Dear Fellow Shareholder:

I have been accused of "clearing my throat" (probably rightfully so) by my partners in my past letters. So here I go again.

It's hard to believe, but it's been more than 15 years since we first launched Sixth Street Specialty Lending ("TSLX") and more than 11 years as a public company. In that time, we've built what I believe is an incredible business that has grown, adapted, and delivered results through a range of market environments. While I've often been the one out front, our track record is a team effort. Our "one team" culture has always been part of Sixth Street's DNA and is what has enabled us to drive results for our shareholders and be a steadfast, reliable counterparty at scale for our issuers and financial sponsors.

With that, I am excited to announce that Robert ("Bo") Stanley, who you know as President of TSLX, is becoming Co-CEO with me, effective immediately. Bo and I will share these duties as Co-CEOs through the end of this year, at which point Bo will become sole CEO.

Going forward, I will continue to serve as Chairman of TSLX and Co-President and Co-Chief Investment Officer of the broader Sixth Street platform, which consists of ten investment platforms (including direct lending) and over $115 billion in assets under management[1]. I will also continue to sit on the direct lending investment committee, debating themes and opportunities – my favorite part of the job. As part of this evolution, Bo is joining the Board of Directors, effective immediately.

Bo and I have been working together for the better part of the past 25 years, starting in our early days at Wells Fargo and continuing at Sixth Street, where he was among the first to join the firm. No one knows our space better, and he's a tremendous leader and business builder. Frankly, the time for him to take over the day-to-day CEO seat is well overdue.

Why now? Things are good, although not perfect. As outlined in detail in previous letters including in our April letter[2], it's not an easy operating environment ("tricky" is the word I've used before). At its core, we believe there is an imbalance in the supply and demand of capital, which is causing misallocation of equity capital. Ultimately, we believe this dynamic will produce returns for the industry below its cost of capital. More on this topic later, but to be abundantly clear, I believe TSLX is well-positioned to continue to earn industry-leading returns that exceed our cost of capital.

The "why now" isn't about change so much as it is about bringing people forward who have already been leading, including Mike Griffin who will lead our European direct lending activities. Bo and Mike will Co-Head Sixth Street's Direct Lending platform. Bo and Mike have been

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[1] As of 9/30/2025.

[2] "*A Letter to Our Stakeholders*" posted on 4/30/2025.

running the business beside me for years, and this simply reflects the way we already work. We've always believed the best organizations keep developing and elevating their people, and we have an exceptional team that deserves to be recognized for their strong leadership. We have great continuity with Ian Simmonds (as you know, CFO of TSLX), Craig Hamrah, and of course our next generation of talent that comprises our incredibly deep bench.

Bo and Mike, along with other team leaders, embody the values, culture, and long-term discipline that have always guided Sixth Street's platform. Having worked together for more than a decade and a half (and in Bo's case about two decades), we've weathered challenging market environments together, from the 2014 energy supply shock to Covid-19 to the 2022 inflation-driven rate curve sell-off (just to name a couple of my favorites). We have also capitalized on opportunities and created meaningful long-term value for all stakeholders from our public shareholders to our private fund limited partners, bondholders and other capital providers.

In a moment like this, it's hard not to reflect (and be proud) of what the team has achieved since Sixth Street Specialty Lending was launched over 15 years ago. Yet in some ways, it feels like we're just getting started. Simply put, our core accomplishment is that we have become a reliable source of capital for predominately private middle-market companies – both sponsored and unsponsored and at all stages of their life cycles – an achievement rooted in the specialized insights from our deep understanding of business models that have allowed us to act with confidence and scale. It takes work and collaboration across a talented, driven team.

Sixth Street Specialty Lending operates in a highly regulated industry characterized by the following: (1) no ability to differentiate through the right-hand side of the balance sheet (industry leverage and cost of financing don't provide any real units of excess return) and (2) industry participants sit very close on the cost-curve (fees and expenses) excluding investment losses. Any excess return needs to come from finding differentiated assets and minimizing investment losses (these investment losses are real economic costs for shareholder returns). The only things that matter are per share metrics and it's particularly hard to grow earnings in our industry without growing share count.

This is where we believe Sixth Street Specialty Lending has shined since its inception. Since our IPO, our absolute performance on a dividend reinvested basis has been a total return of 366%[3], or approximately 14.2% annualized return with a beta of approximately 83%[4], more than 2x the annualized return of the space with approximately 20% less of the beta. Below is a summary of our relative performance since our IPO.

