

THL Credit, Inc.
Form 10-Q
November 07, 2018

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended September 30, 2018

OR

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

For the transition period from _____ to _____

Commission file number 814-00789

THL CREDIT, INC.

(Exact Name of Registrant as Specified in Its Charter)

Delaware	27-0344947
(State or Other Jurisdiction of	(I.R.S. Employer
Incorporation or Organization)	Identification No.)
100 Federal St., 31 st Floor, Boston, MA	02110
(Address of Principal Executive Offices)	(Zip Code)

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Registrant's Telephone Number, Including Area Code: 800-450-4424

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

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

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

Large accelerated filer Accelerated filer

Non-Accelerated filer Smaller reporting company

Emerging growth company

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

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

The number of shares of the registrant's common stock, \$0.001 par value per share, outstanding at November 7, 2018 was 32,673,590.

THL CREDIT, INC.

FORM 10-Q FOR THE QUARTER ENDED September 30, 2018

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This report, and other statements that we may make, may contain forward-looking statements with respect to future financial or business performance, strategies or expectations. Forward-looking statements are typically identified by words or phrases such as “trend,” “opportunity,” “pipeline,” “believe,” “comfortable,” “expect,” “anticipate,” “current,” “intent,” “estimate,” “position,” “assume,” “potential,” “outlook,” “continue,” “remain,” “maintain,” “sustain,” “seek,” “achieve” and similar expressions, or future or conditional verbs such as “will,” “would,” “should,” “could,” “may” or similar expressions.

Forward-looking statements are subject to numerous assumptions, risks and uncertainties, which change over time. Forward-looking statements speak only as of the date they are made, and we assume no duty to and do not undertake to update forward-looking statements. Actual results could differ materially from those anticipated in forward-looking statements and future results could differ materially from historical performance.

In addition to factors previously identified elsewhere in this filing, the following factors, among others, could cause actual results to differ materially from forward-looking statements or historical performance:

- the introduction, withdrawal, success and timing of business initiatives and strategies;
- changes in political, economic or industry conditions, the interest rate environment or financial and capital markets, which could result in changes in the value of our assets;
- the relative and absolute investment performance and operations of our investment adviser;
- the impact of increased competition;
- the impact of future acquisitions and divestitures;
- the unfavorable resolution of legal proceedings;
- our business prospects and the prospects of our portfolio companies;
- the impact, extent and timing of technological changes and the adequacy of intellectual property protection;
- the impact of legislative and regulatory actions and reforms and regulatory, supervisory or enforcement actions of government agencies relating to us or THL Credit Advisors LLC, the Advisor;
- the ability of the Advisor to identify suitable investments for us and to monitor and administer our investments;
- our contractual arrangements and relationships with third parties;
- any future financings by us;
- the ability of the Advisor to attract and retain highly talented professionals;
- fluctuations in foreign currency exchange rates;
- the impact of changes to tax legislation and, generally, our tax position.
- our ability to exit a control investment in a timely manner; and
- the ability to fund Logan JV’s unfunded commitments to the extent approved by each member of the Logan JV investment committee.

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

THL Credit, Inc. and Subsidiaries

Consolidated Statements of Assets and Liabilities

(in thousands, except per share data)

(unaudited)

	September 30, 2018	December 31, 2017
Assets:		
Investments at fair value:		
Non-controlled, non-affiliated investments (cost of \$331,242 and \$484,816, respectively)	\$322,339	\$449,951
Controlled investments (cost of \$185,266 and \$155,547, respectively)	185,052	158,736
Non-controlled, affiliated investments (cost of \$24,817 and \$4, respectively)	25,439	4
Cash	6,559	3,617
Escrow receivable	6,295	—
Interest, dividends, and fees receivable	7,006	7,835
Deferred financing costs	2,460	2,890
Deferred tax assets	2,056	2,661
Prepaid expenses and other assets	790	1,583
Due from related parties	378	407
Total assets	\$558,374	\$627,684
Liabilities:		
Loans payable (See Note 7)	\$112,961	\$167,317
Notes payable (\$110,000 and \$110,000 face amounts, respectively, reported net of deferred financing costs of \$2,485 and \$2,985, respectively)	107,515	107,015
Accrued expenses and other payables	2,261	2,829
Base management fees payable	2,240	2,556
Deferred tax liability	2,035	2,336
Accrued incentive fees	856	972
Accrued interest and fees	375	551
Other deferred liabilities	38	79
Total liabilities	228,281	283,655
Commitments and contingencies (Note 8)		
Net Assets:		
Common stock, par value \$.001 per share, 100,000 common shares authorized, 32,674 and 32,674 shares issued and outstanding at September 30, 2018 and December 31, 2017, respectively	33	33
Paid-in capital in excess of par	433,992	434,197

Net unrealized depreciation on investments, net of provision for taxes of \$1,857

and \$1,511, respectively	(10,188)	(34,660)
Accumulated net realized losses	(103,057)	(67,393)
Accumulated undistributed net investment income	9,313	11,150
Total net assets attributable to THL Credit, Inc.	330,093	343,327
Net assets attributable to non-controlling interest	—	702
Total net assets	\$330,093	\$344,029
Total liabilities and net assets	\$558,374	\$627,684
Net asset value per share attributable to THL Credit, Inc.	\$10.10	\$10.51

See accompanying notes to these consolidated financial statements.

THL Credit, Inc. and Subsidiaries

Consolidated Statements of Operations

(in thousands, except per share data)

(unaudited)

	For the three months ended		For the nine months ended	
	September 30, 2018	2017	September 30, 2018	2017
Investment Income:				
From non-controlled, non-affiliated investments:				
Interest income	\$10,034	\$13,510	\$35,019	\$41,245
Dividend income	—	—	17	139
Other income	165	418	716	1,913
From non-controlled, affiliated investments:				
Interest income	835	—	1,444	—
Other income	248	279	791	820
From controlled investments:				
Interest income	1,358	2,080	4,125	5,727
Dividend income	3,334	3,683	8,774	9,924
Other income	104	141	236	423
Total investment income	16,078	20,111	51,122	60,191
Expenses:				
Interest and fees on borrowings	3,470	4,023	10,827	11,836
Base management fees	2,240	2,621	6,893	7,834
Incentive fees	1,658	811	1,649	3,276
Administrator expenses	512	670	1,640	2,207
Other general and administrative expenses	379	462	1,373	1,508
Amortization of deferred financing costs	317	409	937	1,214
Professional fees	413	818	1,124	1,522
Directors' fees	169	169	566	518
Total expenses	9,158	9,983	25,009	29,915
Incentive fee waiver	(1,658)	(811)	(1,658)	(811)
Total expenses, net of incentive fee waivers	7,500	9,172	23,351	29,104
Income tax provision (benefit), excise and other taxes	5	(215)	272	90
Net investment income	8,573	11,154	27,499	30,997
Realized Gain (Loss) and Change in Unrealized Appreciation (Depreciation) on Investments:				
Net realized (loss) gain on investments:				
Non-controlled, non-affiliated investments	(184)	(11,324)	(38,777)	(22,276)
Controlled investments	(102)	—	241	—
Foreign currency transactions	2	6	(202)	(68)
Net realized loss on investments	(284)	(11,318)	(38,738)	(22,344)
Net change in unrealized (depreciation) appreciation on investments:				
Non-controlled, non-affiliated investments	(244)	10,421	26,669	5,215

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Non-controlled, affiliated investments	(2,478)	—	619	—
Controlled investments	(359)	(5,795)	(3,403)	(3,533)
Translation of assets and liabilities in foreign currencies	(261)	(869)	933	(1,389)
Net change in unrealized (depreciation) appreciation on investments	(3,342)	3,757	24,818	293
Net change in unrealized (depreciation) appreciation attributable to non-controlling interests	(102)	162	(703)	276
Net realized and unrealized loss from investments	(3,728)	(7,399)	(14,623)	(21,775)
Provision for taxes on realized gain on investments	—	(7)	—	(842)
(Provision) benefit for taxes on unrealized gain on investments	(192)	365	(346)	2,261
(Provision) benefit for taxes on realized and unrealized gain on investments	(192)	358	(346)	1,419
Net increase in net assets resulting from operations	\$4,653	\$4,113	\$12,530	\$10,641
Net investment income per common share:				
Basic and diluted	\$0.26	\$0.34	\$0.84	\$0.94
Net increase in net assets resulting from operations per common share:				
Basic and diluted	\$0.14	\$0.13	\$0.38	\$0.33
Dividends declared and paid	\$0.27	\$0.27	\$0.81	\$0.81
Weighted average shares of common stock outstanding:				
Basic and diluted	32,674	32,722	32,674	32,839
See accompanying notes to these consolidated financial statements.				

