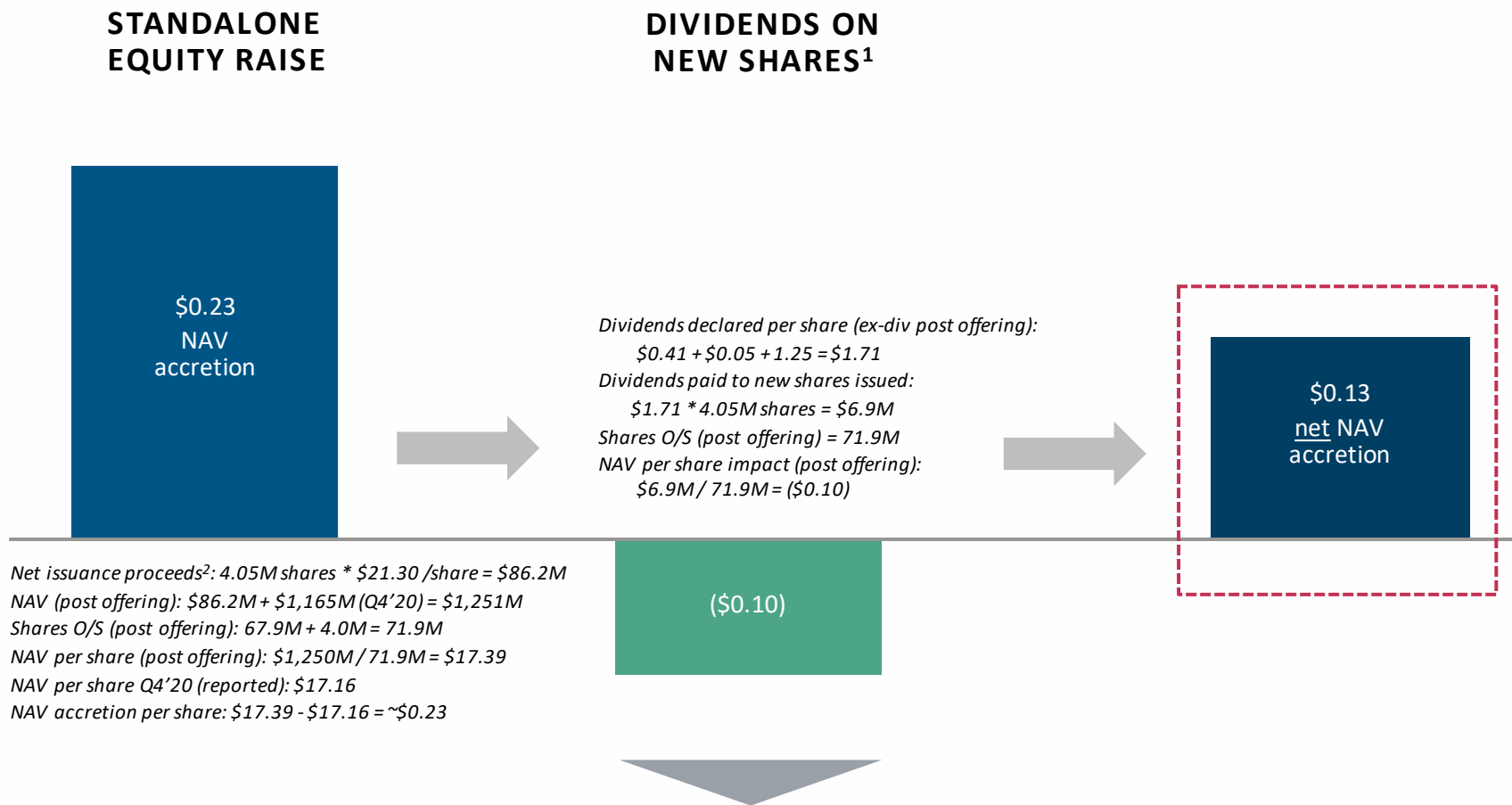
Average Price-to-Book<sup>1</sup>



**The market is generally efficient at pricing a manager's ability to earn its cost of capital**

1. Calculated as average daily price per share from 3/21/2014 to 5/5/2021 divided by NAV per share at 3/31/2014, or earliest reporting period for BDC peer who went public after 3/31/2014  
 2. Calculated as cumulative reported net income per share from 3/31/2014 to 12/31/2020 or divided by beginning NAV per share at 3/31/2014, adjusted for annual basis. For TSLX, the cumulative net income per share is from 3/31/2014 to 3/31/2021 and is adjusted to exclude the capital gains incentive fee expense that was accrued, but not paid, related to cumulative unrealized capital gains in excess of cumulative net realized capital gains less any cumulative unrealized losses and capital gains incentive fees paid inception to date  
 Note: BDC Peers consist of 19 externally managed BDCs in the S&P BDC Index with total assets greater than \$750 million as of 6/30/20 financials, with the addition of BKCC, MRCC, OCSI, GAIN and SUNS  
 Source: SNL Financial

