



# SIXTH STREET SPECIALTY LENDING, INC

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January 2022

# DISCLAIMER AND FORWARD-LOOKING STATEMENT

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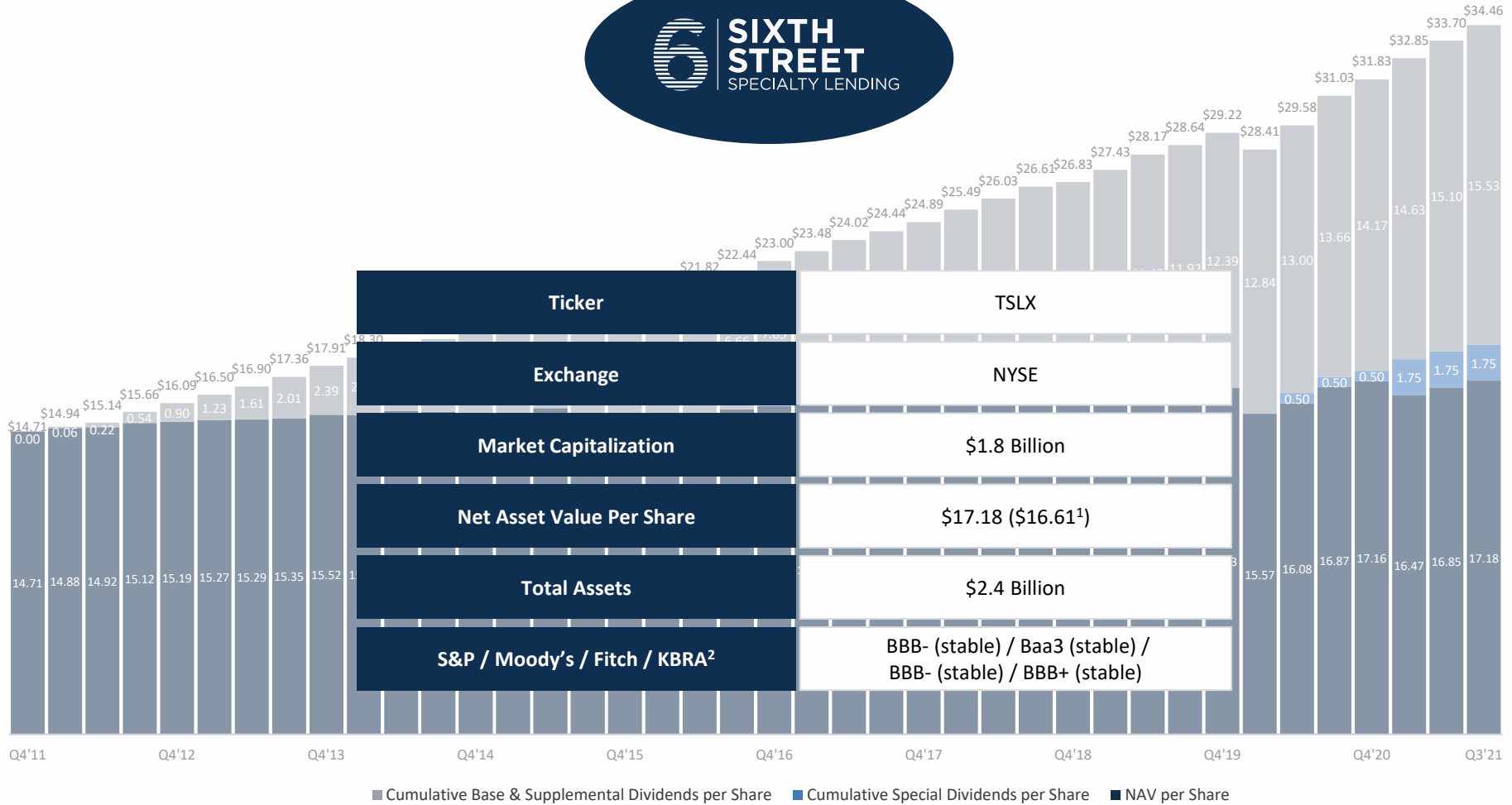
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## Forward Looking Statements

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

# OVERVIEW

## SPECIALTY FINANCE COMPANY FOCUSED ON PROVIDING FINANCING SOLUTIONS



Note: Market capitalization as of 12/31/2021; other financial data as of 9/30/2021 unless otherwise noted

1. Reflects NAV per share pro forma for the supplemental dividend per share related to Q3 2021 earnings and the special dividend per share of \$0.50 declared and payable in Q4 2021
2. S&P rating affirmed on 2/10/2021; Moody's rating affirmed 2/25/2021; Fitch rating affirmed on 4/15/2021; KBRA affirmed 6/10/2021

# DIFFERENTIATED SOLUTIONS PROVIDER WITH TRACK RECORD OF STRONG PERFORMANCE

## Our Competitive Advantages



Part of a \$60 billion Sixth Street platform with proprietary deal flow and significant resources. 99% of investments are directly originated. 34 dedicated professionals as of December 2021.



Disciplined investment and underwriting process with a focus on risk-adjusted returns, not absolute return. Effective voting control on 86% of debt investments.



Senior, floating rate portfolio with strong yields and defensive features. 93% first lien, 99% floating rate<sup>1</sup>. 84% of debt investments have call protection.



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



## Our Track Record Highlights



Approximately \$17.5 billion of investments originated with a realized average gross unlevered IRR of over 19% on fully exited investments<sup>2</sup>



Generated over 2x higher average annual ROE (on net income) than BDC Peers since IPO<sup>3</sup>



Stable to increasing dividends and net asset value with total economic return of over 104% since IPO, over 2x more than BDC Peers<sup>4</sup>



Minimal losses with cumulative realized and unrealized gains in excess of cumulative realized and unrealized losses since inception

1. 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

2. Fully exited investments represent \$5.4 billion of cash invested; IRR weighted by capital invested

3. Calculated as cumulative reported net income per share from 3/31/2014 to 9/30/2021, or latest available, divided by beginning NAV per share at 3/31/2014, adjusted for annual basis. For TSLX, the cumulative net income per share is adjusted to exclude the capital gains incentive fee expense that was accrued, but not paid, related to cumulative unrealized capital gains in excess of cumulative net realized capital gains less any cumulative unrealized losses and capital gains incentive fees paid inception to date

4. Reflects change in reported net asset value per share plus dividends (based on record date) from 3/31/2014 through 9/30/2021, or latest available

Note: BDC Peers consist of 19 externally managed BDCs in the S&P BDC Index with total assets greater than \$750 million based on quarter ended 6/30/21 financials

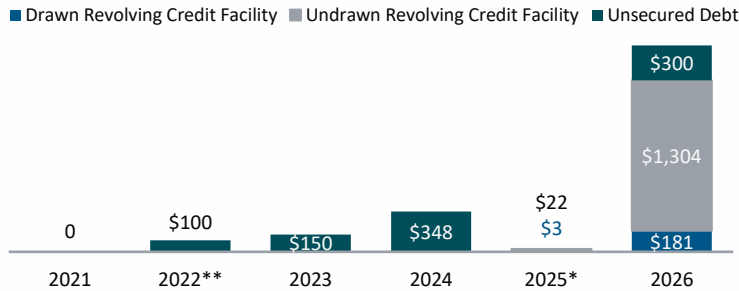
As of 9/30/2021, unless otherwise noted

# STRONG LIQUIDITY AND FUNDING PROFILE

## 1. Strong Liquidity and Funding Profile

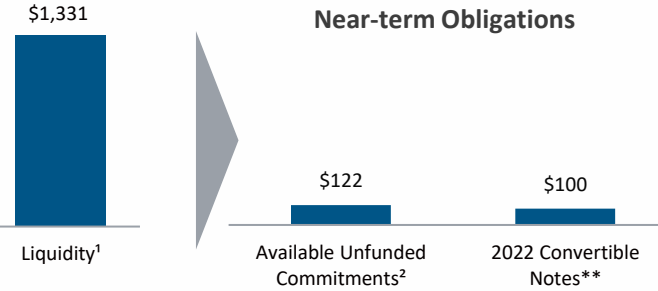
### STAGGERED, LONG-TERM DEBT MATURITIES

As of September 30, 2021 / \$ Millions



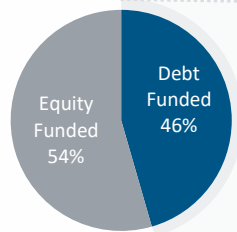
### ROBUST LIQUIDITY VS. NEAR-TERM OBLIGATIONS

As of September 30, 2021 / \$ Millions

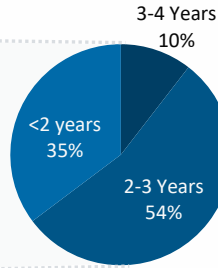


## 2. Track Record of Strong Performance

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

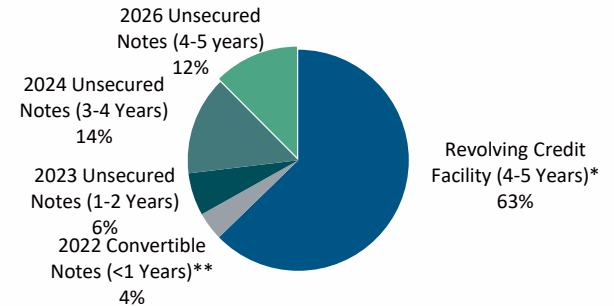


### INVESTMENTS FUNDED WITH DEBT



Weighted average remaining life of investments funded by debt of ~2.1 years<sup>4</sup>

### REMAINING DURATION OF DEBT



Weighted average remaining maturity of debt of ~3.9 years<sup>5</sup>

## 3. Strong Interest and Dividend Coverage

## 4. Low Volatility Portfolio

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

\*Includes \$25 million of non-extending commitments with a maturity of January 31, 2025 and a revolving period ending January 31, 2024.

\*\*Pro forma for the conversion of ~\$42.8MM of 2022 Convertible Notes into common equity that settled in December 2021.

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 \$18.4M at 9/30/20, \$17.2M at 12/31/20, \$23.7M at 3/31/21, \$22.3M at 6/30/21 and \$20.8M at 9/30/21. Fair value hedge on interest rate swaps related to the 2024 and 2026 notes total \$18.1M at 9/30/20, \$16.8M at 12/31/20, \$2.2M at 3/31/21, \$4.5M at 6/30/21 and \$2.5M at 9/30/21.

4. Weighted by amortized cost of debt investments. Investments are financed by debt and equity capital. This analysis assumes longer-dated investments are currently funded by equity capital (54% of investments) and the remaining (shorter-dated) investments (46% of investments) are currently funded by debt financing. Investments for purposes of this analysis exclude unfunded commitments, and equity capital is defined as 9/30/21 net assets.

5. Weighted by gross commitment amount. Pro forma for the conversion of ~\$42.8MM of 2022 Convertible Notes into common equity that settled in December 2021.

Note: as of 9/30/21. Numbers may not sum to 100% due to rounding.

# TSLX CREDIT HIGHLIGHTS

**1.**  
Strong Liquidity and  
Funding Profile

**2.**  
Track Record of Strong  
Performance

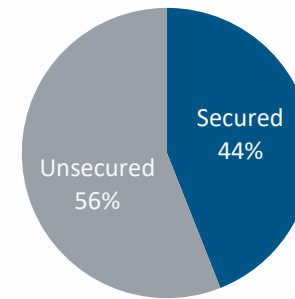
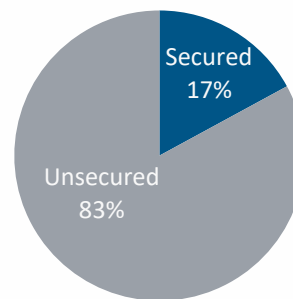
**3.**  
Strong Interest and  
Dividend Coverage

**4.**  
Low Volatility Portfolio

## TSLX LIQUIDITY & FUNDING PROFILE VS PEERS

	TSLX	Rated BDC Peers <sup>1</sup>
Liquidity as % of Total Assets <sup>2</sup>	55%	23%
Liquidity as a Multiple of Unfunded Commitments <sup>3</sup>	10.6x	4.5x
Regulatory Leverage (Net)	0.90x	1.09x

% Unsecured / % Secured Debt Funding<sup>4</sup>



1. Rated BDC Peers include 17 externally managed publicly-traded BDCs that are rated by Moody, 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 as of 9/30/21, or latest available and ii) total unfunded commitments

4. Based on debt outstanding as of 9/30/21, pro forma for the conversion of ~\$42.8MM of 2022 Convertible Notes into common equity that is expected to settle in December 2021

Source: SNL, Company filings / information. As of September 30, 2021, or latest available, for TSLX and for BDC Peers

# TSLX CREDIT HIGHLIGHTS

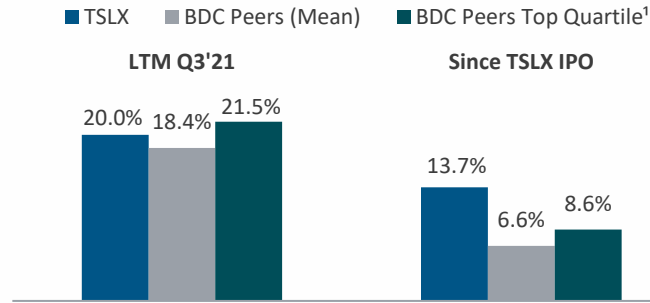
1. Strong Liquidity and Funding Profile

2. Track Record of Strong Performance

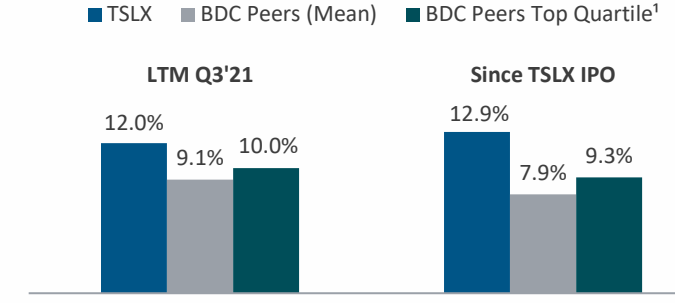
3. Strong Interest and Dividend Coverage