THL Credit, Inc. and Subsidiaries

Consolidated Statements of Changes in Net Assets

(in thousands)

(unaudited)

	For the nine months ended September 30,	
	2018	2017
Increase in net assets from operations:		
Net investment income	\$27,499	\$30,997
Net realized loss on investments	(38,738)	(22,344)
Net change in unrealized appreciation (depreciation) on investments	24,818	293
Provision for taxes on realized gain on investments	—	(842)
Net change in unrealized (depreciation) appreciation attributable to		
non-controlling interests	(703)	276
(Provision) benefit for taxes on unrealized gain (loss) on investments	(346)	2,261
Net increase in net assets resulting from operations	12,530	10,641
Distributions to stockholders:		
Distributions to stockholders from net investment income	(26,466)	(26,575)
Total distributions to stockholders	(26,466)	(26,575)
Capital share transactions:		
Issuance of common stock from reinvestment of dividend	—	3
Repurchase of common stock	—	(2,493)
Net decrease in net assets from capital share transactions	—	(2,490)
Total decrease in net assets	(13,936)	(18,424)
Net assets at beginning of period	344,029	389,820
Net assets at end of period	\$330,093	\$371,396
Common shares outstanding at end of period	32,674	32,674
Capital share activity:		
Shares repurchased	—	252

See accompanying notes to these consolidated financial statements.

THL Credit, Inc. and Subsidiaries

Consolidated Statements of Cash Flows

(in thousands)

(unaudited)

	For the nine months ended September 30,	
	2018	2017
Cash flows from operating activities:		
Net increase in net assets resulting from operations	\$ 12,530	\$ 10,641
Adjustments to reconcile net increase in net assets resulting from operations to net cash provided by operating activities:		
Net change in unrealized appreciation on investments	(24,115)	(569)
Net realized loss on investments	37,215	22,819
Net realized loss on foreign exchange currency transactions	161	(5)
Increase in investments due to interest paid-in-kind	(1,524)	(2,082)
Amortization of deferred financing costs	937	1,214
Accretion of discounts on investments and other fees	(2,590)	(3,643)
Changes in operating assets and liabilities:		
Purchases of investments	(56,708)	(90,421)
Proceeds from sale and paydown of investments	115,075	90,457
Decrease (increase) in interest, dividends and fees receivable	829	(1,521)
Decrease in deferred offering costs	148	—
Decrease in due from related parties	29	115
Decrease in prepaid expenses and other assets	1,979	310
Increase in income taxes payable	—	728
Decrease (increase) in deferred tax asset	605	(2,885)
(Decrease) increase in accrued expenses and other payables	(473)	338
Decrease in accrued credit facility fees and interest	(176)	(232)
(Decrease) increase in deferred tax liability	(301)	426
(Decrease) increase in base management fees payable	(316)	13
Decrease in other deferred liabilities	(41)	(360)
Decrease in accrued incentive fees payable, net	(116)	(2,087)
Net cash provided by operating activities	83,148	23,256
Cash flows from financing activities:		
Repurchase of common stock	—	(2,493)
Borrowings under credit facility	69,500	85,860
Repayments under credit facility	(123,088)	(82,750)
Issuance of shares of common stock from dividend reinvestment	—	3
Distributions paid to stockholders	(26,466)	(26,575)
Financing costs paid	(152)	(132)
Net cash used in financing activities	(80,206)	(26,087)
Net increase (decrease) in cash	2,942	(2,831)
Cash, beginning of period	3,617	6,376
Cash, end of period	\$ 6,559	\$ 3,545
Supplemental Disclosure of Cash Flow Information:		

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Cash interest paid	\$10,138	\$10,530
Income taxes paid	\$20	\$24
PIK income earned	\$1,821	\$1,786
Non-cash Operating Activities:		

For the nine months ended September 30, 2018 and 2017, 0 shares and 0.3 shares of common stock were issued in connection with dividend reinvestments of \$0 and \$3, respectively.

See Note 5 in the notes to consolidated financial statements for non-cash restructurings.

See accompanying notes to these consolidated financial statements.

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THL Credit, Inc. and Subsidiaries

Consolidated Schedules of Investments

September 30, 2018

(dollar amounts in thousands)

(unaudited)

Type of Investment/Portfolio company ⁽¹⁾⁽²⁾⁽³⁾	Industry	Initial Acquisition Interest Rate ⁽⁴⁾	Maturity/ Dissolution Date	Principal ⁽⁵⁾ No. of Shares / No. of Units	Amortized Cost	Fair Value
Non-controlled/non-affiliated investments						
—97.65% of net asset value						
First lien senior secured debt						
—82.08% of net asset value						
Canada						
—4.69% of net asset value						
Fairstone Financial Inc. ⁽⁷⁾⁽¹⁶⁾⁽²⁵⁾	Financial services	8.8% (CDOR + 7%)	3/31/2017	3/31/2023	\$15,473	\$15,001
					\$15,473	
				Subtotal		
			Canada	\$15,473	\$15,001	\$15,473
Midwest						
—7.00% of net asset value						
1-800 Hansons, LLC ⁽³⁰⁾	IT services	8.9% (LIBOR + 6.5%)	10/19/2017	10/19/2022	\$3,902	\$3,844
					\$3,824	
1-800 Hansons, LLC ⁽³⁰⁾	IT services	8.9% (LIBOR + 6.5%)	10/19/2017	10/19/2022	209	205
					209	
Home Partners of America, Inc. ⁽¹⁶⁾	Consumer products and services	8.5% (LIBOR + 6.3%)	10/13/2016	10/13/2022	7,810	7,705
					7,888	
Home Partners of America, Inc. ⁽¹⁶⁾⁽³¹⁾	Consumer products and services	8.5% (LIBOR + 6.3%)	10/29/2018	10/13/2022	—	—
					—	—
Matilda Jane Holdings, Inc.	Consumer products and services	10.7% (LIBOR + 8.5%)	4/28/2017	4/28/2022	11,408	11,222
					11,179	
					\$23,329	\$22,976
					\$23,100	

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			Subtotal midwest				
Northeast							
—19.18% of net asset value							
Alex Toys, LLC	Consumer products and services	12.4% (LIBOR + 10%)	6/30/2014	8/15/2019	\$9,186	\$9,135	\$8,451
Anexinet Corp.	IT services	8.7% (LIBOR + 6.5%)	2/28/2017	7/28/2022	16,739	16,479	16,572
Constructive Media, LLC	Media, entertainment and leisure	12.3% (LIBOR + 10%)	11/23/2015	11/23/2020	9,812	9,726	9,862
HealthDrive Corporation	Healthcare	10.3% (LIBOR + 8.1%)	11/21/2016	11/21/2021	9,825	9,716	9,825
HealthDrive Corporation ⁽⁹⁾	Healthcare	10.3% (LIBOR + 8.1%)	11/21/2016	11/21/2021	1,750	1,728	1,750
smarTours, LLC	Consumer products and services	9.1% (LIBOR + 6.8%)	10/31/2017	10/31/2022	6,039	5,940	6,039
smarTours, LLC ⁽⁹⁾⁽¹⁰⁾	Consumer products and services	9.1% (LIBOR + 6.8%)	10/31/2017	10/31/2022	—	(12)	—
Urology Management Associates, LLC	Healthcare	7.2% (LIBOR + 5%)	8/31/2018	8/31/2024	5,085	4,997	4,996
Women's Health USA	Healthcare	8.4% (LIBOR + 6.6%) ⁽⁸⁾	8/9/2017	8/9/2022	5,870	5,781	5,840
				Subtotal northeast	\$64,306	\$63,490	\$63,335
Southeast							
—10.68% of net asset value							
Sciens Building Solutions, LLC	Business services	8.1% (LIBOR + 5.8%)	2/2/2017	2/2/2022	\$9,501	\$9,369	\$9,406

See accompanying notes to these consolidated financial statements.