[3] As of 10/31/2025.
[4] Source: Bloomberg. Reflects the 10-year period ended 10/31/2025 on a weekly basis relative to the S&P 500.

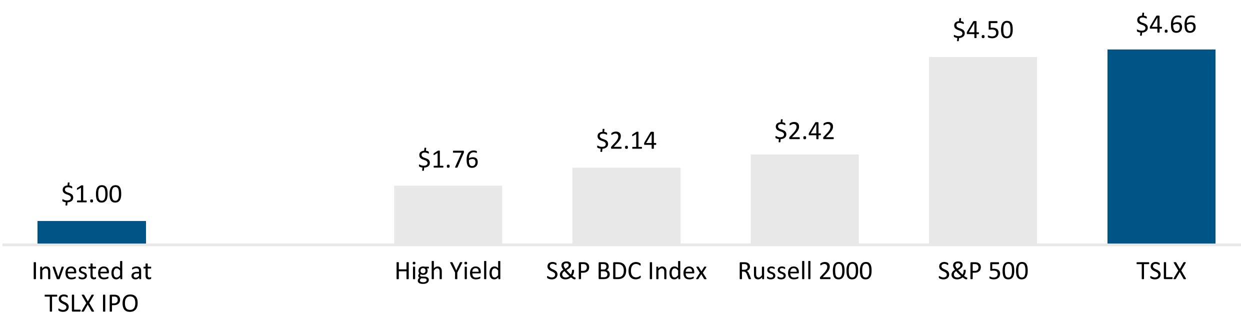
SIXTH STREET SPECIALTY LENDING

TSLX Performance Relative to Public Benchmarks[5]

Investment (March 21, 2014 – October 31, 2025)	Total Return	Annualized Return (CAGR)	Beta[6]
Sixth Street Specialty Lending, Inc. (TSLX)	**366%**	**14.2%**	**0.83**
S&P 500	350%	13.8%	1.00
S&P BDC Index	114%	6.8%	1.00
Russell 2000	142%	7.9%	1.17
ICE BofA US High Yield Index	76%	5.0%	0.33

Source: S&P Capital IQ, company filings, FRED.

Total Returns (Since TSLX IPO)



TSLX Performance Relative to Public BDC Peers

Annualized Performance (March 31, 2014 - June 30, 2025)	Net Income ROE[1]	NAV Per Share Growth (Decline)	Net Realized & Unrealized Gains (Losses)
Sixth Street Specialty Lending, Inc. (TSLX)	**13.4%**	**0.9%**	**(0.1%)**
Public BDC Peers[2]	7.7%	(0.4%)	(1.1%)

Source: S&P Capital IQ and company filings.

1. Calculated as reported net income per share divided by beginning NAV per share. TSLX net income 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.

2. BDC Peers consist of 30 externally managed BDCs in the S&P BDC Index with total assets greater than $1.0 billion as of 6/30/2025 financials.

[5] Returns reflect an investment period from 3/21/2014 through 10/31/2025. Source: S&P Capital IQ, company filings, FRED.
[6] Source: Bloomberg. Reflects the 10-year period ended 10/31/2025 on a weekly basis relative to the S&P 500.

As a kid dreaming of playing in the NBA (I was not athletically gifted), I was always told “good shooters are lucky shooters” (that is, with practice and good fundamentals, you would get the bounce). The above results (excess returns) are attributable to the Sixth Street platform and culture. The investor-first model that remains the condition for the results is characterized by the following (to name a few but not all):