4. Low Volatility Portfolio

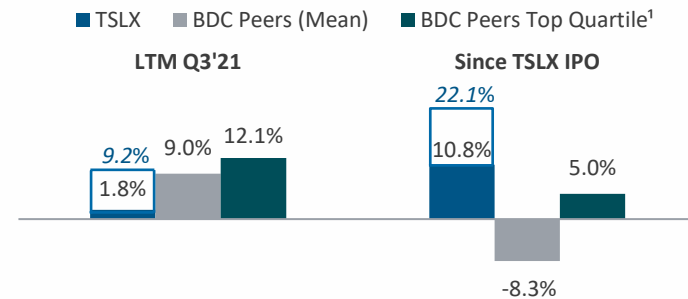
## NI RETURN ON EQUITY<sup>2</sup>



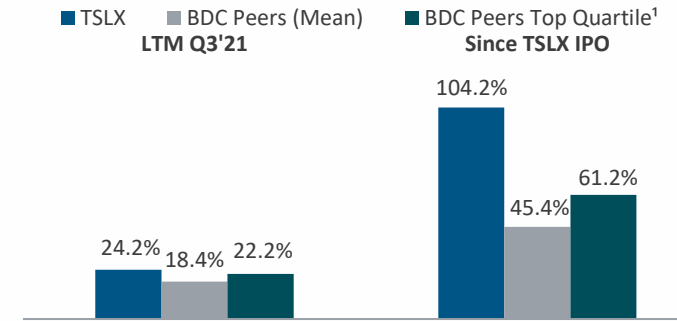
## NII RETURN ON EQUITY<sup>2</sup>



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



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



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 market value per share plus dividends from 12/31/2020 through 12/31/2021 and 3/21/2014 and 12/31/2021, respectively; assumes dividend reinvestment

Note: BDC Peers consist of 19 externally managed BDCs in the S&P BDC Index with total assets greater than \$750 million based on quarter ended 6/30/21 financials

Source: SNL Financial as of 9/30/2021, or latest available

# TSLX CREDIT HIGHLIGHTS

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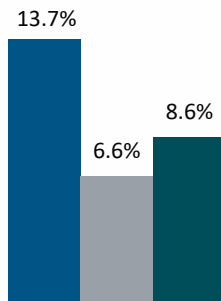
4.  
Low Volatility Portfolio

## INDUSTRY VS TSLX UNIT ECONOMICS

### 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>	9.3%	12.8%	<b>Higher return on assets</b>
Cost of funds <sup>(1)</sup>	(4.4%)	(4.4%)	
Debt/Equity	0.84x	0.77x	<b>Lower leverage</b>
<b>ROE (on Equity)*</b>	<b>13.3%</b>	<b>19.3%</b>	
Management Fees <sup>(2)</sup>	(2.8%)	(2.6%)	<b>Lower structural fees</b>
Operating Expenses	(1.0%)	(1.2%)	
<b>ROE Before Incentive Fee</b>	<b>9.4%</b>	<b>15.5%</b>	
Incentive Fees <sup>(2)</sup>	(1.8%)	(2.7%)	
Management & Incentive Fee Waivers <sup>(3)</sup>	0.4%	0.0%	
Net Realized & Unrealized Gains (Losses)	(1.5%)	1.0%	<b>Lower losses</b>
<b>ROE on NI</b>	<b>6.6%</b>	<b>13.7%</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 7.5-year period beginning 3/31/2014 (including deferred financing costs and amortization of upfront fees) and giving effect to the swap-adjusted interest rate on debt instruments

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 ~19.10% pre-incentive fee income

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

Source: SNL Financial



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## TSLX VS RATED BDC PEERS

(\$ in millions)		Key Credit Metrics												ROE (NI)	
		Long Term Credit Ratings				Debt / Equity <sup>(1)</sup>	Debt / Assets <sup>(1)</sup>	Interest Coverage <sup>(2)</sup>	Dividend Coverage <sup>(3)</sup>	Assets	Debt <sup>(1)</sup>	% 1st Lien <sup>(4)</sup>	% Debt Unsecured	LTM <sup>(5)</sup>	Since TSLX IPO <sup>(6)</sup>
Ticker	S&P	Moody's	Fitch	KBRA											
Ares Capital Corp	ARCC	BBB- (stable)	Baa3 (stable)	BBB (stable)		1.18x	52%	3.2x	1.0x	\$19,154	\$10,040	49%	90%	21.5%	10.9%
FS KKR Capital	FSK		Baa3 (stable)	BBB- (neg)	BBB (stable)	1.10x	51%	3.4x	1.1x	16,620	8,492	61%	52%	21.9%	1.4%
Owl Rock Capital Corporation	ORCC	BBB- (stable)	Baa3 (stable)	BBB- (stable)	BBB (stable)	1.18x	53%	3.3x	1.1x	13,076	6,935	77%	62%	11.0%	9.1%
Blackstone Secured Lending Fund	BXSL		Baa3 (stable)	BBB- (stable)		1.08x	51%	4.2x	1.3x	8,822	4,458	98%	71%	13.2%	8.3%
Prospect Capital	PSEC	BBB- (stable)	Baa3 (stable)		BBB- (stable)	0.53x	32%	3.6x	1.3x	6,498	2,079	59%	96%	31.0%	8.0%
Golub Capital	GBDC	BBB- (stable)	Baa3 (stable)	BBB- (stable)		0.99x	49%	3.6x	1.1x	5,165	2,551	95%	45%	14.1%	8.6%
Goldman Sachs BDC	GSBD		Baa3 (stable)	BBB- (stable)		1.00x	49%	5.4x	1.0x	3,323	1,626	89%	62%	20.7%	7.0%
Main Street Capital	MAIN	BBB- (stable)				0.88x	46%	4.1x	1.1x	3,244	1,478	72%	63%	21.4%	11.9%
New Mountain Finance Corp	NMFC		Baa3 (stable)	BBB- (stable)	BBB- (stable)	1.39x	57%	2.6x	1.0x	3,168	1,808	49%	56%	18.7%	8.0%
Hercules Capital	HTGC		Baa3 (stable)		BBB+ (stable)	1.06x	51%	3.3x	1.0x	2,791	1,417	81%	75%	27.2%	11.6%
Apollo Investment	AINV				BBB- (stable)	1.54x	59%	2.9x	1.0x	2,691	1,598	92%	29%	13.2%	1.9%
Oaktree Specialty Lending	OCSL		Baa3 (stable)	BBB- (stable)		0.97x	48%	4.2x	1.2x	2,636	1,269	69%	51%	20.0%	1.9%
Bain Capital Specialty Finance	BCSF		Baa3 (stable)			1.22x	54%	2.9x	1.0x	2,499	1,346	80%	30%	13.0%	5.0%
Solar Capital	SLRC		Baa3 (stable)	BBB- (stable)		0.84x	34%	3.1x	0.9x	2,100	713	96%	73%	8.4%	5.9%
BlackRock TCP Capital	TCPC		Baa3 (stable)	BBB- (stable)		1.20x	53%	2.9x	1.1x	1,834	978	77%	73%	20.3%	7.5%
Barings BDC Inc	BBDC		Baa3 (stable)	BBB- (stable)		1.39x	58%	2.8x	1.1x	1,800	1,037	73%	36%	12.4%	3.9%
PennantPark Investment	PNNT				BBB (stable)	0.92x	47%	2.6x	1.1x	1,295	607	44%	37%	31.7%	5.5%
Crescent Capital BDC	CCAP				BBB- (stable)	0.93x	47%	3.8x	1.0x	1,183	557	84%	32%	19.6%	7.8%
PennantPark Floating Rate Capital	PFLT				BBB (stable)	1.33x	56%	2.8x	0.9x	1,171	653	86%	32%	11.8%	6.3%
<b>Median</b>						<b>1.08x</b>	<b>51%</b>	<b>3.3x</b>	<b>1.1x</b>			<b>77%</b>	<b>56%</b>	<b>19.6%</b>	<b>7.5%</b>
<b>Mean</b>						<b>1.09x</b>	<b>50%</b>	<b>3.4x</b>	<b>1.1x</b>			<b>75%</b>	<b>56%</b>	<b>18.5%</b>	<b>6.9%</b>
Sixth Street Specialty Lending	TSLX	BBB- (stable)	Baa3 (stable)	BBB- (stable)	BBB+ (stable)	0.90x	47%	5.3x	1.3x	\$2,418	\$1,125	93%	83%	20.0%	13.7%

Source: SNL Financial and company filings, data as of quarter ended 9/30/2021, or latest available

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 and supplemental dividends paid

4. Based on fair value

5. Calculated as LTM 9/30/2021, cumulative net income per share, divided by beginning NAV per share at 9/30/2020

6. Calculated as cumulative net income per share from 3/31/2014 to 9/30/2021, or latest available, divided by beginning NAV per share at 3/31/2014, adjusted for annual basis

# TSLX CREDIT HIGHLIGHTS

1.  
Strong Liquidity and  
Funding Profile

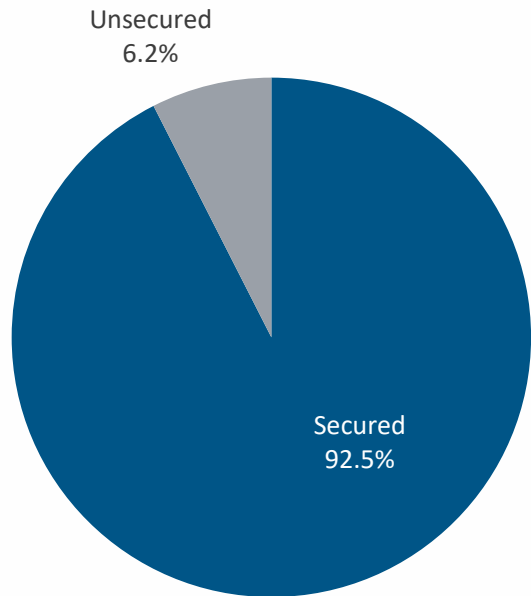
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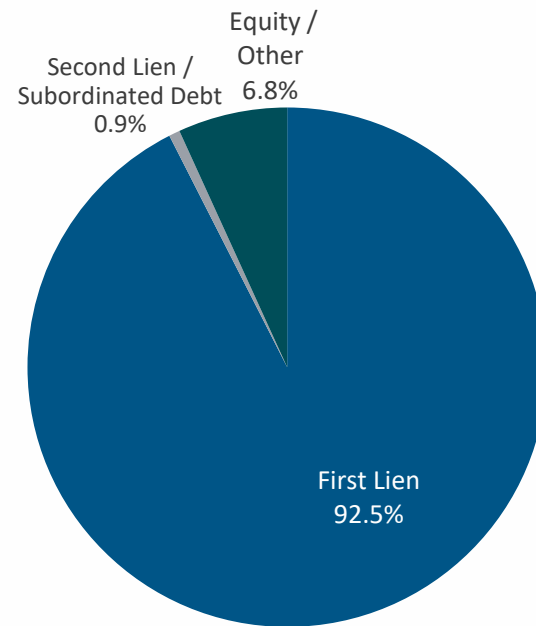
4.  
Low Volatility Portfolio

## LOW VOLATILITY PORTFOLIO

### HIGHLY SECURED



### TOP OF THE CAPITAL STRUCTURE



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

# TSLX CREDIT HIGHLIGHTS

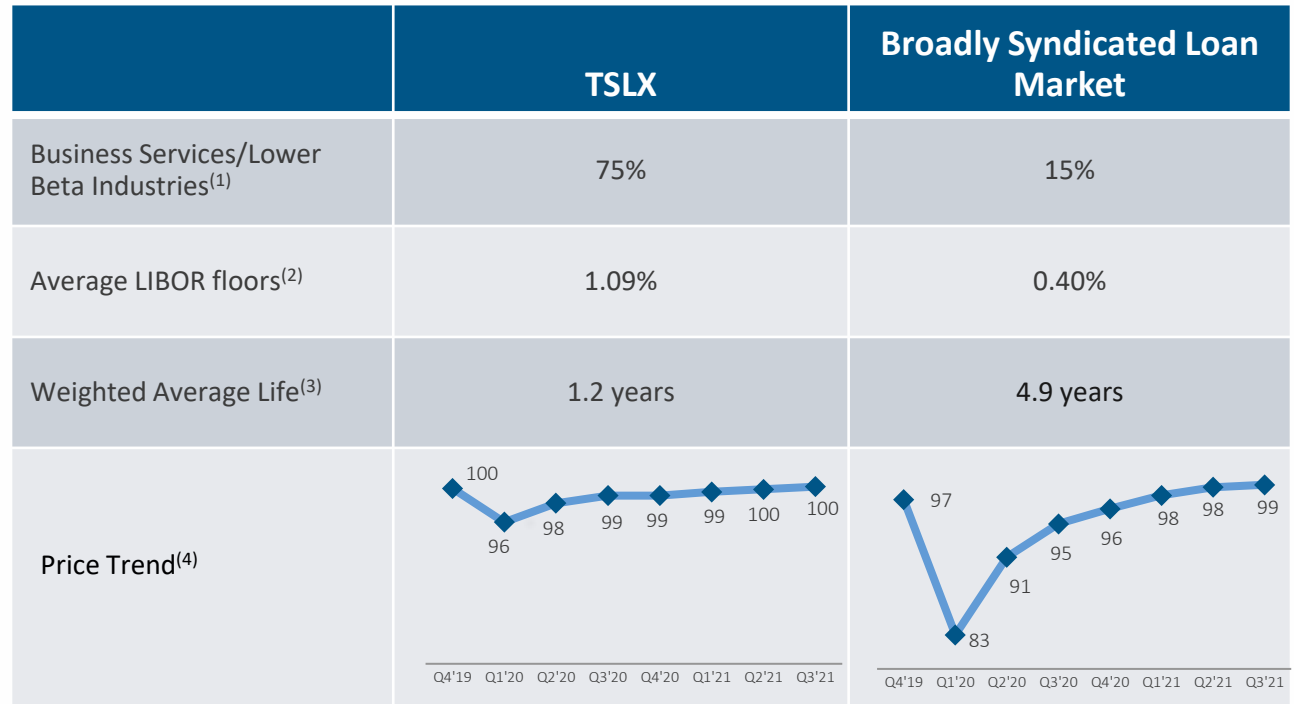
## TSLX PORTFOLIO VS. BROADLY SYNDICATED LOAN MARKET