THL Credit, Inc. and Subsidiaries

Consolidated Schedules of Investments

September 30, 2018

(dollar amounts in thousands)

(unaudited)

Type of Investment/Portfolio company (1)(2)(3)	Industry	Initial Acquisition Date	Maturity/ Dissolution Date	Principal ⁽⁵⁾ No. of Shares / No. of Units	Amortized Cost	Fair Value
Sciens Building Solutions, LLC ⁽⁹⁾	Business services	8.1% (LIBOR + 5.8%) 2/2/2017	2/2/2022	—	(35)	—
Virtus Pharmaceuticals, LLC	Healthcare	12.0% (8) 7/17/2014	7/17/2019	24,013	23,902	23,352
Whitney, Bradley & Brown, Inc.	Business services	11.3% (LIBOR + 9%) 10/18/2017	10/18/2022	2,475	2,435	2,500
			Subtotal southeast	\$35,989	\$35,671	\$35,258
Southwest						
—32.30% of net asset value						
Allied Wireline Services, LLC	Energy / utilities	11.2% (LIBOR + 9.5%) 2/28/2014	6/30/2020		\$10,793	\$10,793
Hart InterCivic, Inc.	IT services	12.9% (LIBOR + 10.5%) 3/31/2016	3/31/2019	24,717	24,633	24,964
Holland Intermediate Acquisition Corp.	Energy / utilities	11.4% (LIBOR + 9%) 5/29/2013	5/29/2020	21,323	21,323	19,404
Holland Intermediate Acquisition Corp. ⁽⁹⁾	Energy / utilities	11.4% (LIBOR + 9%) 5/29/2013	5/29/2020	—	—	—
Igloo Products Corp.	Consumer products and services	12.6% (LIBOR + 10.3%) 3/28/2014	3/28/2020	24,636	24,479	23,404
LAI International, Inc.	Industrials and manufacturing	10.6% (8) 10/22/2014	10/22/2019	21,702	21,590	20,183

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LAI International, Inc. ⁽⁹⁾	Industrials and manufacturing	9.3% (8) 10/22/2014	10/22/2019	4,455	4,455	4,143
LAI International, Inc. ⁽⁹⁾	Industrials and manufacturing	13.0% (8) 4/24/2017	10/22/2019	4,008	3,974	3,729
Subtotal southwest				\$ 111,634	\$ 111,247	\$ 106,620
West						
—8.23% of net asset value						
Gener8, LLC	Business services	7.7% (LIBOR + 5.5%)	8/14/2018	8/14/2023	\$ 6,000	\$ 5,912
Gener8, LLC ⁽⁹⁾	Business services	7.7% (LIBOR + 5.5%)	8/14/2018	8/14/2023	300	278
It's Just Lunch International LLC	Media, entertainment and leisure	10.7% (LIBOR + 8.5%)	7/28/2016	7/28/2021	5,500	5,437
MeriCal, LLC	Consumer products and services	11.3% (LIBOR + 9%)	9/30/2016	9/30/2021	15,615	15,371
Subtotal west				\$ 27,415	\$ 26,998	\$ 27,169
Subtotal first lien senior secured debt				\$ 278,146	\$ 275,383	\$ 270,955
Second lien debt						
—6.29% of net asset value						
Northeast						
—3.64% of net asset value						
Merchants Capital Access, LLC ⁽¹⁶⁾	Financial services	12.9% (LIBOR + 10.5%)	4/20/2015	4/20/2021	\$ 12,000	\$ 11,895
Subtotal northeast				\$ 12,000	\$ 11,895	\$ 12,000
Southeast						
—2.65% of net asset value						
See accompanying notes to these consolidated financial statements.						

THL Credit, Inc. and Subsidiaries

Consolidated Schedules of Investments

September 30, 2018

(dollar amounts in thousands)

(unaudited)

Type of Investment/Portfolio company ⁽¹⁾⁽²⁾⁽³⁾	Industry	Initial Acquisition Date	Maturity/ Dissolution Date	Principal ⁽⁵⁾ No. of Shares / No. of Units	Amortized Cost	Fair Value
MB Medical Operations LLC	Healthcare	Interest Rate 11.2% (LIBOR + 9%) 12/7/2016	6/7/2022	\$9,024	\$8,903	\$8,753
			Subtotal southeast	\$9,024	\$8,903	\$8,753
			Subtotal second lien debt	\$21,024	\$20,798	\$20,753
Subordinated debt						
—2.10% of net asset value						
Southeast						
—2.10% of net asset value						
Martex Fiber Southern Corp.	Industrials and manufacturing	16.5% (12.0% Cash + 4.5% PIK) (11) 4/30/2012	3/31/2019	\$9,257	\$9,257	\$6,942
			Subtotal southeast	\$9,257	\$9,257	\$6,942
			Subtotal subordinated debt	\$9,257	\$9,257	\$6,942
Equity investments						
—2.35% of net asset value						
Midwest						
—0.13% of net asset value						
Hostway Corporation ⁽²⁰⁾	IT services	12/27/2013	12/13/2020	20,000	\$1,800	\$—
Hostway Corporation ⁽¹⁹⁾	IT services	12/27/2013		1,800	200	196
Matilda Jane Holdings, Inc. ⁽¹³⁾⁽¹⁹⁾	Consumer products and services	4/28/2017		488,896	489	229

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			Subtotal midwest	\$2,489	\$425
Northeast					
—1.41% of net asset value					
Alex Toys, LLC ⁽¹²⁾⁽¹³⁾⁽¹⁴⁾⁽²⁰⁾	Consumer products and services	5/22/2015	153.85	\$1,000	\$—
Alex Toys, LLC ⁽¹²⁾⁽¹³⁾⁽¹⁴⁾	Consumer products and services	6/22/2016 6/12/2021	121.18	888	—
Constructive Media, LLC ⁽¹²⁾⁽²⁰⁾	Media, entertainment and leisure	11/23/2015	750,000	750	512
Specialty Brands Holdings, LLC ⁽¹⁹⁾	Restaurants	6/29/2018	50	—	—
Specialty Brands Holdings, LLC ⁽²⁰⁾	Restaurants	6/29/2018	1,061	—	—
SPST Holdings, LLC ⁽¹²⁾⁽¹⁴⁾⁽²⁰⁾	Consumer products and services	10/31/2017	215,827	216	231
Urology Management Associates, LLC ⁽²⁰⁾	Healthcare	8/31/2018	769.23	769	769
Wheels Up Partners, LLC ⁽¹²⁾⁽¹⁴⁾⁽²⁰⁾	Transportation	1/31/2014	1,000,000	1,000	3,124
			Subtotal northeast	\$4,623	\$4,636

See accompanying notes to these consolidated financial statements.