# NAV IMPACT FROM EQUITY RAISE (FEB 2021)



- NAV accretive even after giving effect to the impact of dividends on new shares issued
- Small deal size at less than 6% of our pro forma market cap, compared to an average of 13% for recent follow-on issuances in the BDC sector<sup>3</sup>

Note: Numbers may not sum due to rounding

1. Assumes 0% Dividend Reinvestment Plan (DRIP) participation
2. Reflects proceeds to company post the underwriting discount, but prior to any offering expenses
3. Source: Raymond James, BDC Weekly Insights, data for "BDC Follow-ons 1/25/17 to 2/19/21"

# ROE IMPACT FROM EQUITY RAISE (FEB 2021)

## Impact of \$1.25/share Special Dividend & Equity Raise

	<u>TSLX</u> <u>Unit Economics</u>	<u>TSLX Pro Forma</u> <u>Unit Economics</u> <sup>(1)</sup>
Weighted Average Interest Rate of Portfolio <sup>(2)</sup>	9.9%	9.9%
Amortization of upfront fees <sup>(2)</sup>	0.3%	0.3%
<b>Total Yield</b>	<b>10.2%</b>	<b>10.2%</b>
Impact of Additional Fees	0.9%	0.9%
<b>All-in Yield</b>	<b>11.1%</b>	<b>11.1%</b>
Cost of funds <sup>(3)</sup>	(3.38%)	(3.38%)
Assumed Debt/Equity <sup>(2)</sup>	0.96x	0.96x
<b>Return on Equity</b>	<b>18.5%</b>	<b>18.5%</b>
Management Fees (1.50% of Assets below 1.0x leverage) <sup>(4)</sup>	(2.94%)	(2.94%)
Operating Expenses (Incl. Excise Tax) <sup>(5)</sup>	(1.80%)	(1.43%)
<b>Levered Returns Before Incentive Fee</b>	<b>13.77%</b>	<b>14.14%</b>
Incentive Fee	(2.41%)	(2.47%)
Credit Losses	0.00%	0.00%
<b>ROE on Net Income</b>	<b>11.4%</b>	<b>11.7%</b>

***When viewed in combination with our tax-driven special dividend, this equity raise: 1) allowed us to remain leverage neutral (beneficial for our liquidity and capital position); and 2) was ROE-accretive given the reduction in excise tax as a result of the special dividend***

1. Pro forma for payment of the \$1.25/share special dividend and public offering of 4,046,689 shares of common stock for total net issuance proceeds of approximately \$86.2 million

2. Based on figures for quarter ended Q4 2020. Debt / Equity is as of quarter-end Q4 2020, not adjusted for unsettled trade receivables / (payables)

3. Cost of funds reflect the annualized interest expense over average debt outstanding for the period ended 12/31/2020, giving effect to the swap-adjusted interest rate on our convertible notes and unsecured notes, additionally adjusted to reflect the \$300 million issuance of the 2026 unsecured notes that closed in February 2021, the net proceeds of which were used to pay down a portion of the outstanding revolver borrowings, and the February 2021 amendment to the revolving credit facility, which extended the maturity date to February 2026 and upsized the facility by \$150 million to \$1.485 billion

4. Management fees expressed as percentage of assets is 1.50% on all assets financed using leverage under 1.0x debt to equity and 1.0% (after waivers) on all assets financed using leverage over 1.0x debt to equity; 17.50% incentive fee

5. Reflects average operating expenses for the year ending 12/31/2020 in addition to excises taxes which totaled \$5.76mm or 0.27% of average total assets for the year ended 12/31/2020. The excise tax is based on the level of spillover income, which for the purposes of this analysis, is reduced by the proposed special distribution, resulting in a lower excise tax level



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