1.  
Strong Liquidity and  
Funding Profile

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Performance

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Dividend Coverage

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*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 as of September 2021

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 remaining 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 September 30, 2021

# TSLX PRINCIPLES AND INVESTMENT STRATEGY

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## 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

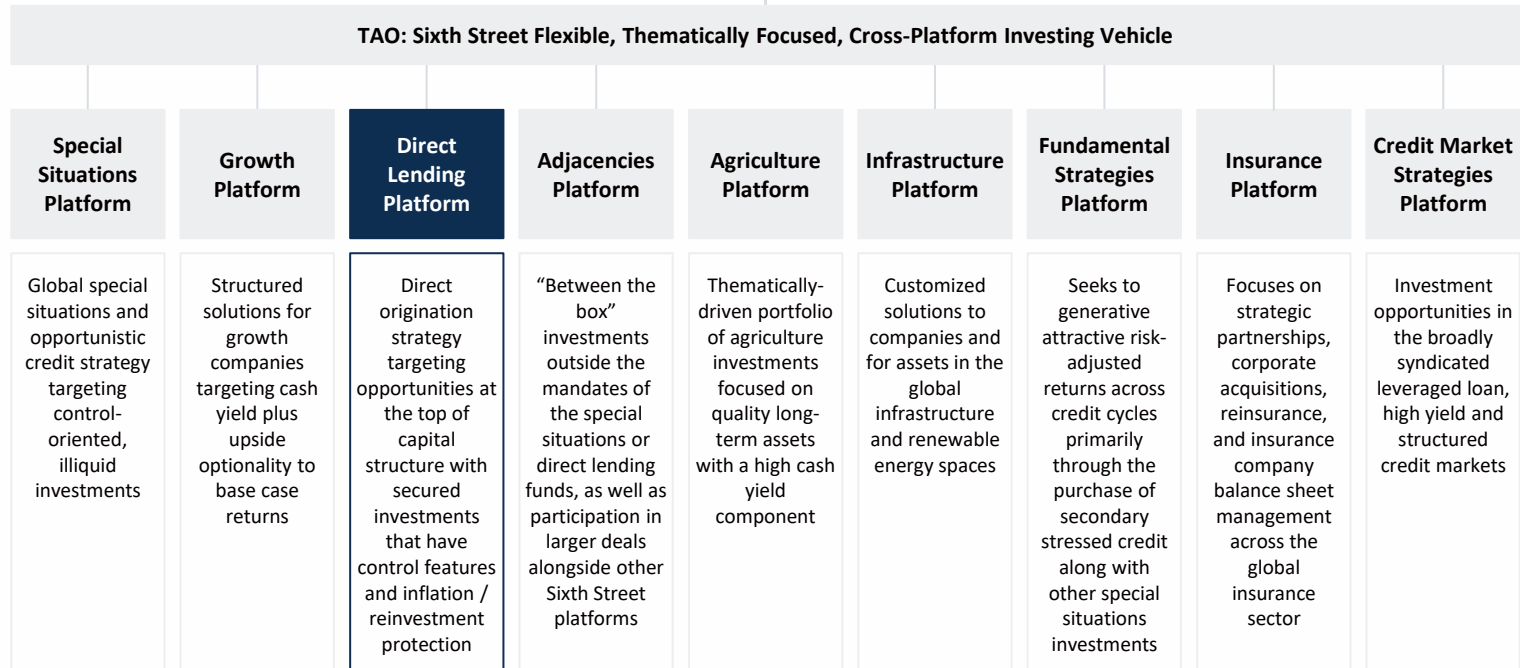


1.  
Differentiated  
Platform Expertise  
and Capabilities

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 \$60 billion of AUM
- 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

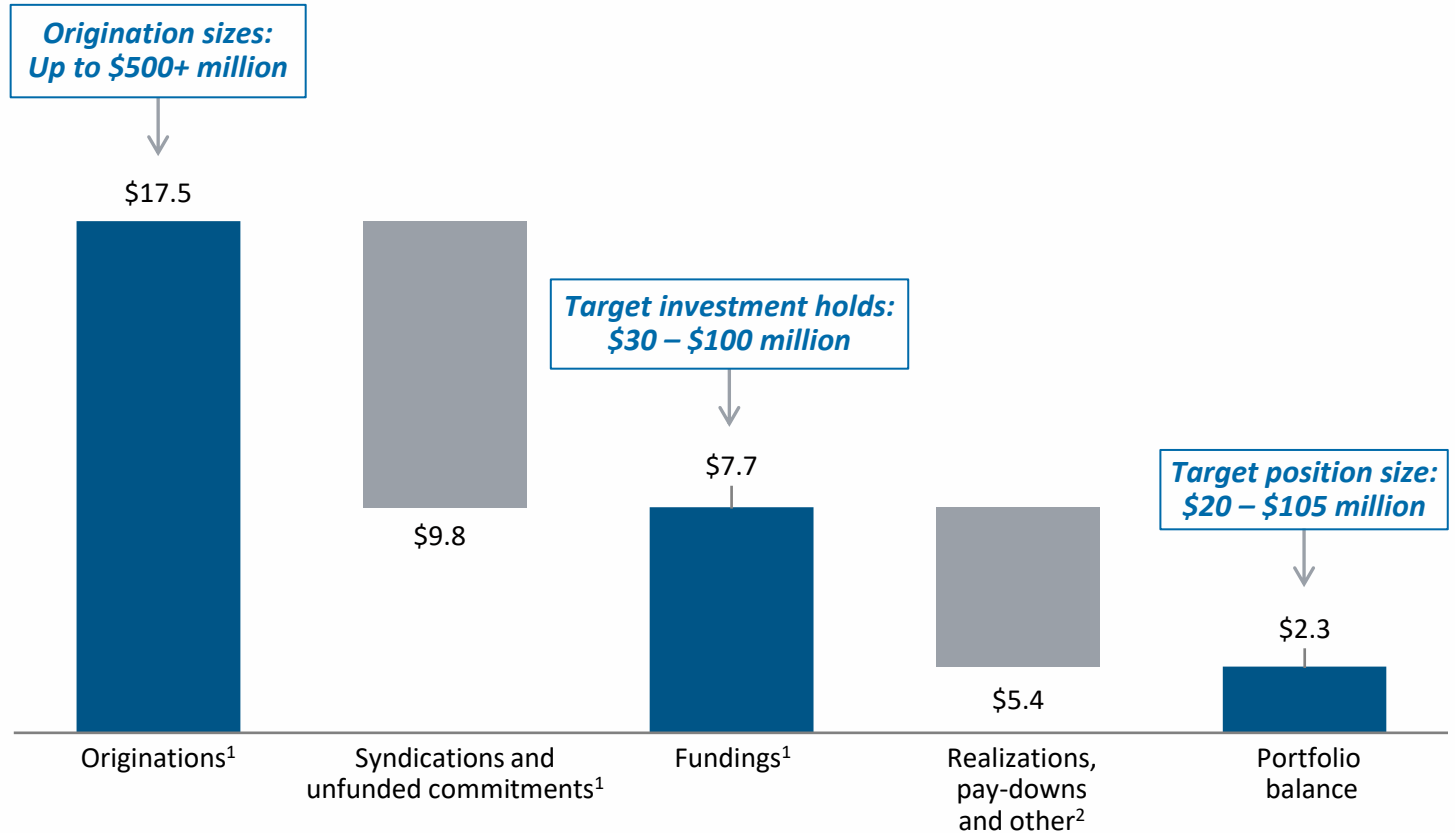
1.  
Differentiated  
Platform Expertise  
and Capabilities

2.  
Disciplined Sector  
Approach

3.  
Maintain a Low  
Volatility Portfolio

4.  
Focused Risk  
Management

## ORIGINATIONS AND FUNDING ACTIVITIES



1. At par value; since inception through 9/30/2021

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 9/30/2021)

Note: as of 9/30/2021

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

# TSLX PRINCIPLES AND INVESTMENT STRATEGY

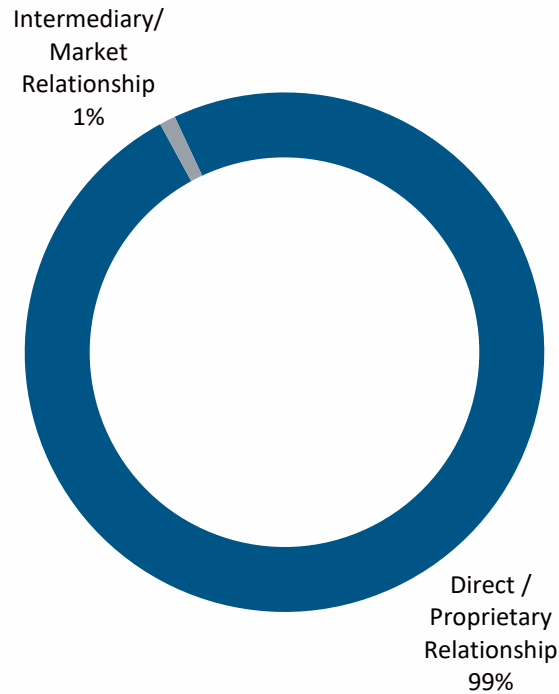
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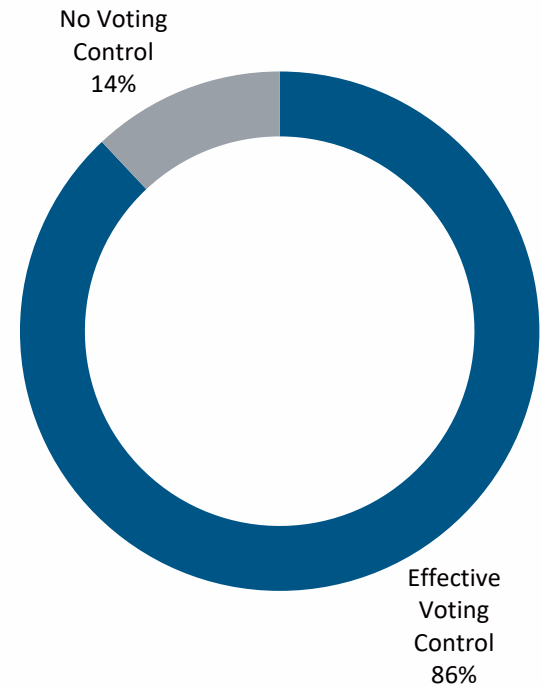
4.  
Focused Risk  
Management

## SOURCING



**99% SOURCED AWAY  
FROM WALL STREET**

## VOTING CONTROL



**EFFECTIVE VOTING CONTROL IN 86% OF  
PORTFOLIO DEBT INVESTMENTS**

Note: By fair value of investments as of 9/30/2021

# TSLX PRINCIPLES AND INVESTMENT STRATEGY

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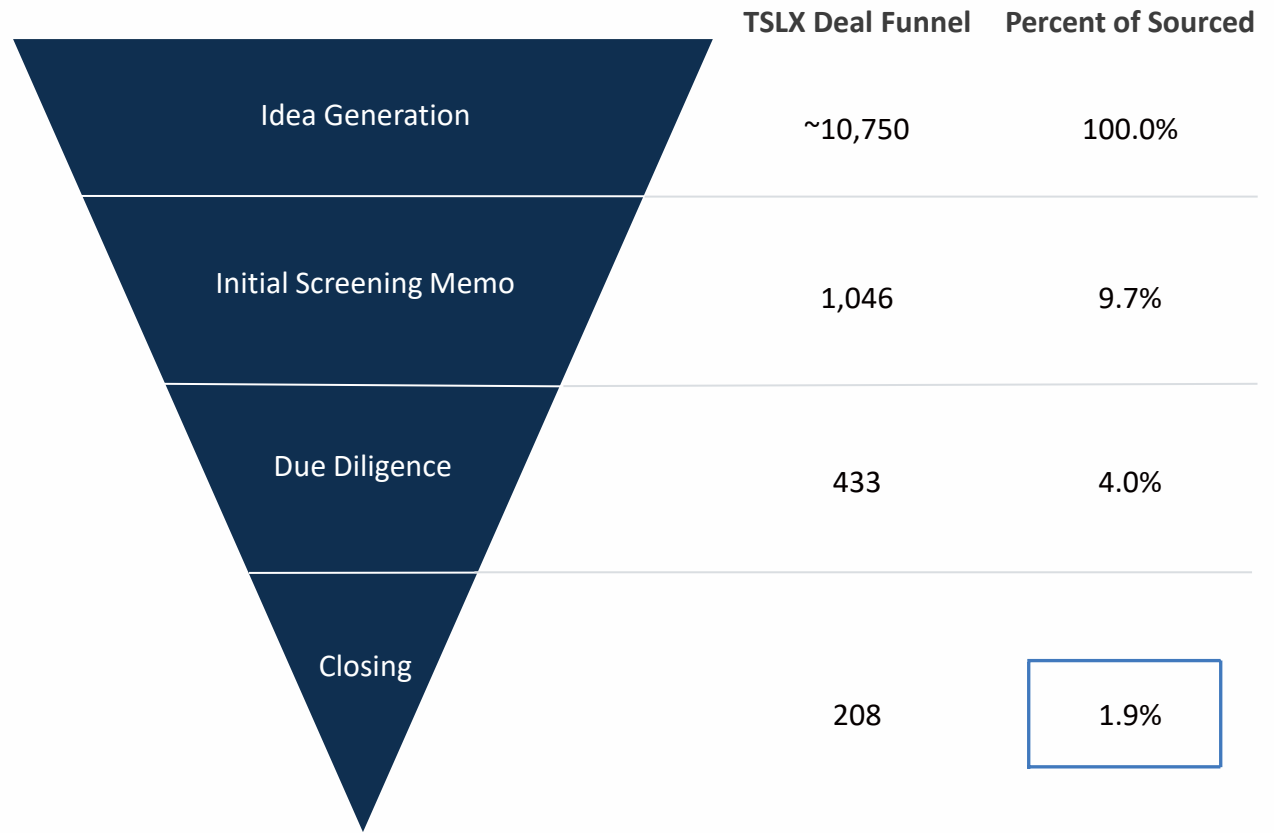
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## TSLX DEAL FUNNEL