THL Credit, Inc. and Subsidiaries

Consolidated Schedules of Investments

September 30, 2018

(dollar amounts in thousands)

(unaudited)

Type of Investment/Portfolio company ⁽¹⁾⁽²⁾⁽³⁾	Industry	Interest Rate	Initial Acquisition Date	Maturity/ Dissolution Date	Principal ⁽⁵⁾ No. of Shares / No. of Units	Amortized Cost	Fair Value
Southeast							
—0.18% of net asset value							
Firebirds International, LLC ⁽¹²⁾⁽²⁰⁾	Restaurants		5/17/2011		1,906	\$191	\$422
Virtus Pharmaceuticals, LLC ⁽¹²⁾⁽¹⁴⁾⁽²⁰⁾	Healthcare		3/31/2015		7,720.86	127	—
Virtus Pharmaceuticals, LLC ⁽¹²⁾⁽¹⁴⁾⁽²⁰⁾	Healthcare		3/31/2015		231.82	244	181
Virtus Pharmaceuticals, LLC ⁽¹²⁾⁽¹⁴⁾⁽²⁰⁾	Healthcare		3/31/2015		589.76	590	—
Subtotal southeast						\$1,152	\$603
Southwest							
—0.44% of net asset value							
Allied Wireline Services, LLC ⁽¹²⁾⁽¹⁴⁾⁽²⁰⁾	Energy / utilities		2/28/2014		618,867.92	\$619	\$837
Dimont & Associates, Inc. ⁽²⁰⁾	Financial services		3/14/2016		312.51	129	—
Igloo Products Corp. ⁽²⁰⁾	Consumer products and services		4/30/2014		1,902.04	1,716	449
Sciens Building Solutions, LLC ⁽¹²⁾⁽¹⁹⁾	Business services		7/12/2017		170.39	170	178
Subtotal southwest						\$2,634	\$1,464
West							
—0.19% of net asset value							
MeriCal, LLC ⁽¹²⁾⁽¹³⁾⁽²⁰⁾	Consumer products and services		9/30/2016	9/30/2021	5,124.30	\$10	\$50
MeriCal, LLC ⁽¹²⁾⁽¹³⁾⁽¹⁹⁾	Consumer products and services		9/30/2016		500.29	505	586
Subtotal west						\$515	\$636
Subtotal equity						\$11,413	\$7,764

Warrants

—0.21% of net asset value

Southwest

—0.21% of net asset value

Allied Wireline Services, LLC ⁽¹⁴⁾

Energy /
utilities

2/28/2014

501,159.24 \$175 \$678

Subtotal

southwest

\$175 \$678

Subtotal warrants

\$175 \$678

Investment in payment rights

—3.50% of net asset value

Northeast

—3.39% of net asset value

See accompanying notes to these consolidated financial statements.

THL Credit, Inc. and Subsidiaries

Consolidated Schedules of Investments

September 30, 2018

(dollar amounts in thousands)

(unaudited)

Type of Investment/Portfolio company (1)(2)(3)	Industry	Initial Acquisition Date	Maturity/ Dissolution Date	Principal ⁽⁵⁾ No. of Shares / Units	Amortized Cost	Fair Value
Duff & Phelps Corporation (15)(16)	Financial services	14.4%	6/1/2012		\$ 10,348	\$ 11,175
Southeast				Subtotal northeast	\$ 10,348	\$ 11,175
—0.11% of net asset value						
Surgery Center Holdings, Inc. (15)(16)	Healthcare	12.3%	1/1/2015		\$ 403	\$ 366
Subtotal southeast					\$ 403	\$ 366
Subtotal investment in payment rights					\$ 10,751	\$ 11,541
Investments in funds						
—1.12% of net asset value						
Midwest						
—0.89% of net asset value						
Freeport Financial SBIC Fund LP (16)(26)	Financial services		6/14/2013		\$ 2,957	\$ 2,948
Subtotal midwest					\$ 2,957	\$ 2,948
West						
—0.23% of net asset value						
Gryphon Partners 3.5, L.P. (16)(26)	Financial services		11/20/2012		\$ 508	\$ 758
Subtotal west					\$ 508	\$ 758
Subtotal investments in funds					\$ 3,465	\$ 3,706
Total non-controlled/non-affiliated investments						
—97.65% of net asset value					\$ 331,242	\$ 322,339

Controlled investments

—56.06% of net asset value

First lien senior secured debt

—13.98% of net asset value

Northeast

—1.80% of net asset value

Tri Starr Management Services, Inc. ⁽¹⁷⁾⁽²²⁾	Business services	9% (ABR + 3.8% 22 /2016	9/30/2019	\$—	\$—	\$—
Tri Starr Management Services, Inc. ⁽¹⁷⁾⁽²³⁾	Business services	7% (LIBOR + 4.8% 22 /2016	9/30/2019	669	669	669
Tri Starr Management Services, Inc. ⁽¹⁷⁾	Business services	7% (LIBOR + 4.8% 22 /2016	9/30/2019	291	291	291
Tri Starr Management Services, Inc. ⁽¹⁷⁾	Business services	7% (LIBOR + 4.8% 22 /2016	9/30/2019	2,545	2,545	2,545

See accompanying notes to these consolidated financial statements.

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THL Credit, Inc. and Subsidiaries

Consolidated Schedules of Investments

September 30, 2018

(dollar amounts in thousands)

(unaudited)

Type of Investment/Portfolio company ⁽¹⁾⁽²⁾⁽³⁾	Industry	Interest Rate	Initial Acquisition Date	Maturity/ Dissolution Date	Principal ⁽⁵⁾ No. of Shares / Units	Amortized Cost	Fair Value
Tri Starr Management Services, Inc. ⁽¹⁷⁾	Business services	10.0%	7/22/2016	9/30/2019	1,695	1,633	1,695
Tri Starr Management Services, Inc. ⁽¹⁷⁾⁽²¹⁾	Business services	10.0%	7/22/2016	9/30/2019	1,130	320	735
Tri Starr Management Services, Inc. ⁽¹⁷⁾⁽²¹⁾	Business services	5.0%	7/22/2016	9/30/2019	3,364	1,062	—
				Subtotal northeast	\$9,694	\$6,520	\$5,935
Southeast							
—2.15% of net asset value							
Loadmaster Derrick & Equipment, Inc. ⁽¹⁷⁾⁽²¹⁾	Energy / utilities	11.9% (LIBOR + 10.3%)	7/1/2016	12/31/2020	\$8,315	\$7,307	\$2,495
Loadmaster Derrick & Equipment, Inc. ⁽¹⁷⁾⁽²¹⁾	Energy / utilities	13.7% (LIBOR + 12%)	7/1/2016	12/31/2020	1,885	1,053	—
Loadmaster Derrick & Equipment, Inc. ⁽¹⁷⁾⁽²¹⁾	Energy / utilities	12.6% (LIBOR + 10.3%)	7/1/2017	12/31/2020	4,615	4,615	4,615
				Subtotal southeast	\$14,815	\$12,975	\$7,110
Southwest							
—10.03% of net asset value							
OEM Group, LLC ⁽¹⁷⁾	Industrials and manufacturing	11.7% (LIBOR + 9.5%) (7.7% Cash + 4.0%)	7/1/2016	6/30/2022	\$18,893	\$18,893	\$18,893

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OEM Group, LLC ⁽¹⁷⁾		Industrials and manufacturing	PIK)						
			11.7%						
			(LIBOR						
			+						
			9.5%)						
			(7.7%						
			Cash						
			+						
			4.0%						
			PIK	3/16/2016	6/30/2022	9,020	9,015	9,020	
OEM Group, LLC ⁽¹⁷⁾		Industrials and manufacturing	11.7%						
			(LIBOR						
			+						
			9.5%)						
			(7.7%						
			Cash						
			+						
			4.0%						
			PIK	6/26/2018	6/30/2022	5,195	5,031	5,195	
			Subtotal						
			southwest		\$33,108	\$32,939	\$33,108		
			Subtotal first lien senior						
			secured debt		\$57,617	\$52,434	\$46,153		
Second lien debt									
—1.64% of net asset value									
Southeast									
—1.64% of net asset value									
Copperweld Bimetallics LLC ⁽¹⁷⁾	Industrials and manufacturing	12.00%	5/2016	10/5/2021	\$5,415	\$5,415	\$5,415		
			Subtotal						
			southeast		\$5,415	\$5,415	\$5,415		
			Subtotal second lien						
			debt		\$5,415	\$5,415	\$5,415		
Equity investments									
—14.36% of net asset value									
Northeast									
See accompanying notes to these consolidated financial statements.									