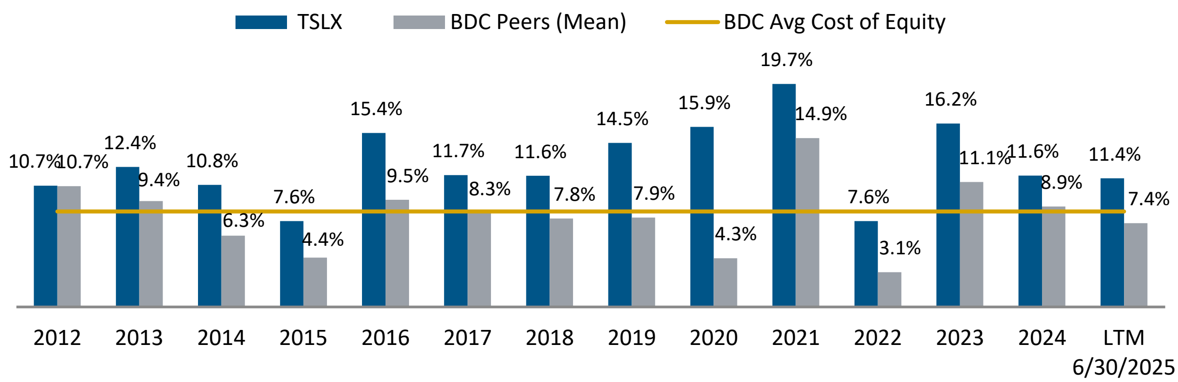
- Deep understanding of our business model, cost of capital, the goal to create “anti-fragility”, and commitment to capital allocation that prioritizes our capital vs. asset growth (the long-term greedy nature of our culture) that aligns with producing shareholder returns.
- The search for asymmetrical return profiles that truncate the left tail (i.e., losses are painful). This requires a deep understanding and exploration of an issuers’ business model (and its drivers), sustainability, growth in earnings, and asset valuation. It’s very hard to “eat IRR”, these asymmetrical risk return profiles need to be measured on a multiple of money basis.
- Debate, tension and collaboration to get to these answers. This is the cultural competitive advantage given the architecture of how Sixth Street was built (as a side note, a good listen is my partner, Alan Waxman’s, *Invest Like the Best* episode available on the podcast app of your choice).

Thoughts on the BDC Industry

Now on to our regularly scheduled program, with some general thoughts on our industry. As we discussed in our letter in April, we believe the industry currently has too much capital, with inflows coming almost entirely through the non-traded perpetually offered wrapper (the piping for retail and wealth). These inflows, without a corresponding increase in demand of capital, have caused reinvestment spreads on first lien loans to come in over 100 basis points since the end of 2022[7], and probably significantly more when you think about returns on a discount margin basis (which includes the impact of upfront fees). Reinvestment spreads coupled with the downward shape of the forward SOFR curve make it relatively clear that the industry will not earn its cost of capital. To be clear, the sector has not been earning its cost of equity in historical periods either (see chart below illustrating calendar year ROEs since TSLX IPO, although some participants including TSLX have done so), but this was masked by the increase in interest rates at the end of 2022. Given the space has not earned its cost of capital, it’s not shocking the space has traded at below book value (0.91x) since TSLX’s IPO.

[7] Source: Raymond James Equity Research. Reflects the decline in new issue, first lien loan spreads from Q4 2022 to Q2 2025.

Annual Net Income Return on Equity (Calendar Year Basis)[8]



We were flummoxed that some in the industry have publicly thrown up their hands recently at how, in their view, BDCs have not been trading consistent with credit quality. The idea that the only variable that drives BDC equity prices is future credit losses (although we think that is an important factor) defies basic corporate finance, namely, that an equity investment or an asset does not have a required return (i.e., cost of capital). Why does everyone in the industry seem to want to ignore the cost of equity capital? A couple of easy examples to illustrate the point.

Consider a hypothetical publicly traded BDC that has market terms (i.e., leverage profile, cost of debt, and cost curve). Said BDC owns only investment-grade, Level 2 assets yielding 5%, leaving essentially below market to little to no net interest margin. Even with the assets properly marked to market, we doubt the equity would trade at NAV. Setting governance issues aside, equity returns would be below that of the unlevered asset return and essential zero. A simple example, perhaps, but it makes the point. You can have high quality assets worth "par" and have the equity trade significantly below NAV! As a matter of valuation, we would encourage investors to focus on earnings per share (to be clear, not Net Investment Income per share but rather Net Income per share) and capital efficiency as opposed to metrics like multiple of Net Asset Value. Given a host of reasons, investors can never "eat" the Net Asset Value. What you can eat is earnings!

The other clear analog is the typical pattern of outflows related to floating rate funds in a declining interest rate environment. Through September 30th, loan fund net outflows have surged to $13.3 billion in 2025, more than double the $5.9 billion net withdrawn over the same period in 2024, as investors pulled back from the floating rate asset class amid the Fed's shift toward monetary easing.[9] Since investors can't redeem in the traditional sense from closed end

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[8] Calculated as reported net income per share divided by beginning NAV per share (Source: S&P Capital IQ and company filings). TSLX net income 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. BDC average cost of equity reflects the most recent quarter cost of equity for 30 externally managed BDCs in the S&P BDC Index with total assets greater than $1.0 billion as of 6/30/2025 financials (Source: Bloomberg).
[9] Source: Leveraged Commentary & Data (LCD), Morningstar.

publicly traded BDCs, which have all floating rate assets (i.e., interest rate sensitivities), the way they express this redemption is to sell exposure (a redemption by another name). This type of redemption or "outflow" in the BDC sector doesn't reduce the capital given the capital is permanent, but it does reduce share price (i.e., on a net basis, more sellers than buyers).