Typical underwriting process 1–3 months



**OUR DIRECT SOURCING MODEL IS A DIFFERENTIATOR;  
HIGHLY SELECTIVE INVESTMENT PROCESS**

Note: Since inception through 9/30/2021



# TSLX PRINCIPLES AND INVESTMENT STRATEGY

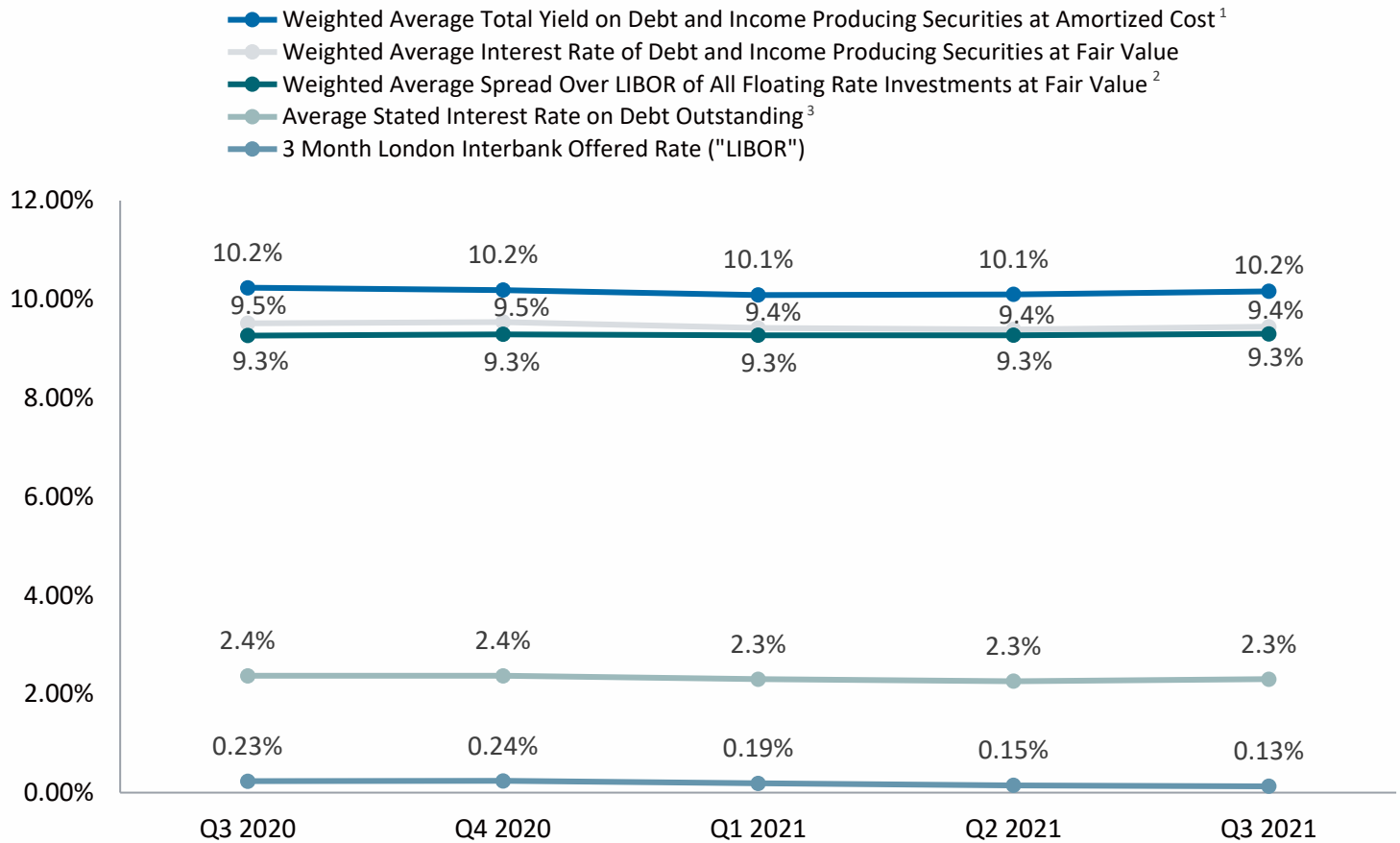
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## NET INTEREST MARGIN



**TOTAL YIELD HAS BEEN STABLE...THE BENEFIT OF DIRECT ORIGINATIONS & LIBOR FLOORS**

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. Interest rate on debt outstanding includes the swap-adjusted interest expense related to our Convertible Notes and Unsecured Notes

# TSLX PRINCIPLES AND INVESTMENT STRATEGY

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## REPRESENTATIVE THEMES

Software and/or  
Recurring Revenue

**Curriculum  
Associates®**

intapp™

idera

validity

**FRONTLINE®**  
TECHNOLOGIES

Qlik Q®

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

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and Capabilities

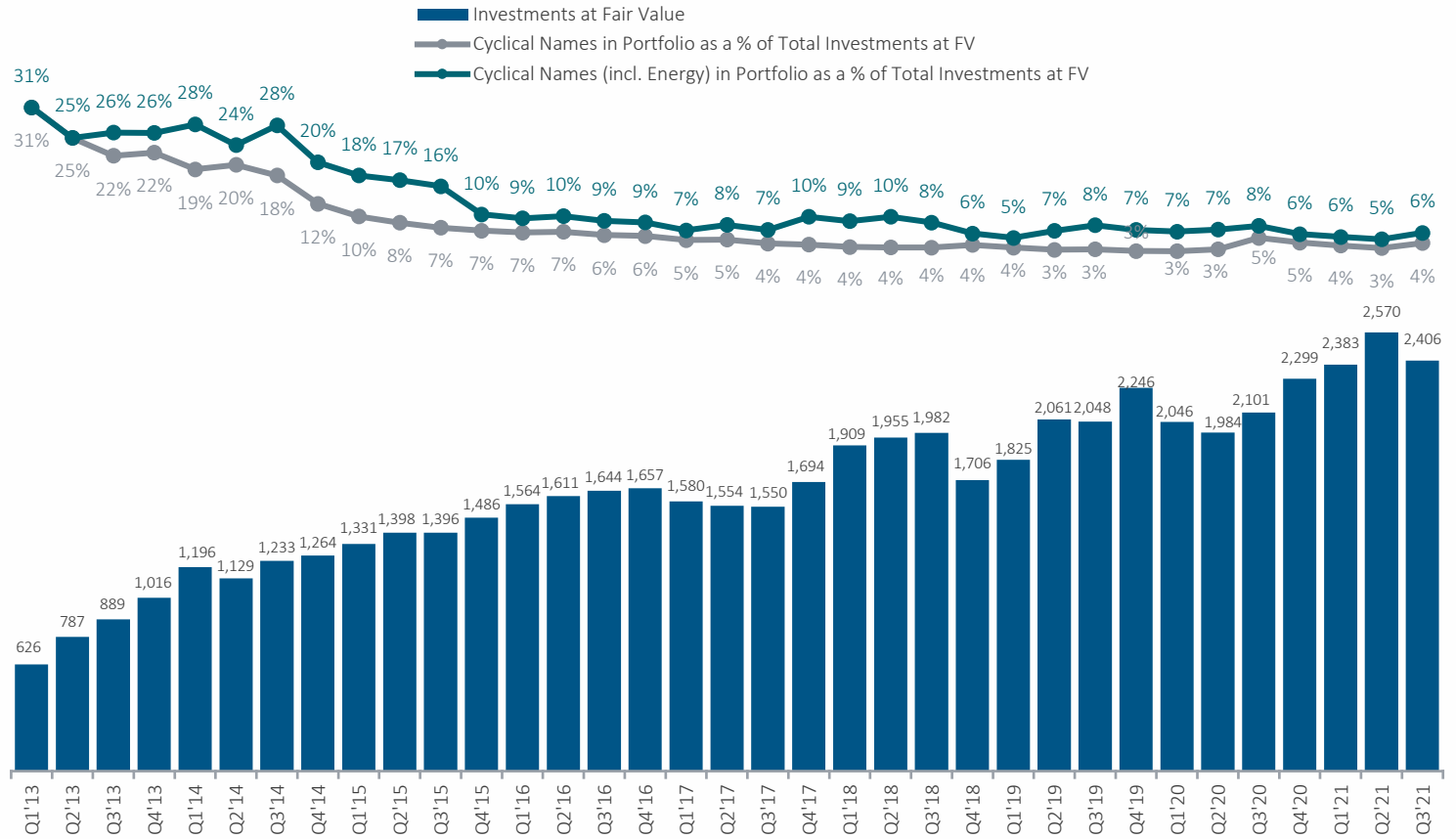
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## REDUCING CYCLICAL EXPOSURE

\$ 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

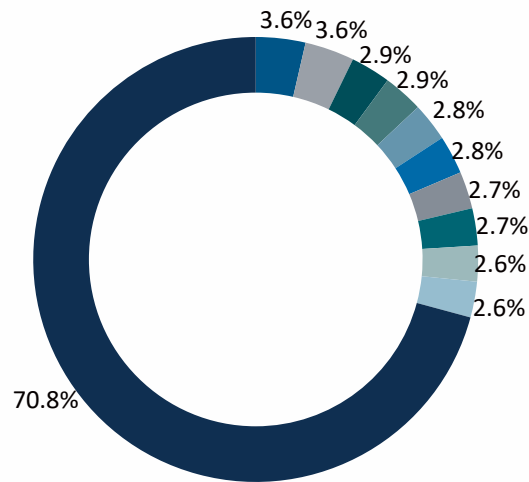
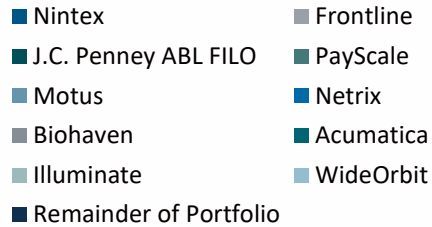
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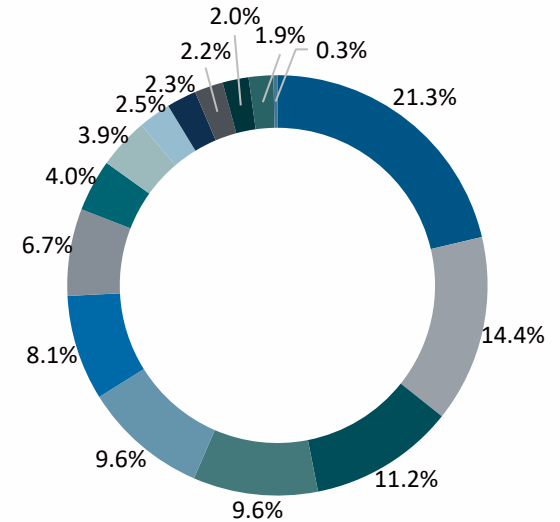
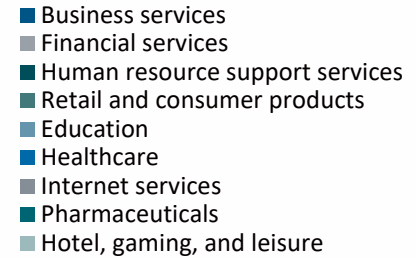
3.  
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## TOP 10 BORROWER DIVERSIFICATION



## INDUSTRY DIVERSIFICATION



## DIVERSITY ACROSS BORROWER AND INDUSTRY CONCENTRATIONS

# TSLX PRINCIPLES AND INVESTMENT STRATEGY

1.  
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and Capabilities

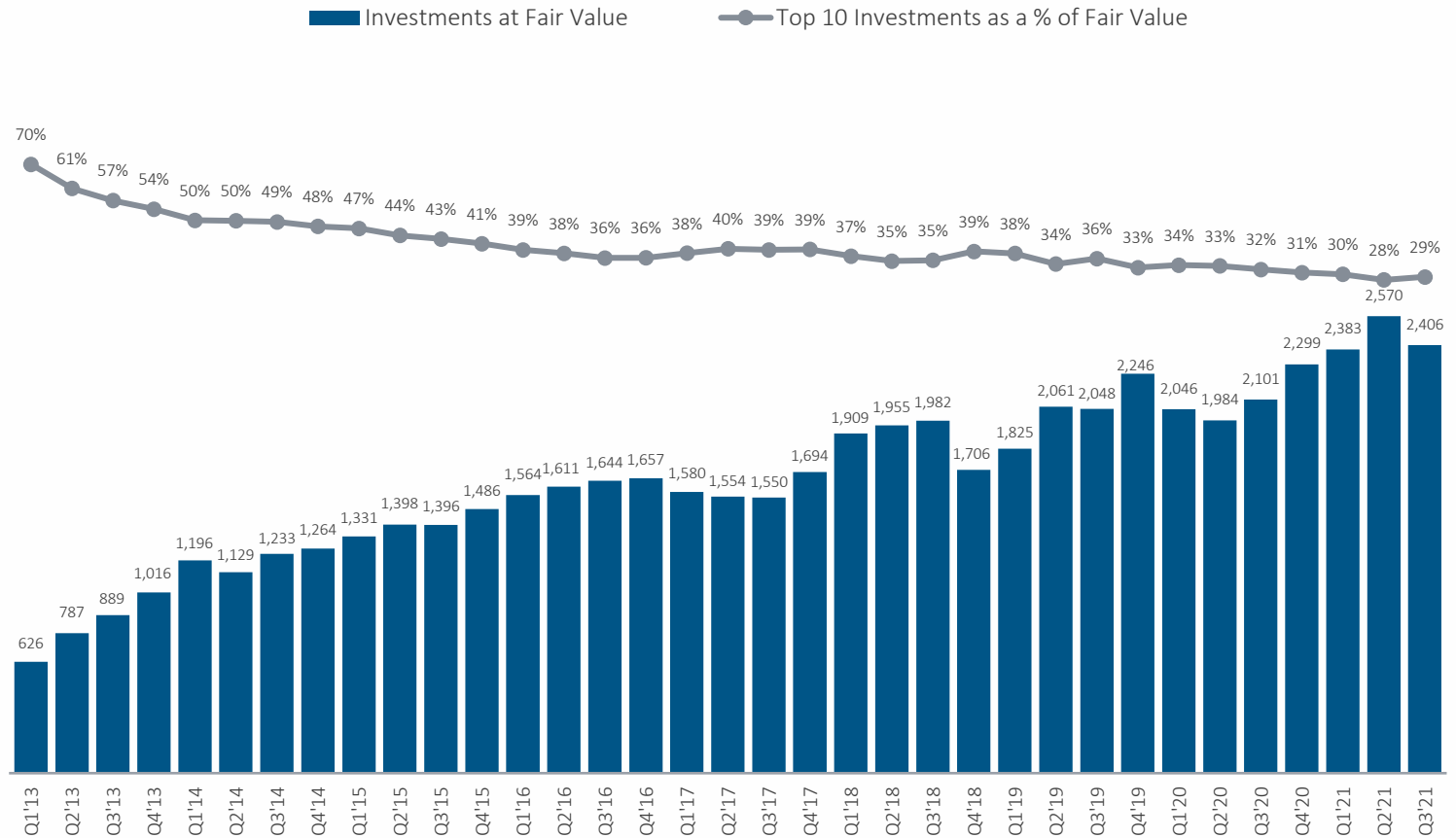
2.  
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## PORTFOLIO DIVERSIFICATION