THL Credit, Inc. and Subsidiaries

Consolidated Schedules of Investments

September 30, 2018

(dollar amounts in thousands)

(unaudited)

Type of Investment/Portfolio company ⁽¹⁾⁽²⁾⁽³⁾	Industry	Initial Acquisition Interest Rate Date	Maturity/ Dissolution Date	Principal ⁽⁵⁾ No. of Shares / No. of Units	Amortized Cost	Fair Value Cost
—2.72% of net asset value						
Tri Starr Management Services, Inc. ⁽¹⁷⁾⁽²⁰⁾	Business services	7/22/2016		0.720	\$3,136	\$9,009
			Subtotal northeast		\$3,136	\$9,009
Southeast						
—6.48% of net asset value						
Copperweld Bimetallics LLC ⁽¹⁷⁾⁽¹⁹⁾⁽²⁷⁾	Industrials and manufacturing	10/5/2016		676.93	\$3,501	\$4,038
Copperweld Bimetallics LLC ⁽¹⁷⁾⁽²⁰⁾	Industrials and manufacturing	10/5/2016	10/5/2021	609,230	8,950	17,339
Loadmaster Derrick & Equipment, Inc. ⁽¹⁷⁾⁽¹⁹⁾	Energy / utilities	7/1/2016		12,130.510	1,114	—
Loadmaster Derrick & Equipment, Inc. ⁽¹⁷⁾⁽²⁰⁾	Energy / utilities	12/21/2016		2,955.600	—	—
			Subtotal southeast		\$13,565	\$21,377
Southwest						
—0.54% of net asset value						
OEM Group, LLC ⁽¹²⁾⁽¹³⁾⁽¹⁷⁾⁽²⁴⁾	Industrials and manufacturing	3/16/2016		10,000	\$8,890	\$1,766
			Subtotal southwest		\$8,890	\$1,766
West						
—4.62% of net asset value						
C&K Market, Inc. ⁽¹⁷⁾⁽²⁰⁾	Retail & grocery	11/3/2010		1,992,365	\$2,270	\$5,282
C&K Market, Inc. ⁽¹⁷⁾⁽¹⁹⁾	Retail & grocery	11/3/2010	7/1/2024	1,992,365	10,956	9,962
			Subtotal West		\$13,226	\$15,244
			Subtotal equity		\$38,817	\$47,396
Investments in funds						

—26.08% of net asset value

Northeast

—26.08% of net asset value

	Investment funds and vehicles				
THL Credit Logan JV LLC ⁽¹²⁾⁽¹⁶⁾⁽¹⁷⁾⁽¹⁸⁾⁽²⁰⁾⁽²⁶⁾	12/3/2014	—	\$ 88,600	\$ 86,088	
		Subtotal northeast	88,600	86,088	
		Subtotal investments in funds	\$ 88,600	\$ 86,088	
Total controlled investments					
—56.06% of net asset value			\$ 185,266	\$ 185,052	

Non-controlled/affiliated investments

—7.71% of net asset value

See accompanying notes to these consolidated financial statements.

THL Credit, Inc. and Subsidiaries

Consolidated Schedules of Investments

September 30, 2018

(dollar amounts in thousands)

(unaudited)

Type of Investment/Portfolio company ⁽¹⁾⁽²⁾⁽³⁾	Industry	Interest Rate	Initial Acquisition Date	Maturity/ Dissolution Date	Principal ⁽⁵⁾ No. of Shares / No. of Units	Amortized Cost	Fair Value Cost
First lien senior secured debt							
—6.96% of net asset value							
Southwest							
Charming Charlie LLC ⁽²⁸⁾	Retail & grocery	12.3% (LIBOR + 10%) (7.3% Cash + 5.0% PIK)	4/24/2018	4/24/2023	11,325	\$10,912	\$10,475
Charming Charlie LLC ⁽²⁸⁾	Retail & grocery	12.3% (LIBOR + 10%) (3.3% Cash + 9.0% PIK)	4/24/2018	4/24/2023	13,724	13,232	11,829
Charming Charlie LLC ⁽²⁸⁾⁽²⁹⁾	Retail & grocery		4/24/2018	5/15/2019	—	—	—
Charming Charlie LLC ⁽²⁹⁾	Retail & grocery	20.9%	5/15/2018	5/15/2019	671	671	671
				Subtotal southwest		\$24,815	\$22,975
				Subtotal first lien senior secured debt		\$24,815	\$22,975
Equity investments							
—0.75% of net asset value							
Southwest							
Charming Charlie LLC	Retail & grocery		4/24/2018		128,307,716	\$—	\$2,460
						\$—	\$2,460

			Subtotal southwest	
			Subtotal equity	\$— \$2,460
Investments in funds				
—0.00% of net asset value				
Northeast				
—0.00% of net asset value				
THL Credit Greenway Fund LLC (12)(16)(20)(26)	Investment funds and vehicles	1/27/2011	\$ 1	\$ 1
THL Credit Greenway Fund II LLC (12)(16)(20)(26)	Investment funds and vehicles	3/1/2013	1	3
			Subtotal northeast	\$2 \$4
			Subtotal investments in funds	\$2 \$4
Total non-controlled/affiliated investments				
—7.71% of net asset value				
			\$24,817	\$25,439
Total investments—161.42% of net asset value			\$541,325	\$532,830
See accompanying notes to these consolidated financial statements.				

THL Credit, Inc. and Subsidiaries

Consolidated Schedules of Investments

September 30, 2018

(dollar amounts in thousands)

(unaudited)

- (1) All debt investments are income-producing, unless otherwise noted. Equity and member interests are non-income-producing unless otherwise noted. The Company generally acquires its investments in private transactions exempt from registration under the Securities Act of 1933, as amended, or the Securities Act. Its investments are therefore generally subject to certain limitations on resale, and may be deemed to be "restricted securities" under the Securities Act.
- (2) All investments are pledged as collateral under the Revolving Facility.
- (3) As of September 30, 2018, 25.4% and 25.7% of the Company's total investments on a cost and fair value basis, respectively, are in non-qualifying assets. The Company may not acquire any non-qualifying assets unless, at the time of the acquisition, qualifying assets represent at least 70% of the Company's total assets.
- (4) Variable interest rate investments bear interest in reference to London Interbank offer rate, or LIBOR, Canadian Dollar offer rate, or CDOR, or Alternate Base Rate, or ABR, which are effective as of September 30, 2018. LIBOR loans and CDOR loans are typically indexed to 30-day, 60-day, 90-day or 180-day LIBOR or CDOR rates, at the borrower's option, and ABR rates are typically indexed to the current prime rate or federal funds rate. Each of LIBOR, CDOR and ABR rates may be subject to interest floors. As of September 30, 2018, the 30-day, 60-day, 90-day and 180-day LIBOR rates were 2.26%, 2.31%, 2.40% and 2.60%, respectively. As of September 30, 2018, the 30-day, 60-day, 90-day and 180-day CDOR rates were 1.83%, 1.90%, 2.02% and 2.19%, respectively.
- (5) Principal includes accumulated PIK, interest and is net of repayments.
- (6) Unless otherwise indicated, all investments are valued using significant unobservable inputs.
- (7) Foreign company at the time of investment and, as a result, is not a qualifying asset under Section 55(a) of the 1940 Act.
- (8) Unitranche investment; interest rate reflected represents the implied interest rate earned on the investment for the most recent quarter.
- (9) Issuer pays 0.50% unfunded commitment fee on delayed draw term loan and/or revolving loan facilities.
- (10) The negative cost is the result of the capitalized discount being greater than the principal amount outstanding on the loan.
- (11) At the option of the issuer, interest can be paid in cash or cash and PIK. The percentage of PIK shown is the maximum PIK that can be elected by the company.
- (12) Member interests of limited liability companies are the equity equivalents of the stock of corporations.
- (13) Equity ownership may be held in shares or units of companies related to the portfolio company.
- (14) Interest held by a substantially owned subsidiary of THL Credit, Inc.
- (15) Income-producing security with no stated coupon; interest rate reflects an estimation of the effective yield to expected maturity as of September 30, 2018.
- (16) Not a qualifying asset under Section 55(a) of the 1940 Act.
- (17) As defined in Section 2(a)(9) of the 1940 Act, the Company is deemed to control this portfolio company because it owns more than 25% of the portfolio company's outstanding voting securities. See Schedule 12-14 in the accompanying notes to the consolidated financial statements for transactions for the quarter ended September 30, 2018 in which the issuer was a portfolio company that the Company is deemed to control.
- (18)