Our belief is that the power of markets and capitalism will ultimately solve this issue. If publicly traded BDCs were the only aggregator of private credit, it is a straight-forward market mechanism.

For example, assume the hypothetical cost of equity is 9%. If a sector participant is earning 7%, the corresponding equity security should trade at 78% of NAV. This should send a signal to management that they are not meeting their cost of capital. If management wanted to keep their jobs, (this is the point where we wish the 3% rule didn't exist as this process would be accelerated) they would make adjustments (e.g., finding higher spread assets, changing where they sit on the cost curve, refining underwriting standards, buy back stock/increase financial gearing just to name a few) with the goal of meeting and hopefully exceeding their cost of equity.

In the non-traded perpetually offered products, the mechanism is a little slower. But it will ultimately still work. We think it will go something like this. When investors, allocators or RIAs see a discount available vs. the non-traded opportunity (entering at NAV) at a return of 7% (assuming same unit economics and credit quality), any "new flows" or allocation of capital into the space should go into the publicly traded format (although not creating net new flows) to i) earn 9% expected return, (7% return on NAV on a market price of 78% of NAV is ~9%), ii) have immediate liquidity and iii) have an option on closing the discount (ultimately earning more than a 9% return).

This rotation should happen not only with new flows but also with existing capital in the non-traded space (redeem out of non-traded and buy traded), resulting in net flows (although not new capital creation) into the public set (and reducing the capital in the non-traded set).

This is exactly what happened between the non-traded REIT and publicly traded REIT space after the rate sell-off. This slow rotation will ultimately fix the imbalance and provide a market mechanism for investors, managers and allocators of capital. This is a good thing for shareholders and the space as it will reinforce the value proposition which will allow growth again. ***Ah, capitalism and markets are a beautiful thing.***

Thoughts on "The Channel"

It's hard to talk about the sector without talking about the individual retail investor or wealth channel. Although TSLX has been largely institutionally owned, the sector's shareholder base is largely retail. In addition to the sector's roots in retail, the non-traded perpetually offered version has grown significantly over the last five years. The predominance of inflows into direct lending has been through these perpetually private vehicles, which accounted for 77%[10] of the increase in BDC AUM in 2024.

We are often asked our thoughts on this topic, including on our last earnings call in August. Accordingly, we want to lay our thoughts out in a more complete way:

- Democratization of alternatives is a worthy pursuit. This channel should have access to the collective talents of the alternative asset management industry that has been principally serving the institutional allocator – but in the right way.
- Alternatives roots are in the institutional market for a reason – these products are complicated and have different risks (including leverage, non-investment grade credit risks, illiquidity, etc.). The institutional market is well-situated to understand these risks with professional investors, allocators, and consultants that are sifting through the noise. The managers and strategies were "bought" (i.e., active professional research made an active choice not on brand or promises, but on suitability and skill).

There will be firms that get this right and are able to serve the retail investor and provide similar experience to their institutional clients. Although these products are currently "sold" and not "bought" – this will evolve as managers differentiate not only through "brand" and "breadth/resources committed to distribution", but in time and more heavily weighted, through experience and track record. This is likely to take time. ***Brand recognition will converge with performance. I ultimately believe the efficacy of this strategy will depend on the similar orientation that has served institutional clients well.*** These include the following (again, not an exhaustive list):