\$ Millions by Fair Value



**AS THE PORTFOLIO GROWS, TSLX CONTINUES DIVERSIFYING EXPOSURE  
ACROSS BORROWERS**

# TSLX PRINCIPLES AND INVESTMENT STRATEGY

1.  
Differentiated  
Platform Expertise  
and Capabilities

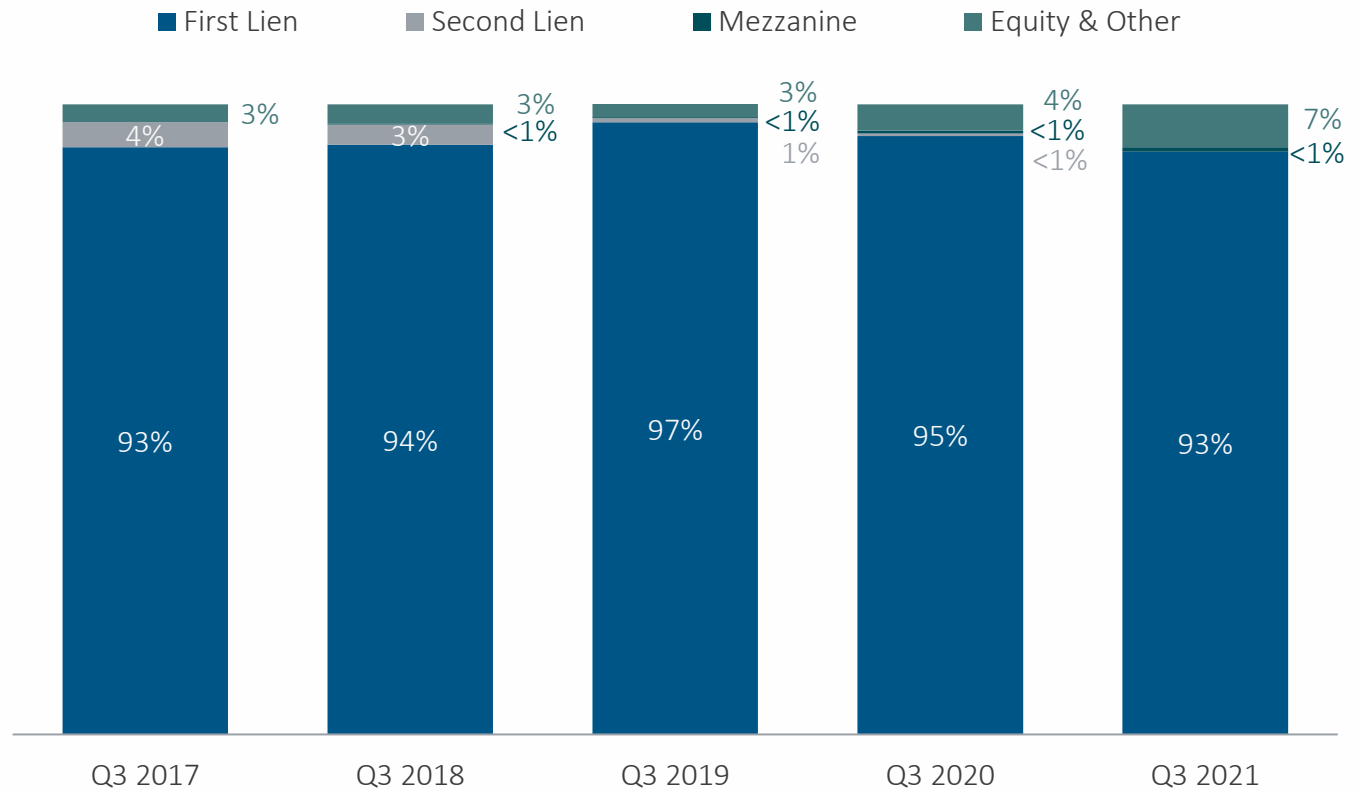
2.  
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Approach

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Portfolio

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Management

## ASSET MIX

\$ 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.  
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Platform Expertise  
and Capabilities

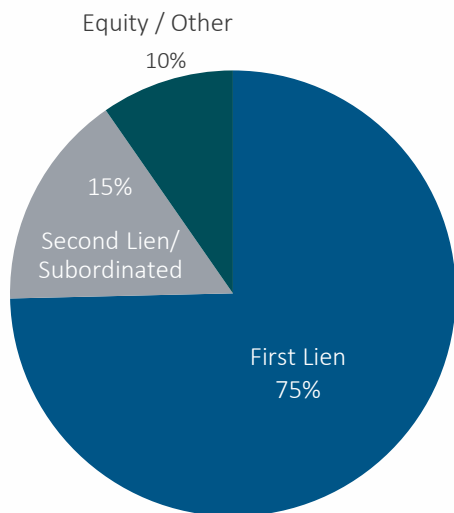
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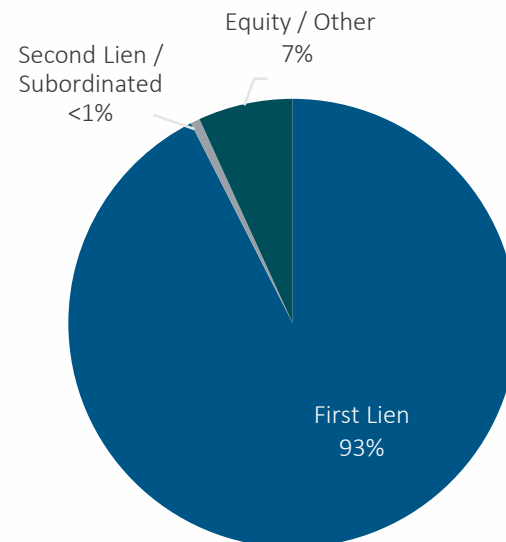
## RELATIVE VALUE

### LARGE BDC COMPOSITE<sup>1,2</sup>



Yield at Amortized Cost<sup>3</sup>: **8.4%**  
Average Return on Equity<sup>4</sup>: **6.3%**

### TSLX PORTFOLIO



Yield at Amortized Cost<sup>3</sup>: **10.2%**  
Return on Equity<sup>4</sup>: **13.7%**

1. Excludes investments on non-accrual status

2. BDC Composite consists of 19 externally traded BDCs with more than \$1.0 billion of Total Assets as of 9/30/2021, excluding TSLX

3. As of 9/30/2021, or latest available. PSEC, OCSL, TCPC, GBDC, and ORCC yield at fair value as proxy for yield at amortized cost

4. Calculated since TSLX IPO through of 9/30/21, or latest available. Calculated as cumulative net income per share from 3/31/2014 to 9/30/2021, or latest available, divided by beginning NAV per share at 3/31/2014, adjusted for annual basis

Note: Based on portfolio fair value as of 9/30/21, or latest available. Numbers may not sum to 100% due to rounding

Source: Company Reports, SNL Financial

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

# TSLX PRINCIPLES AND INVESTMENT STRATEGY

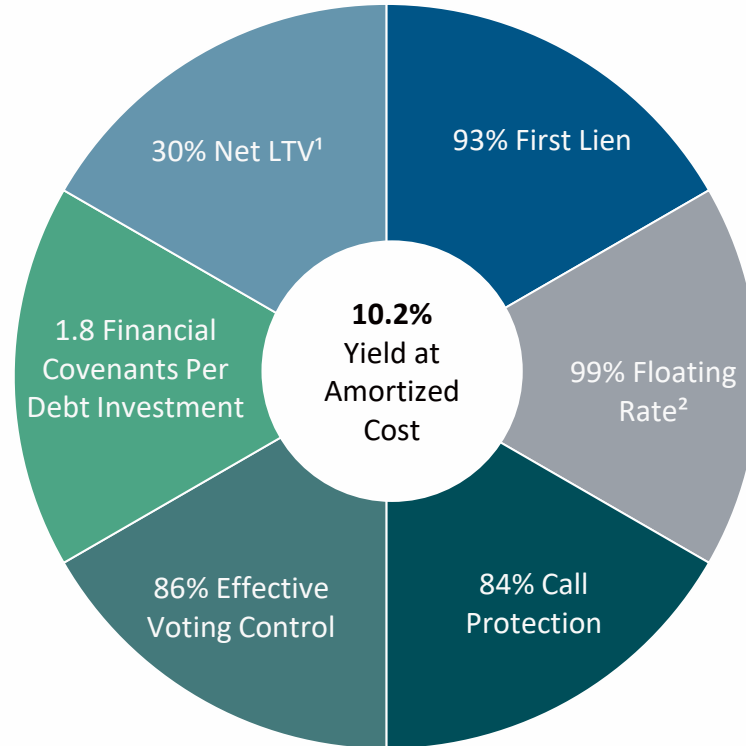
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Management

## 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 9/30/2021, 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

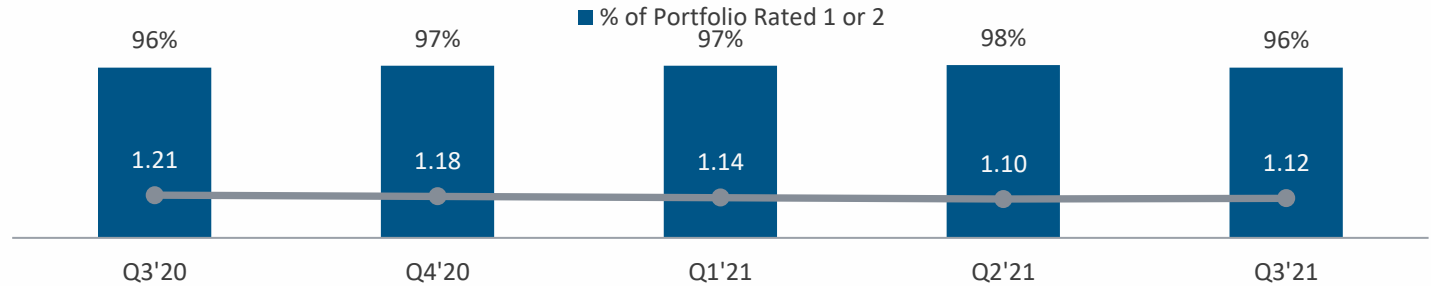
2. Disciplined Sector Approach

3. Maintain a Low Volatility Portfolio

4. Focused Risk Management

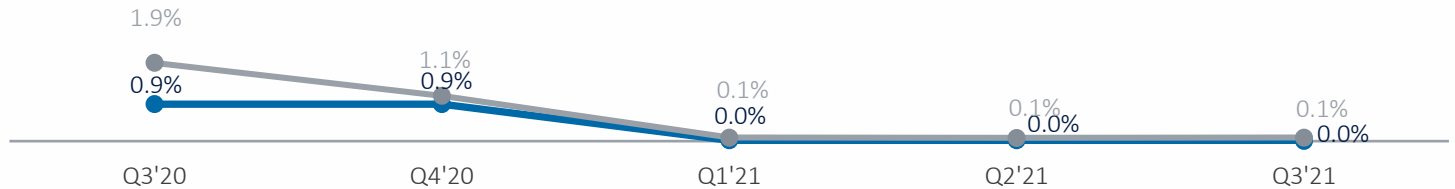
## WEIGHTED AVERAGE PORTFOLIO PERFORMANCE RATING

By Fair Value



## % OF INVESTMENTS ON NON-ACCRUAL

By Fair Value (Blue line) By Amortized Cost (Grey line)

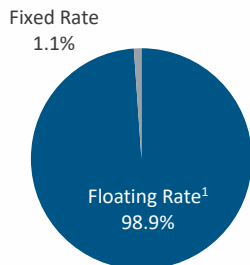


- The weighted average investment performance rating of the portfolio as of September 30, 2021 is 1.12 (1 being the lowest risk), and 91% of the portfolio is rated 1 and 96% of the portfolio is rated 1 or 2
- As of September 30, 2021, there were 2 investments on non-accrual status which represented <0.01% of investments at fair value. Names on non-accrual include:
  - [American Achievement Sub Debt](#) which represents \$119k (<0.01%) of the portfolio at fair value
  - [Mississippi Resources](#) which represents 0.00% of the portfolio at fair value

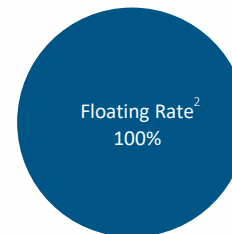
# TSLX PRINCIPLES AND INVESTMENT STRATEGY

1. Differentiated Platform Expertise and Capabilities

## DEBT PORTFOLIO COMPOSITION

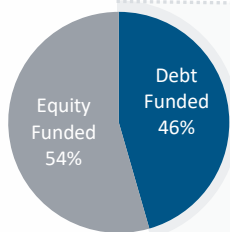


## DEBT FUNDING COMPOSITION

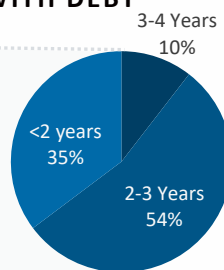


2. Disciplined Sector Approach

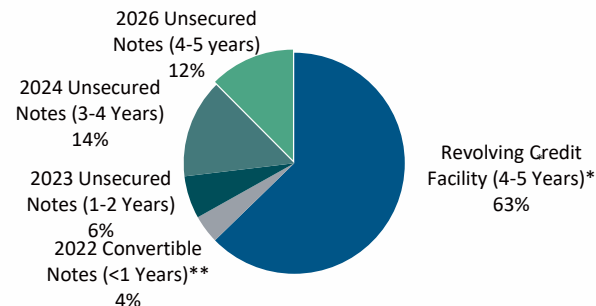
## PORTFOLIO FUNDING PROFILE<sup>3</sup>



## INVESTMENTS FUNDED WITH DEBT



## REMAINING DURATION OF DEBT



Weighted average remaining life of investments funded by debt of ~2.1 years<sup>4</sup>

Weighted average remaining maturity of debt of ~3.9 years<sup>5</sup>

3. Maintain a Low Volatility Portfolio

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

\*Includes \$25 million of non-extending commitments with a maturity of January 31, 2025 and a revolving period ending January 31, 2024.