On December 3, 2014, the Company entered into an agreement with Perspecta to create THL Credit Logan JV LLC, or Logan JV, a joint venture, which invests primarily in senior secured first lien term loans. All Logan JV investment decisions must be unanimously approved by the Logan JV investment committee consisting of one representative from each of the Company and Perspecta. Although the Company owns more than 25% of the voting securities of Logan JV, the Company does not believe that it has control over Logan JV (other than for purposes of the 1940 Act or otherwise).

(19) Preferred stock.

(20) Common stock and member interest.

(21) Loan was on non-accrual as of September 30, 2018.

(22) Issuer pays 3.0% weighted average unfunded commitment fee on the revolving loan facility.

(23) Issuer pays 4.75% unfunded commitment fee on the revolving loan facility.

(24) Includes \$577 of cost and \$0 of fair value related to a non-controlling interest as a result of consolidating a blocker corporation that holds equity in OEM Group, LLC as of September 30, 2018.

(25) Canadian denominated investment with a par and fair market value of CAD \$20,000 and CAD \$20,000, respectively.

(26) Investment is measured at fair value using net asset value.

See accompanying notes to these consolidated financial statements.

THL Credit, Inc. and Subsidiaries

Consolidated Schedules of Investments

September 30, 2018

(dollar amounts in thousands)

(unaudited)

(27) Company's preferred stock is income-producing with a stated rate of 12.0% due quarterly.

(28) In January 2018, the Company's commitment in the DIP facilities allowed it to convert \$17,893 of principal of its Pre-petition Term Loan into a DIP Roll-up Term Loan. As part of this conversion and in accordance with debt extinguishment rules under GAAP (as defined in Note 2), the Company recorded a realized loss of \$8,369, which was offset by a corresponding change in unrealized appreciation in the same amount. Subsequently, on April 24, 2018, Charming Charlie LLC emerged from Chapter 11 bankruptcy proceedings whereby the Company converted its DIP facilities, Pre-petition Term Loan and DIP Roll-up Term Loan into two new exit first lien term loans and a noncontrolling common equity interest (the Company and other funds managed by the Advisor collectively have a controlling equity interest in Charming Charlie, LLC). On the same date, the Company funded \$894 of the remaining unfunded commitments under its DIP facilities and used an additional \$2,236 to purchase another lender's existing DIP revolving credit facility, all of which converted to the exit first lien term loans. As a result of these transactions, the Company's debt investment in Charming Charlie is comprised of \$24,601 in the exit first lien term loans. In addition, the Company provided \$8,946 of commitments under a vendor financing facility (see tickmark 29 for further description), which was subsequently reduced to \$8,275 with \$671 funded into a first lien term loan. As part of this conversion and in accordance with GAAP, the company recorded a realized loss of \$3,125, which was offset by a corresponding change in unrealized depreciation in the same amount.

(29) In conjunction with the emergence from bankruptcy on April 24, 2018, a \$20,000 vendor financing facility was established and will backstop the payment of vendor purchase order invoices not paid by the company but submitted under the program by participating vendors. Charming Charlie LLC pays a 2.5% fee on unfunded commitments, a percentage fee on each applicable purchase order and, if drawn, an interest rate on any invoices paid by the facility. All terms, including but not limited to interest rate, vendor credit terms and applicable percentage fees, are negotiated on a vendor-by-vendor basis. As of September 30, 2018, the Company had a commitment of \$8,275 with no funded commitments or unpaid invoices submitted under the vendor financing facility. During the three months ended September 30, 2018, the Company converted \$671 of unfunded vendor financing commitments into a first lien term loan which was subsequently funded.

(30) Investment formerly known as Hansons Window & Construction, Inc. The name change was effective January 1, 2018.

See accompanying notes to these consolidated financial statements.

THL Credit, Inc. and Subsidiaries

Consolidated Schedules of Investments

December 31, 2017

(dollar amounts in thousands)

Type of Investment/Portfolio company ⁽¹⁾⁽²⁾⁽³⁾	Industry	Initial Acquisition Interest Rate ⁽⁴⁾ Date	Maturity/ Dissolution Date	Principal ⁽⁵⁾ No. of Shares / No. of Units	Amortized Cost ⁽⁶⁾	Fair Value Cost
Non-controlled/non-affiliated investments						
— 130.79% of net asset value						
First lien senior secured debt						
— 106.88% of net asset value						
Canada						
— 6.92% of net asset value						
Fairstone Financial Inc. ⁽⁷⁾⁽¹⁷⁾⁽²⁶⁾	Financial services	12.3% (CDOR + 11.0%)	1/1/2017 3/31/2023	\$23,943	\$22,101	\$23,824
Subtotal Canada				\$23,943	\$22,101	\$23,824
Midwest						
— 11.55% of net asset value						
BeneSys Inc.	Business services	11.9% (LIBOR + 10.3%)	1/1/2014 3/31/2019	\$10,798	\$10,747	\$10,798
BeneSys Inc. ⁽⁹⁾	Business services	11.9% (LIBOR + 10.3%)	1/1/2014 3/31/2019	436	433	436
Hansons Window & Construction, Inc.	IT services	8.2% (LIBOR + 6.5%)	10/19/2017 10/19/2022	2,494	2,452	2,452
Hansons Window & Construction, Inc. ⁽⁹⁾	IT services	8.2% (LIBOR + 6.5%)	10/19/2017 10/19/2022	56	51	56
Home Partners of America, Inc. ⁽¹⁷⁾	Consumer services	8.5% (LIBOR + 7%)	10/13/2016 10/13/2022	13,669	13,450	13,806
Matilda Jane Holdings, Inc.	Consumer products	10.1% (LIBOR + 8.5%)	1/1/2017 5/1/2022	12,548	12,303	12,172