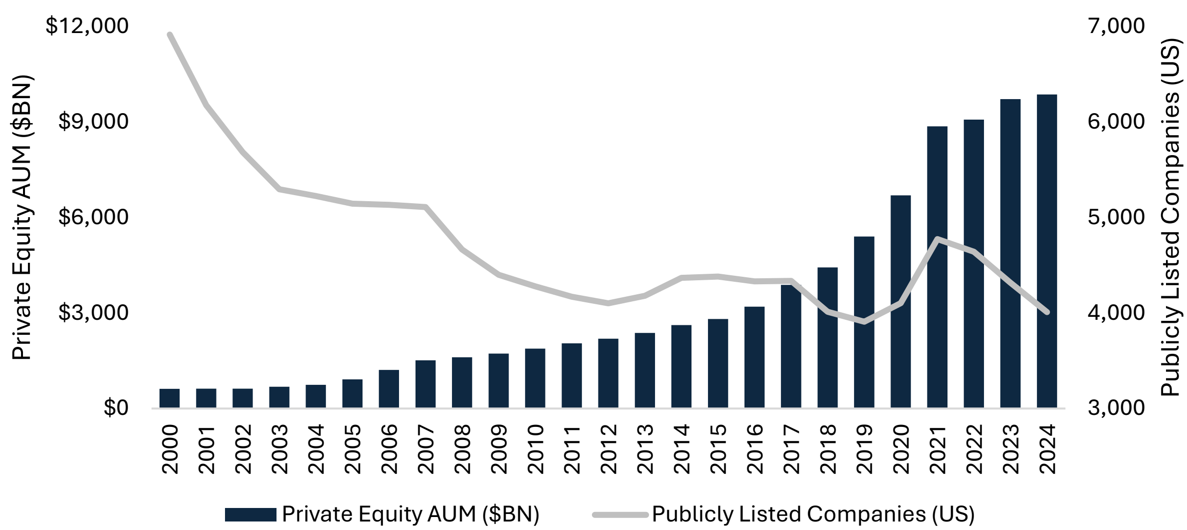
- **Architecture** – seems pretty clear to me (at least in our market given the constraints on leverage, for example), that architecture of an offering/strategy will be the dominant condition for outperformance. Simply put, narrow investment mandates paired with outsized capital will at best provide market beta (and probably worse). By contrast, a broad investable universe with ability to toggle through opportunity sets and appropriately sized/constrained capital is far more likely to deliver outsized returns and a better client experience. The appropriately sized capital base for the mandate will allow the manager to retain the option to make better investment decisions. The two basic choices in investing are "what to invest in" and "when to invest". The goal of the architecture decision should be to retain the option on both those choices. Multi-strategy, multiple capabilities and ability to measure relative value will be the winner.
- **Transparency and Trust**– transparency will take time, but it will get to this market. This will level the playing field and ultimately flows will follow performance vs. other factors. There is an analog in the institutional market, and it seems pretty obvious that in the long run performance will be the dominant factor in the retail investor's choice. As an industry, we need to continue to reinforce transparency, research and education to the

[10] Source: Cliffwater Direct Lending Index.

non-traded retail market to match what is available in public markets, and I'm fearful this will be slow.

One cautionary note, to borrow a lesson from my 9th grade macroeconomics class: supply and demand matter. New access for retail and wealth will most definitely increase the supply of capital into these markets. Unless there is a corresponding decrease in supply from other allocators or an increase in demand for capital, expected returns will be significantly different than historical returns. For example, the increase in the private equity allocation happened to correspond with the decrease of public market companies (going private, staying private) as a result of new regulation post-Enron (for example, Sarbanes Oxley).

Private Equity AUM vs Number of Publicly Listed Companies[11]



On the credit side, demand typically grows in line with GDP. So, what you are left with is private credit taking share from public credit or underwriting standards deteriorating. ***Another reason why we think the combination of architecture, ability to measure relative value and a culture of collaboration wins (lack of cultural debt).***

[11] Source: Preqin, World Bank.

An Exciting Future

It continues to be an exciting ride, filled with personal growth, developing new professional skills, and having a real impact on what was a cottage industry (hopefully a positive impact). I can't say all of this was on my Bingo card growing up in Fresno, but I am looking forward to the challenges and opportunities that lie ahead for our industry, our firm and TSLX. Bo, Mike, Ian, and the rest of our team, will deliver new energy. With the consistent culture and discipline, we will strive to deliver the same results for TSLX shareholders.

While I may not be as verbose on earning calls, I'm not going anywhere. And as you might expect, I'm sure I will need to "clear my throat" on occasion. As a proud and fellow shareholder, we are in the right hands to drive our platform forward.

A heartfelt thank you to all of our stakeholders, it has been an honor. The greatest pleasure of the seat is learning from all of you; it makes me and TSLX better! A special thanks to my co-founding partners who trusted me with our public vehicle (AW, MM, DS, VM, SP, BM, MD, JG and CK), key pre-IPO shareholders and their leaders (Geoffrey G/Mike P, John H, Tim W, Matt W) and key-IPO shareholders and thought partners (Jim M/Nicole A, Michael A, Preston A, Stephan K/Stephan B). A special thanks to our Board, both past and current members. In particular, Mike Fishman has been in my life for 25 years, as a boss, partner, mentor and most importantly as a friend. Again, not an exhaustive list – but without the confidence and support by this group and others, the team would have not been able to achieve the results.

With gratitude,

Joshua W. Easterly
Chief Executive Officer (for the last time) and Chairman of Sixth Street Specialty Lending, Inc.
Co-Founding Partner, Co-President and Co-Chief Investment Officer, Sixth Street