\*\*Pro forma for the conversion of ~\$42.8MM of 2022 Convertible Notes into common equity that settled in December 2021.

1. Includes fixed rate investments for which TSLX entered into an interest rate swaps agreement to swap to a floating rate.

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 \$18.4M at 9/30/20, \$17.2M at 12/31/20, \$23.7M at 3/31/21, \$22.3M at 6/30/21 and \$20.8M at 9/30/21. Fair value hedge on interest rate swaps related to the 2024 and 2026 notes total \$18.1M at 9/30/20, \$16.8M at 12/31/20, \$2.2M at 3/31/21 and \$4.5M at 6/30/21 and \$2.5M at 9/30/21

4. Weighted by amortized cost of debt investments. Investments are financed by debt and equity capital. This analysis assumes longer-dated investments are currently funded by equity capital (54% of investments) and the remaining (shorter-dated) investments (46% of investments) are currently funded by debt financing. Investments for purposes of this analysis exclude unfunded commitments, and equity capital is defined as 9/30/21 net assets

5. Weighted by gross commitment amount

4. Focused Risk Management

# TSLX PRINCIPLES AND INVESTMENT STRATEGY

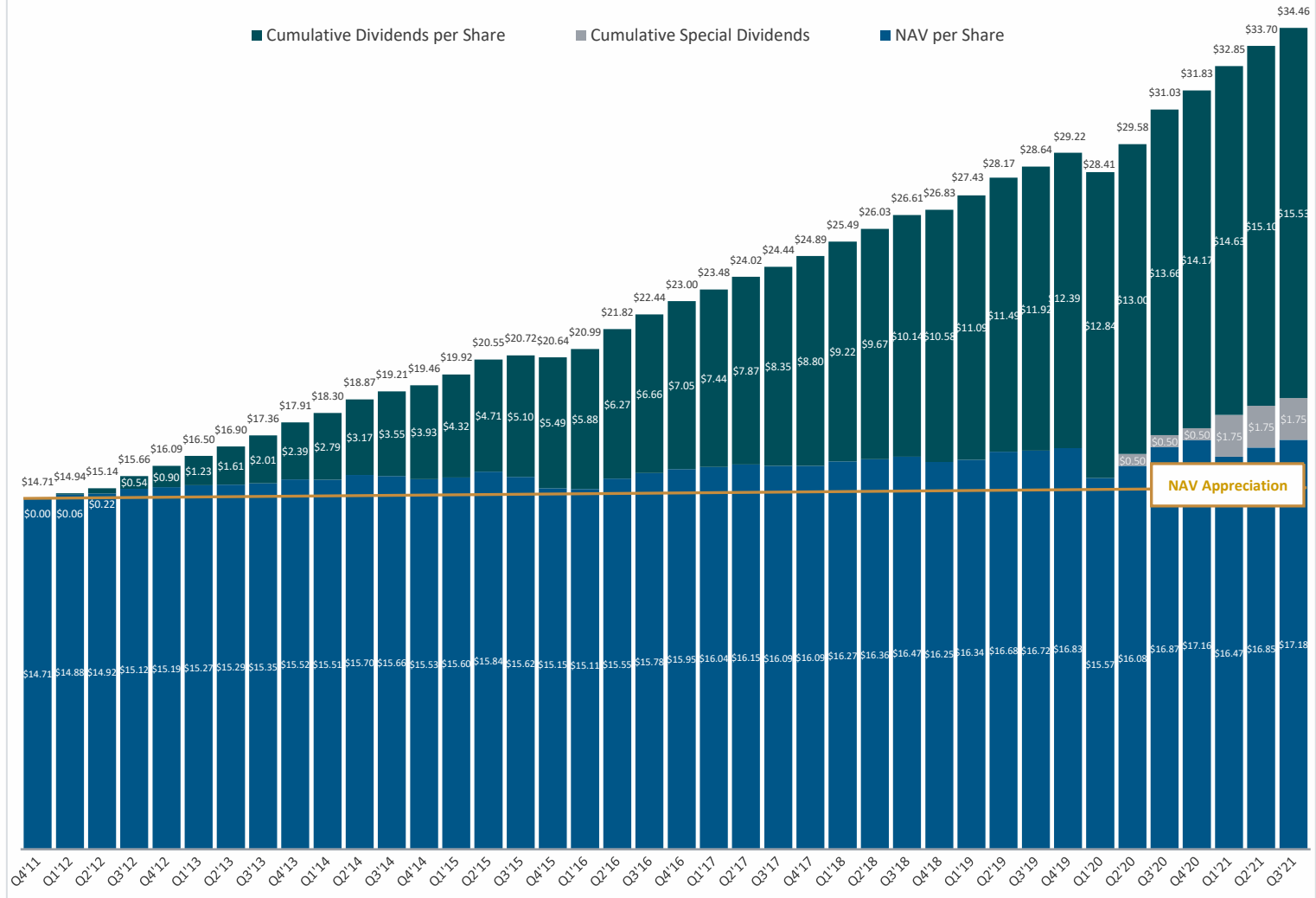
1. Differentiated Platform Expertise and Capabilities

2. Disciplined Sector Approach

3. Maintain a Low Volatility Portfolio

4. Focused Risk Management

## BOOK VALUE PER SHARE AND DIVIDENDS PAID





# ADDITIONAL MATERIALS

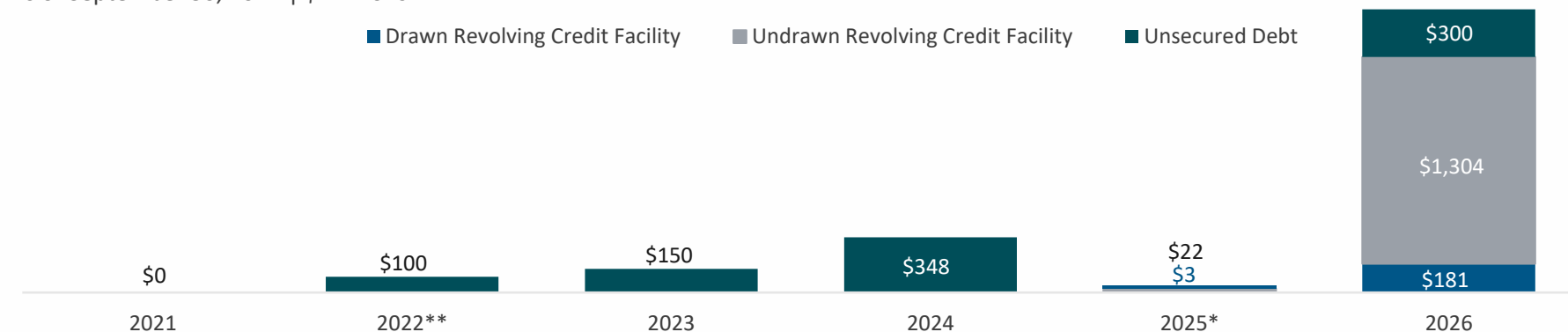
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# LIQUIDITY MANAGEMENT

Revolving Credit Facility <sup>1</sup>		Unsecured Notes				
Size:	\$1.510 Billion; Uncommitted Accordion Feature Can Increase Total Size to \$2.00 Billion	Convertible Notes**		Unsecured Notes		
Revolving Period*:	February 4, 2025	Size:	\$100 Million	\$150 Million	\$348 Million	\$300 Million
Maturity Date*:	February 4, 2026	Maturity:	August 1, 2022	January 22, 2023	November 1, 2024	August 1, 2026
Interest Rate:	LIBOR + 1.875% / LIBOR + 1.75%	Coupon:	4.500%	4.500%	3.875%	2.500%
Undrawn Fee:	0.375%	Coupon Swap Pricing <sup>2</sup> :	LIBOR + 2.11%	LIBOR + 1.99%	LIBOR + 2.28%	LIBOR + 1.91%
		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 / \$18.09	N/A	N/A	N/A

## DEBT PROFILE BY MATURITY DATE

As of September 30, 2021 | \$ Millions



\*Includes \$25 million of non-extending commitments with a maturity of January 31, 2025 and a revolving period ending January 31, 2024

\*\*After the end of Q3 2021, \$42.8 million of Convertible Notes were surrendered for conversion while a conversion features had been met; such conversions have been reflected above

- 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

	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021
<b>Adjusted Net Investment Income Per Share<sup>1</sup></b>	<b>\$0.61</b>	<b>\$0.50</b>	<b>\$0.53</b>	<b>\$0.46</b>	<b>\$0.55</b>
<b>Adjusted Net Income (Loss) Per Share<sup>1</sup></b>	<b>\$1.21</b>	<b>\$0.81</b>	<b>\$0.88</b>	<b>\$0.88</b>	<b>\$0.80</b>
<i>(-) Incentive fees on net capital gains (Not Payable)</i>	<i>\$0.00</i>	<i>\$0.02</i>	<i>\$0.07</i>	<i>\$0.08</i>	<i>\$0.05</i>
Net Investment Income Per Share	\$0.61	\$0.48	\$0.46	\$0.38	\$0.50
Net Income (Loss) Per Share	\$1.21	\$0.79	\$0.81	\$0.80	\$0.75
Net Asset Value Per Share (Ending Shares)	\$16.87	\$17.16	\$16.47	\$16.85	\$17.18
Pro Forma Net Asset Value Per Share (Ending Shares) <sup>2</sup>	\$16.77	\$15.86	\$16.41	\$16.83	\$16.61
Distributions Per Share (Record Date)	\$0.41	\$0.51	\$1.71	\$0.47	\$0.43
Net Assets	\$1,141,220	\$1,161,315	\$1,185,332	\$1,223,813	\$1,251,845
Total Debt (Outstanding Principal) <sup>3</sup>	\$931,624	\$1,112,590	\$1,095,724	\$1,325,989	\$1,124,556
Debt to Equity at Quarter-end <sup>4</sup>	0.81x	0.95x	0.92x	1.08x	0.90x
Average Debt to Equity <sup>5</sup>	0.93x	0.87x	0.93x	1.07x	1.01x
<b>Annualized ROE on Adjusted Net Investment Income<sup>1,6</sup></b>	<b>15.1%</b>	<b>12.0%</b>	<b>13.3%</b>	<b>11.0%</b>	<b>13.0%</b>
<b>Annualized ROE on Adjusted Net Income<sup>1,6</sup></b>	<b>30.1%</b>	<b>19.2%</b>	<b>22.1%</b>	<b>21.4%</b>	<b>19.0%</b>
Annualized ROE on Net Investment Income <sup>6</sup>	15.1%	11.5%	11.7%	9.2%	11.9%
Annualized ROE on Net Income <sup>6</sup>	30.1%	18.7%	20.5%	19.5%	17.9%

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 supplemental dividend per share related to that quarter's earnings. Note that Q4 2020 NAV per share is pro forma for the special dividend of \$0.50/share with a record date in Q4 2021