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			Subtotal midwest		\$40,001	\$39,436	\$39,720
Northeast							
—31.81% of net asset value							
Aerogroup International Inc.	Consumer products	10.2% (LIBOR + 8.5%)	12/9/2014	12/9/2019	\$13,170	\$13,071	\$13,169
Alex Toys, LLC	Consumer products	11.7% (LIBOR + 10%)	6/30/2014	8/15/2019	24,815	24,610	24,815
Anexinet Corp.	IT services	8.1% (LIBOR + 6.5%)	7/28/2017	7/28/2022	17,391	17,072	17,130
Constructive Media, LLC	Media, entertainment and leisure	11.6% (LIBOR + 10%)	1/23/2015	11/23/2020	11,708	11,570	10,888
Dodge Data & Analytics LLC	IT services	10.1% (LIBOR + 8.8%)	1/20/2014	10/31/2019	10,521	10,441	10,469
Duff & Phelps Corporation ⁽⁸⁾	Financial services	4.9% (LIBOR + 3.3%)	1/15/2013	4/23/2020	250	253	251
HealthDrive Corporation	Healthcare	9.6% (LIBOR + 8.1%)	1/21/2016	11/21/2021	9,900	9,764	9,801
HealthDrive Corporation ⁽⁹⁾	Healthcare	9.6% (LIBOR + 8.1%)	1/21/2016	11/21/2021	1,150	1,123	1,150
SPST Holdings, LLC	Consumer products	8.1% (LIBOR + 6.8%)	10/31/2017	10/31/2022	6,529	6,403	6,402
SPST Holdings, LLC ⁽⁹⁾⁽¹⁰⁾	Consumer products	8.1% (LIBOR + 6.8%)	10/31/2017	10/31/2022	-	(15)	-
The John Gore Organization, Inc.	Media, entertainment and leisure	8.7% (LIBOR + 7%)	8/8/2013	6/28/2021	13,831	13,649	13,969
The John Gore Organization, Inc. ⁽⁹⁾⁽¹⁰⁾	Media, entertainment and leisure	8.7% (LIBOR + 7%)	8/8/2013	6/28/2021	—	(10)	—

Women's Health USA	Healthcare	8.1%				
		(LIBOR				
		+				
		6.6%)				
		(⁸) 8/8/2017	8/8/2022	1,403	1,380	1,389
			Subtotal			
			northeast	\$ 110,668	\$ 109,311	\$ 109,433

Southeast

—12.23% of net asset value

See accompanying notes to these consolidated financial statements.

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THL Credit, Inc. and Subsidiaries

Consolidated Schedules of Investments

December 31, 2017

(dollar amounts in thousands)

Type of Investment/Portfolio company ⁽¹⁾⁽²⁾⁽³⁾	Industry	Initial Acquisition Interest Rate ⁽⁴⁾	Maturity/ Dissolution Date	Principal ⁽⁵⁾ No. of Shares / No. of Units	Amortized Cost	Fair Value
Sciens Building Solutions, LLC	Business services	8.6% (LIBOR + 7.3%)	2/2/2017	2/2/2022	\$9,687	\$9,522
Sciens Building Solutions, LLC ⁽⁹⁾	Business services	8.6% (LIBOR + 7.3%)	2/2/2017	2/2/2022	501	458
Togetherwork Holdings, LLC ⁽⁹⁾	Business services	8.6% (LIBOR + 7.3%)	12/2/2017	12/2/2020	232	226
Togetherwork Holdings, LLC	Business services	8.6% (LIBOR + 7.3%)	12/2/2017	12/2/2020	5,418	5,333
Virtus Pharmaceuticals, LLC	Healthcare	11.5% (8) 7/17/2014	7/17/2019	24,013	23,799	23,773
Whitney, Bradley & Brown, Inc.	Business services	10.6% (LIBOR + 9%)	10/18/2017	10/18/2022	2,494	2,446
Whitney, Bradley & Brown, Inc. ⁽⁹⁾	Business services	10.6% (LIBOR + 9%)	10/18/2017	10/18/2022	50	47
			Subtotal	southeast	\$42,395	\$41,831
Southwest						\$42,064
—38.21% of net asset value						
Allied Wireline Services, LLC	Energy / utilities	11.2% (LIBOR + 9.5%) (5.5% Cash and	2/28/2014	2/28/2019	\$10,793	\$10,793
						\$10,631

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		5.5% PIK) (11)					
Charming Charlie, LLC. ⁽²²⁾	Retail & grocery	9.3% (LIBOR + 9.0%) (8.0% Cash + 1.0% PIK)	12/18/2013	6/8/2018	51,868	23,929	15,560
Charming Charlie, LLC.	Retail & grocery	8.0% (ARL 13/20)	7	6/8/2018	4,474	4,474	4,474
Hart InterCivic, Inc.	IT services	12.2% (LIBOR + 10.5%)	11/1/2016	3/31/2019	25,600	25,385	25,856
Holland Intermediate Acquisition Corp.	Energy / utilities	10.7% (LIBOR + 9%)	5/29/2013	5/29/2018	21,880	21,837	20,567
Holland Intermediate Acquisition Corp. ⁽⁹⁾	Energy / utilities	10.7% (LIBOR + 9%)	5/29/2013	5/29/2018	—	—	—
Igloo Products Corp.	Consumer products	11.8% (LIBOR+ 10.3%)	3/28/2014	3/28/2020	24,636	24,403	23,897
LAI International, Inc.	Industrials and manufacturing	10.4% (8)	10/22/2014	10/22/2019	21,812	21,621	21,812
LAI International, Inc. ⁽⁹⁾	Industrials and manufacturing	8.5% (8)	10/22/2014	10/22/2019	4,483	4,483	4,483
LAI International, Inc. ⁽⁹⁾	Industrials and manufacturing	10.3% (8)	4/24/2017	10/22/2019	4,166	4,108	4,166
				Subtotal southwest	\$ 169,712	\$ 141,033	\$ 131,446
West							
—6.16% of net asset value							
It's Just Lunch International LLC	Media, entertainment and leisure	10.1% (LIBOR + 8.5%)	7/28/2016	7/28/2021	\$ 5,500	\$ 5,421	\$ 5,500
MeriCal, LLC	Consumer products	10.4% (LIBOR+ 9%)	9/30/2016	9/30/2021	15,700	15,395	15,700
				Subtotal west	\$ 21,200	\$ 20,816	\$ 21,200
				Subtotal first lien senior secured debt	\$ 407,919	\$ 374,528	\$ 367,687

Second lien debt

—7.95% of net asset value

Northeast

—3.85% of net asset value

See accompanying notes to these consolidated financial statements.

THL Credit, Inc. and Subsidiaries

Consolidated Schedules of Investments

December 31, 2017

(dollar amounts in thousands)

Type of Investment/Portfolio company ⁽¹⁾⁽²⁾⁽³⁾	Industry	Initial Acquisition Interest Rate ⁽⁴⁾	Maturity/ Dissolution Date	Principal ⁽⁵⁾ No. of Shares / Units	Fair Value Amortized Cost	Fair Value Cost	
Merchants Capital Access, LLC ⁽¹⁷⁾	Financial services	12.2% (LIBOR + 10.3%)	4/20/2015	4/20/2021	\$12,500	\$12,360	\$12,125
Specialty Brands Holdings, LLC ⁽²²⁾	Restaurants	10.3% (LIBOR + 8.8%) (78.8% Cash + 1.0% PIK)	7/16/2013	12/1/2017	22,244	21,462	1,112
			Subtotal northeast		\$34,744	\$33,822	\$13,237
Southeast							
—2.66% of net asset value							
MB Medical Operations LLC	Healthcare	10.6% (LIBOR + 9%)	12/7/2016	6/7/2022	\$9,131	\$8,984	\$9,154
			Subtotal southeast		\$9,131	\$8,984	\$9,154
West							
—1.44% of net asset value							
Gold, Inc.	Consumer products	10.0%	2/31/2012	6/30/2022	\$5,165	\$5,165	\$4,959
			Subtotal west		\$5,165	\$5,165	\$4,959
			Subtotal second lien debt		\$49,040	\$47,971	\$27,350
Subordinated debt							
—5.55% of net asset value							
Northeast							
—1.94% of net asset value							
Aerogroup International Inc. ⁽²²⁾		8/5/2015	3/9/2020	348	328	—	

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	Consumer products	12.0% PIK				
Aerogroup International Inc. ⁽²²⁾	Consumer products	10.0% PIK				
		⁽¹¹⁾ 1/27/2016	3/9/2020	925	881	—
Martex Fiber Southern Corp.		16.5% (12.0% Cash and 4.5% PIK)				
	Industrials and manufacturing	⁽¹¹⁾ 4/30/2012	6/30/2018	8,906	8,906	6,680
		Subtotal northeast		\$10,179	\$10,115	\$6,680
Northwest						
—3.61% of net asset value						
A10 Capital, LLC ⁽⁹⁾⁽¹⁷⁾	Financial services	12.5% 8/25/2014	2/25/2021	\$12,302	\$12,231	\$12,425
			Subtotal northwest	\$12,302	\$12,231	\$12,425
		Subtotal subordinated debt		\$22,481	\$22,346	\$19,105
Equity investments						
—6.01% of net asset value						
Midwest						
—0.17% of net asset value						
Hostway Corporation ⁽²¹⁾	IT services	12/27/2013	12/13/2020	20,000	\$1,800	\$-
Hostway Corporation ⁽²⁰⁾	IT services	12/27/2013		1,800	200	196
See accompanying notes to these consolidated financial statements.						