3. Represents principal value of debt outstanding

4. Pro-forma for unsettled trade receivables / (payables) of \$2.4M at 9/30/20 and \$11.8M at 12/31/20

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

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

# PORTFOLIO HIGHLIGHTS – SELECTED METRICS

## DOLLAR AMOUNTS IN THOUSANDS

	As of and For Three Months Ended				
	September 30, 2020	December 31, 2020	March 31, 2021	June 30, 2021	September 30, 2021
<b>Investments at Fair Value</b>	<b>\$2,100,765</b>	<b>\$2,298,870</b>	<b>\$2,382,746</b>	<b>\$2,569,992</b>	<b>\$2,406,465</b>
<b>Number of Portfolio Companies</b>	<b>70</b>	<b>70</b>	<b>68</b>	<b>72</b>	<b>67</b>
<b>Average Investment Size in Our Portfolio Companies</b>	<b>\$30,011</b>	<b>\$32,841</b>	<b>\$35,040</b>	<b>\$35,694</b>	<b>\$35,917</b>
<b>Asset Class:</b>					
First-Lien Debt Investments	95%	96%	95%	94%	93%
Second-Lien Debt Investments	<1%	<1%	<1%	<1%	0%
Mezzanine Debt Investments	<1%	<1%	<1%	<1%	<1%
Equity and Other Investments	4%	4%	4%	6%	7%
<b>Interest Rate Type<sup>1</sup>:</b>					
% Floating Rate <sup>2</sup>	98.9%	99.1%	99.0%	98.9%	98.9%
% Fixed Rate	1.1%	0.9%	1.0%	1.1%	1.1%
<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>	10.2%	10.2%	10.1%	10.1%	10.2%
Weighted Average Total Yield of Debt and Income Producing Securities <sup>3</sup>	10.1%	10.0%	9.8%	9.8%	9.9%
Weighted Average Spread Over 3-Month LIBOR of All Floating Rate Investments <sup>2</sup>	9.3%	9.3%	9.3%	9.3%	9.3%
Weighted Average Interest Rate of Debt and Income Producing Securities	9.5%	9.5%	9.4%	9.4%	9.4%
Fair Value as a Percentage of Principal (Debt)	99.0%	99.4%	99.7%	100.0%	100.6%
Fair Value as a Percentage of Call Price (Debt)	94.6%	94.6%	95.0%	95.9%	96.7%
<b>Investment Activity at Par:</b>					
New Investment Commitments	\$435,531	\$525,987	\$145,449	\$303,079	\$105,351
Net Funded Investment Activity	\$79,278	\$184,112	\$45,250	\$157,362	(\$218,316)
<b>New Investment Commitments at Par:</b>					
Number of New Investment Commitments in New Portfolio Companies	12	10	2	7	1
Average New Investment Commitment Amount in New Portfolio Companies	\$34,800	\$42,250	\$36,250	\$36,628	\$75,000
Weighted Average Term for New Investment Commitments in New Portfolio Companies (In Years)	3.8	5.3	5.0	4.9	6.0
Weighted Average Interest Rate of New Investment Commitments	10.3%	9.9%	9.8%	9.2%	10.7%
Weighted Average Spread Over 3-Month LIBOR of New Floating Rate Investment Commitments <sup>2</sup>	10.1%	9.7%	9.6%	9.1%	10.6%

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 Ending Shares Outstanding

	For Nine Months Ended		For Three Months Ended			
	September 30, 2020	September 30, 2021	December 31, 2020	March 31, 2021	June 30, 2021	September 30, 2021
<b>Investment Income:</b>						
Interest From Investments – Interest and Dividend Income <sup>1</sup>	\$159,294	\$174,822	\$52,733	\$55,936	\$59,445	\$59,441
Interest From Investments – Other Fees <sup>2</sup>	\$31,156	\$20,249	\$4,307	\$8,028	\$2,243	\$9,980
<b>Total Interest From Investments</b>	<b>\$190,450</b>	<b>\$195,071</b>	<b>\$57,040</b>	<b>\$63,964</b>	<b>\$61,688</b>	<b>\$69,421</b>
Other Income <sup>3</sup>	\$17,369	\$5,198	\$5,177	\$2,278	\$1,140	\$1,779
<b>Total Investment Income</b>	<b>\$207,819</b>	<b>\$200,269</b>	<b>\$62,217</b>	<b>\$66,242</b>	<b>\$62,828</b>	<b>\$71,200</b>
<b>Expenses:</b>						
Interest	\$31,159	\$28,999	\$8,243	\$8,953	\$10,190	\$9,856
Management Fees	\$23,670	\$27,701	\$8,435	\$8,738	\$9,417	\$9,545
Incentive fees on net investment income	\$24,232	\$23,273	\$7,253	\$7,811	\$6,996	\$8,466
Incentive fees on net capital gains (Not Payable)	\$0	\$13,548	\$1,420	\$4,515	\$5,589	\$3,444
Other Operating Expenses	\$10,514	\$10,042	\$2,347	\$3,455	\$3,213	\$3,375
<b>Total Expenses</b>	<b>\$89,575</b>	<b>\$103,563</b>	<b>\$27,698</b>	<b>\$33,472</b>	<b>\$35,405</b>	<b>\$34,686</b>
Management Fees Waived	\$0	(\$190)	-	-	(\$130)	(\$60)
<b>Net Expenses</b>	<b>\$89,575</b>	<b>\$103,373</b>	<b>\$27,698</b>	<b>\$33,472</b>	<b>\$35,275</b>	<b>\$34,626</b>
<b>Net Investment Income Before Income Taxes</b>	<b>\$118,244</b>	<b>\$96,896</b>	<b>\$34,519</b>	<b>\$32,770</b>	<b>\$27,553</b>	<b>\$36,574</b>
Income Taxes, Including Excise Taxes	\$4,010	\$729	\$1,750	\$460	\$165	\$104
<b>Net Investment Income</b>	<b>\$114,234</b>	<b>\$96,167</b>	<b>\$32,769</b>	<b>\$32,310</b>	<b>\$27,388</b>	<b>\$36,470</b>
Net Unrealized and Realized Gains (Losses)	\$10,394	\$73,795	\$20,711	\$24,342	\$30,966	\$18,486
<b>Net Income</b>	<b>\$124,628</b>	<b>\$169,962</b>	<b>\$53,480</b>	<b>\$56,652</b>	<b>\$58,354</b>	<b>\$54,956</b>
<i>(+) Incentive fees on net capital gains (Not Payable)</i>	<i>\$0</i>	<i>\$13,548</i>	<i>\$1,420</i>	<i>\$4,515</i>	<i>\$5,589</i>	<i>\$3,444</i>
<b>Adjusted Net Investment Income*</b>	<b>\$124,628</b>	<b>\$109,715</b>	<b>\$34,189</b>	<b>\$36,825</b>	<b>\$32,977</b>	<b>\$39,914</b>
<b>Adjusted Net Income*</b>	<b>\$124,628</b>	<b>\$183,510</b>	<b>\$54,900</b>	<b>\$61,167</b>	<b>\$63,943</b>	<b>\$58,400</b>
<b>Per Share:</b>						
<b>Adjusted Net Investment Income*</b>	<b>\$1.43</b>	<b>\$1.53</b>	<b>\$0.50</b>	<b>\$0.53</b>	<b>\$0.46</b>	<b>\$0.55</b>
<b>Adjusted Net Income*</b>	<b>\$1.43</b>	<b>\$2.56</b>	<b>\$0.81</b>	<b>\$0.88</b>	<b>\$0.88</b>	<b>\$0.80</b>
Net Investment Income	\$1.70	\$1.34	\$0.48	\$0.46	\$0.38	\$0.50
Net Income	\$1.86	\$2.37	\$0.79	\$0.81	\$0.80	\$0.75
Distributions (Record Date)	\$1.79	\$2.61	\$0.51	\$1.71	\$0.47	\$0.43
Weighted Average Shares Outstanding for the Period	67,068,166	71,696,874	67,628,749	69,691,162	72,556,471	72,808,730
Shares Outstanding at End of Period	67,628,140	72,848,977	67,684,209	71,969,998	72,649,683	72,848,977

\*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

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

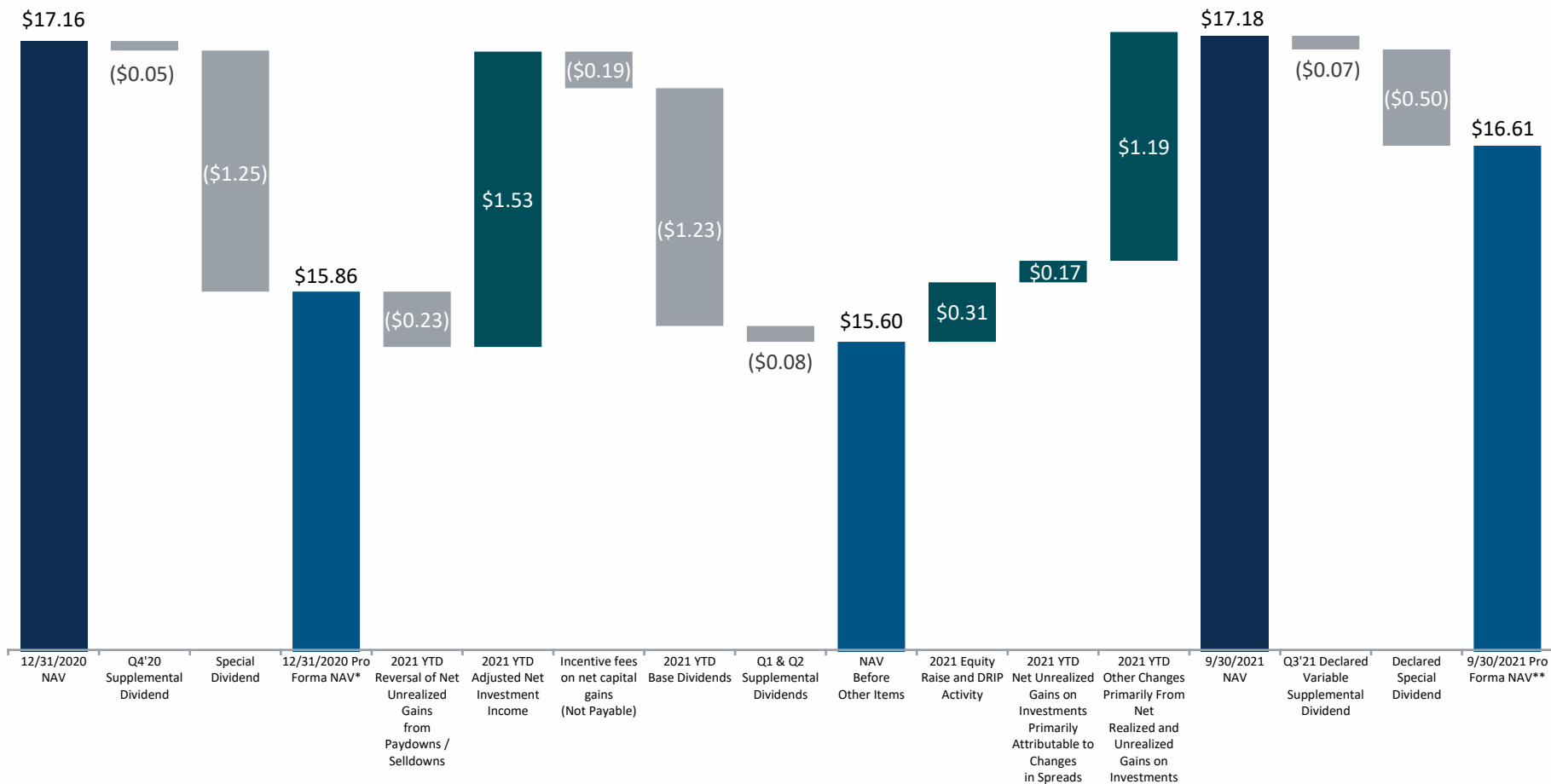
2. Interest from investments – other fees includes prepayment fees and accelerated amortization of upfront fees from unscheduled paydowns

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

Note: Numbers may not sum due to rounding



# NET ASSET VALUE BRIDGE – YEAR TO DATE



\*Reflects Q4 2020 NAV per share pro forma for the declared 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

\*\*Reflects Q3 2021 NAV per share pro forma for the declared supplemental dividend per share of \$0.07 related to Q3 2021 earnings and payable in Q4 2021 in addition to the special dividend of \$0.50/share with a record date in Q4 2021

Note: Per share data was derived using the year-to-date weighted average shares outstanding except for dividends, equity issuance and DRIP. 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>11.8%</b>
Cost of funds <sup>3</sup>	(3.1%)
Assumed Debt/Equity	1.00x
<b>ROE (on Equity)*</b>	<b>20.5%</b>
Management Fees (1.50% of Assets)	(3.0%)
Operating Expenses (0.60% of Assets) <sup>4</sup>	(1.2%)
<b>ROE Before Incentive Fee</b>	<b>16.3%</b>
Incentive Fee	(2.8%)
<b>ROE on NII</b>	<b>12.4%</b>
<b>Base Book Dividend Yield based on Q3 2021 NAV</b>	<b>9.9%</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 9/30/2021

3. Reflects the actual average interest cost under the terms of our debt for the quarter ended 9/30/2021. 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 9/30/2021

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

# ILLUSTRATIVE ROE THROUGHOUT CYCLES

Illustrative ROE		Debt to Equity					
		0.90x	0.95x	1.00x	1.05x	1.10x	1.25x
All-in Yield (on Assets)	9.0%	7.4%	7.6%	7.8%	8.0%	8.2%	8.9%
	9.5%	8.2%	8.4%	8.6%	8.9%	9.1%	9.8%
	10.0%	9.0%	9.2%	9.4%	9.7%	10.0%	10.7%
	10.5%	9.8%	10.0%	10.3%	10.6%	10.8%	11.7%
	11.0%	10.5%	10.8%	11.1%	11.4%	11.7%	12.6%
	11.8%	11.8%	12.1%	12.4%	12.8%	13.1%	14.1%
	12.0%	12.1%	12.4%	12.7%	13.1%	13.4%	14.4%
	12.5%	12.9%	13.2%	13.6%	13.9%	14.3%	15.4%
	13.0%	13.7%	14.0%	14.4%	14.8%	15.2%	16.3%
	13.5%	14.5%	14.8%	15.2%	15.6%	16.0%	17.2%

Illustrative ROE		Debt to Equity					
		0.90x	0.95x	1.00x	1.05x	1.10x	1.25x
Cost of Funds	2.75%	12.2%	12.5%	12.7%	13.0%	13.3%	14.1%
	3.00%	12.0%	12.3%	12.5%	12.8%	13.1%	13.9%
	3.25%	11.8%	12.1%	12.3%	12.6%	12.8%	13.6%
	3.50%	11.7%	11.9%	12.1%	12.4%	12.6%	13.4%
	3.75%	11.5%	11.7%	11.9%	12.1%	12.4%	13.1%
	4.00%	11.3%	11.5%	11.7%	11.9%	12.2%	12.9%
	4.25%	11.1%	11.3%	11.5%	11.7%	11.9%	12.6%
	4.50%	10.9%	11.1%	11.3%	11.5%	11.7%	12.3%
	4.75%	10.7%	10.9%	11.1%	11.3%	11.5%	12.1%
	5.00%	10.5%	10.7%	10.9%	11.1%	11.3%	11.8%

Illustrative ROE		Cost of Funds					
		2.75%	3.25%	3.75%	4.25%	4.75%	5.25%
All-in Yield (on Assets)	9.0%	8.1%	7.7%	7.3%	6.9%	6.5%	6.0%
	9.5%	8.9%	8.5%	8.1%	7.7%	7.3%	6.9%
	10.0%	9.8%	9.3%	8.9%	8.5%	8.1%	7.7%
	10.5%	10.6%	10.2%	9.8%	9.3%	8.9%	8.5%
	11.0%	11.4%	11.0%	10.6%	10.2%	9.8%	9.3%
	11.8%	12.7%	12.3%	11.9%	11.5%	11.1%	10.7%
	12.3%	13.6%	13.1%	12.7%	12.3%	11.9%	11.5%
	12.8%	14.4%	14.0%	13.6%	13.1%	12.7%	12.3%
	13.3%	15.2%	14.8%	14.4%	14.0%	13.6%	13.1%
	13.8%	16.0%	15.6%	15.2%	14.8%	14.4%	14.0%

Illustrative ROE		Debt to Equity					
		0.90x	0.95x	1.00x	1.05x	1.10x	1.25x
Credit Losses (on Assets)	0.00%	12.8%	13.1%	13.4%	13.8%	14.1%	15.2%
	0.25%	12.3%	12.6%	12.9%	13.3%	13.6%	14.6%
	0.50%	11.8%	12.1%	12.4%	12.8%	13.1%	14.1%
	0.75%	11.3%	11.6%	11.9%	12.2%	12.6%	13.5%
	1.00%	10.9%	11.1%	11.4%	11.7%	12.0%	12.9%
	1.25%	10.4%	10.6%	10.9%	11.2%	11.5%	12.4%
	1.50%	9.9%	10.2%	10.4%	10.7%	11.0%	11.8%
	1.75%	9.4%	9.7%	9.9%	10.2%	10.5%	11.3%
	2.00%	9.0%	9.2%	9.4%	9.7%	9.9%	10.7%
	2.25%	8.5%	8.7%	8.9%	9.2%	9.4%	10.1%

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

# 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%	3.79x	3.79x	3.79x	3.79x	3.80x	3.81x
	9.5%	4.05x	4.05x	4.05x	4.06x	4.06x	4.07x
	10.0%	4.31x	4.31x	4.31x	4.32x	4.32x	4.33x
	10.5%	4.58x	4.58x	4.57x	4.58x	4.58x	4.60x
	11.0%	4.84x	4.84x	4.84x	4.84x	4.85x	4.86x
	11.8%	5.26x	5.26x	5.26x	5.26x	5.27x	5.28x
	12.0%	5.36x	5.36x	5.36x	5.37x	5.37x	5.38x
	12.5%	5.63x	5.63x	5.62x	5.63x	5.63x	5.64x
	13.0%	5.89x	5.89x	5.89x	5.89x	5.90x	5.91x
	13.5%	6.15x	6.15x	6.15x	6.15x	6.16x	6.17x

Illustrative Interest Coverage							
		Debt to Equity					
		0.90x	0.95x	1.00x	1.05x	1.10x	1.25x
Cost of Funds	2.75%	6.27x	6.10x	5.95x	5.82x	5.70x	5.40x
	3.00%	5.76x	5.61x	5.47x	5.35x	5.24x	4.97x
	3.25%	5.33x	5.19x	5.06x	4.95x	4.85x	4.60x
	3.50%	4.96x	4.83x	4.71x	4.61x	4.52x	4.28x
	3.75%	4.65x	4.52x	4.41x	4.31x	4.23x	4.01x
	4.00%	4.37x	4.25x	4.15x	4.06x	3.97x	3.77x
	4.25%	4.12x	4.01x	3.91x	3.83x	3.75x	3.56x
	4.50%	3.90x	3.80x	3.70x	3.62x	3.55x	3.37x
	4.75%	3.70x	3.61x	3.52x	3.44x	3.37x	3.20x
	5.00%	3.53x	3.43x	3.35x	3.28x	3.21x	3.05x

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%	4.28x	3.65x	3.19x	2.83x	2.55x	2.33x
	9.5%	4.58x	3.90x	3.40x	3.02x	2.72x	2.48x
	10.0%	4.88x	4.15x	3.62x	3.22x	2.90x	2.64x
	10.5%	5.17x	4.41x	3.84x	3.41x	3.07x	2.79x
	11.0%	5.47x	4.66x	4.06x	3.60x	3.24x	2.95x
	11.8%	5.95x	5.06x	4.41x	3.91x	3.52x	3.20x
	12.3%	6.25x	5.31x	4.63x	4.10x	3.69x	3.36x
	12.8%	6.55x	5.57x	4.85x	4.30x	3.86x	3.51x
	13.3%	6.84x	5.82x	5.07x	4.49x	4.04x	3.67x
	13.8%	7.14x	6.07x	5.28x	4.68x	4.21x	3.82x

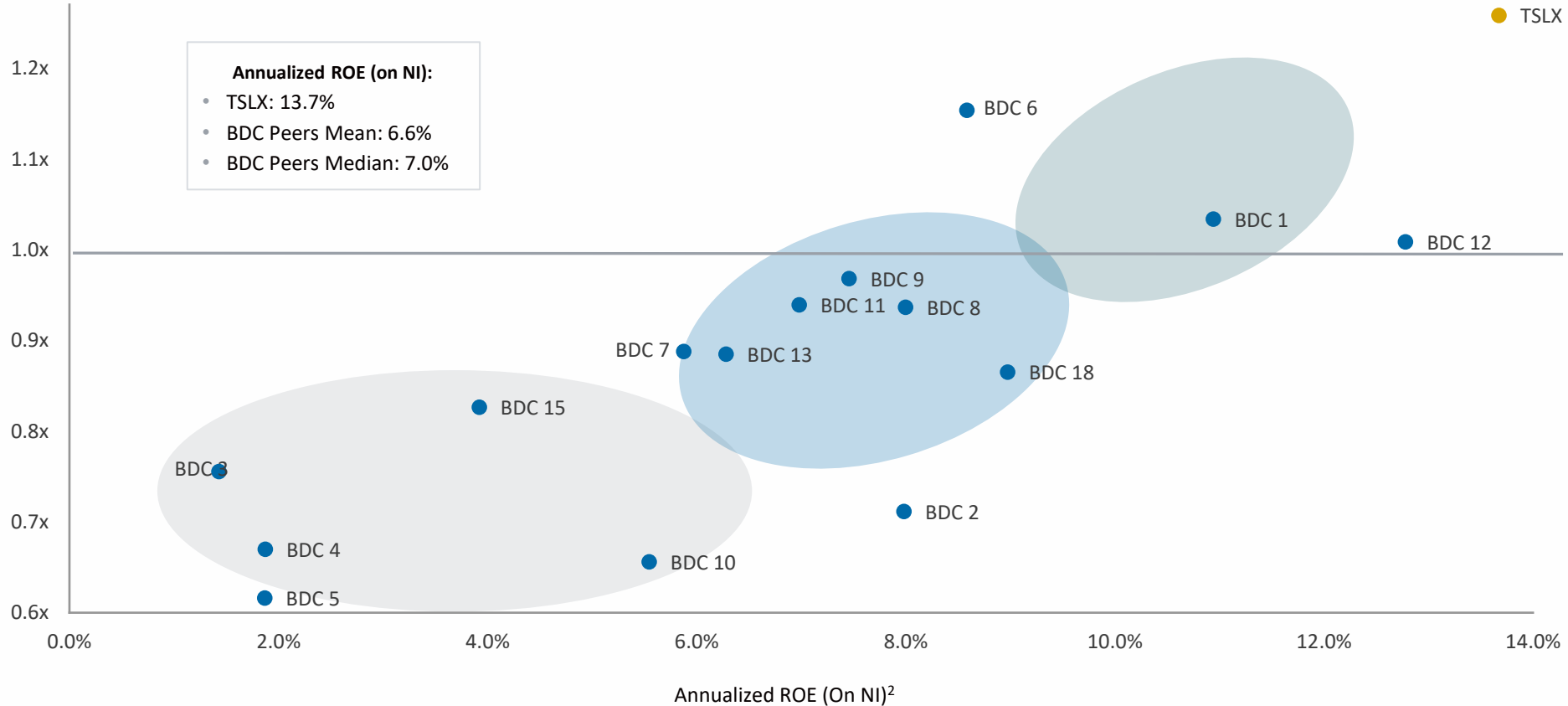
Illustrative Interest Coverage							
		Debt to Equity					
		0.90x	0.95x	1.00x	1.05x	1.10x	1.25x
Credit Losses (on Assets)	0.00%	5.30x	5.30x	5.30x	5.30x	5.30x	5.32x
	0.25%	5.28x	5.28x	5.28x	5.28x	5.29x	5.30x
	0.50%	5.26x	5.26x	5.26x	5.26x	5.27x	5.28x
	0.75%	5.24x	5.24x	5.24x	5.24x	5.25x	5.26x
	1.00%	5.22x	5.22x	5.22x	5.22x	5.23x	5.24x
	1.25%	5.20x	5.20x	5.20x	5.21x	5.21x	5.22x
	1.50%	5.18x	5.18x	5.18x	5.19x	5.19x	5.20x
	1.75%	5.16x	5.16x	5.16x	5.17x	5.17x	5.18x
	2.00%	5.15x	5.14x	5.14x	5.15x	5.15x	5.16x
	2.25%	5.13x	5.13x	5.13x	5.13x	5.13x	5.15x

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

# SECTOR OBSERVATIONS

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

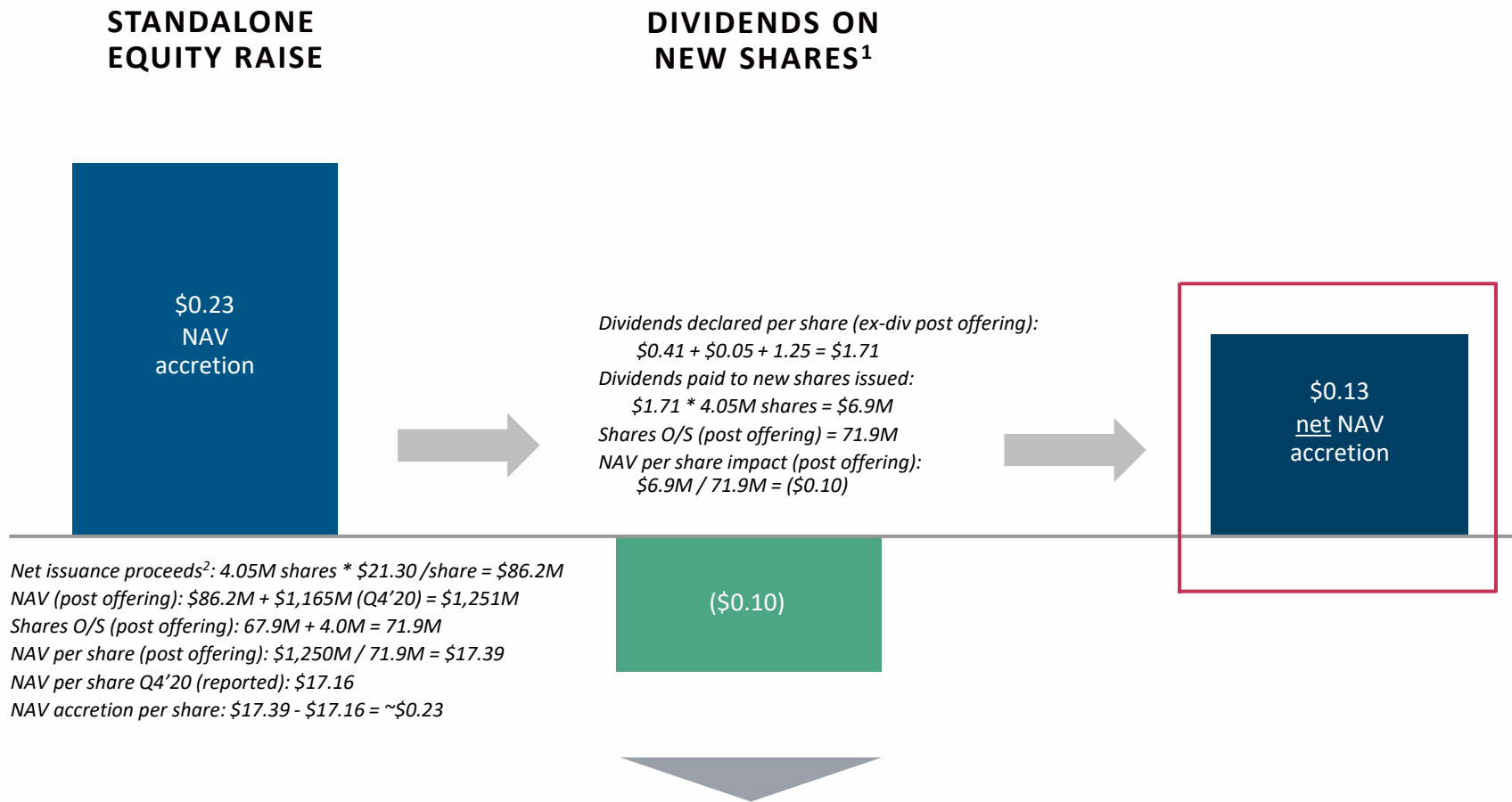
Average Price-to-Book<sup>1</sup>



***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 12/31/2021 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 9/30/2021, or latest available, divided by beginning NAV per share at 3/31/2014, adjusted for annual basis. For TSLX, the cumulative net income per share is adjusted to exclude the capital gains incentive fee expense that was accrued, but not paid, related to cumulative unrealized capital gains in excess of cumulative net realized capital gains less any cumulative unrealized losses and capital gains incentive fees paid inception to date  
 Note: BDC Peers consist of 19 externally managed BDCs in the S&P BDC Index with total assets greater than \$750 million based on quarter ended 6/30/21 financials  
 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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