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THL Credit, Inc. and Subsidiaries

Consolidated Schedules of Investments

December 31, 2017

(dollar amounts in thousands)

Type of Investment/Portfolio company ⁽¹⁾⁽²⁾⁽³⁾	Industry	Interest Rate ⁽⁴⁾	Initial Acquisition Date	Maturity/ Dissolution Date	Principal ⁽⁵⁾ No. of Shares / No. of Units	Amortized Cost	Fair Value ⁽⁶⁾
Matilda Jane Holdings, Inc. ⁽¹³⁾⁽²⁰⁾	Consumer products		5/1/2017		488,896	489	376
			Subtotal midwest			\$2,489	\$572
Northeast							
—0.98% of net asset value							
Aerogroup International Inc. ⁽²¹⁾	Consumer products		6/9/2014		253,616	\$11	—
Aerogroup International Inc. ⁽²⁰⁾	Consumer products		6/9/2014		28,180	1,108	—
Alex Toys, LLC ⁽¹²⁾⁽¹³⁾⁽¹⁵⁾⁽²¹⁾	Consumer products		5/22/2015		153.85	1,000	-
Alex Toys, LLC ⁽¹²⁾⁽¹³⁾⁽¹⁵⁾⁽²⁰⁾	Consumer products		6/22/2016	6/12/2021	121.18	888	-
Constructive Media, LLC ⁽¹²⁾⁽²¹⁾	Media, entertainment and leisure		11/23/2015		750,000	750	5
SPST Holdings, LLC ⁽¹²⁾⁽²¹⁾	Consumer products		10/31/2017		215,827	216	231
Wheels Up Partners, LLC ⁽¹²⁾⁽¹⁵⁾⁽²¹⁾	Transportation		1/31/2014		1,000,000	1,000	3,124
			Subtotal northeast			\$4,973	\$3,360
Northwest							
—4.06% of net asset value							
A10 Capital, LLC ⁽¹²⁾⁽¹⁴⁾⁽¹⁷⁾⁽²⁰⁾	Financial services		8/25/2014	2/25/2021	4,019.61	\$13,901	\$13,973
			Subtotal northwest			\$13,901	\$13,973
Southeast							
—0.25% of net asset value							
Firebirds International, LLC ⁽¹²⁾⁽²¹⁾	Restaurants		5/17/2011		1,906	\$191	\$431
Virtus Pharmaceuticals, LLC ⁽¹²⁾⁽¹⁵⁾⁽²¹⁾	Healthcare		3/31/2015		7,720.86	127	—
Virtus Pharmaceuticals, LLC ⁽¹²⁾⁽¹⁵⁾⁽²¹⁾	Healthcare		3/31/2015		231.82	244	372
Virtus Pharmaceuticals, LLC ⁽¹²⁾⁽¹⁵⁾⁽²¹⁾	Healthcare		3/31/2015		589.76	590	72
			Subtotal southeast			\$1,152	\$875
Southwest							
—0.31% of net asset value							
Allied Wireline Services, LLC ⁽¹²⁾⁽¹⁵⁾⁽²¹⁾	Energy / utilities		2/28/2014		618,867.92	\$619	\$93
Dimont & Associates, Inc. ⁽²¹⁾			3/14/2016		312.51	129	-

	Financial services					
Igloo Products Corp. ⁽²¹⁾	Consumer products	4/30/2014		1,902.04	1,716	795
Sciens Building Solutions, LLC ⁽²⁰⁾	Business services	7/12/2017		170.39	170	178
		Subtotal southwest			\$2,634	\$1,066
West						
—0.24% of net asset value						
MeriCal, LLC ⁽¹²⁾⁽¹³⁾⁽²¹⁾	Consumer products	9/30/2016	9/30/2021	5,124.30	\$10	\$275
MeriCal, LLC ⁽¹²⁾⁽¹³⁾⁽²⁰⁾	Consumer products	9/30/2016		500.29	505	552
		Subtotal west			\$515	\$827
				Subtotal equity	\$25,664	\$20,673

See accompanying notes to these consolidated financial statements.

THL Credit, Inc. and Subsidiaries

Consolidated Schedules of Investments

December 31, 2017

(dollar amounts in thousands)

Type of Investment/Portfolio company ⁽¹⁾⁽²⁾⁽³⁾	Industry	Initial Acquisition Date ⁽⁴⁾	Maturity/Dissolution Date	Principal ⁽⁵⁾ No. of Shares / No. of Units	Amortized Cost	Fair Value ⁽⁶⁾
Warrants						
—0.02% of net asset value						
Southwest						
—0.02% of net asset value						
Allied Wireline Services, LLC ⁽¹⁵⁾	Energy / utilities	2/28/2014		501,159.24	\$ 175	\$ 75
			Subtotal southwest		\$ 175	\$ 75
			Subtotal warrants		\$ 175	\$ 75
Investment in payment rights						
—3.27% of net asset value						
Northeast						
—3.27% of net asset value						
Duff & Phelps Corporation ⁽¹⁶⁾⁽¹⁷⁾	Financial services ⁽⁸⁾	16.6% 6/1/2012			\$ 10,348	\$ 11,259
			Subtotal northeast		\$ 10,348	\$ 11,259
			Subtotal investment in payment rights		\$ 10,348	\$ 11,259
Investments in funds ⁽¹⁷⁾						
—1.11% of net asset value						
Midwest						
—0.83% of net asset value						
Freeport Financial SBIC Fund LP ⁽¹⁷⁾⁽²⁷⁾	Financial services	6/14/2013			\$ 2,957	\$ 2,826
			Subtotal midwest		\$ 2,957	\$ 2,826
West						
—0.28% of net asset value						
Gryphon Partners 3.5, L.P. ⁽¹⁷⁾⁽²⁷⁾	Financial services	11/20/2012			\$ 827	\$ 976
			Subtotal west		\$ 827	\$ 976
			Subtotal investments in funds		\$ 3,784	\$ 3,802

Total non-controlled/non-affiliated
investments

—130.55% of net asset value	\$484,816	\$449,951
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Controlled investments

See accompanying notes to these consolidated financial statements.

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THL Credit, Inc. and Subsidiaries

Consolidated Schedules of Investments

December 31, 2017

(dollar amounts in thousands)

Type of Investment/Portfolio company ⁽¹⁾⁽²⁾⁽³⁾	Industry	Initial Acquisition Interest Rate Date	Maturity/ Dissolution Date	Principal ⁽⁵⁾ No. of Shares / No. of Units	Amortized Cost	Fair Value Cost
—46.14% of net asset value						
First lien senior secured debt						
—11.46% of net asset value						
Northeast						
—1.63% of net asset value						
Tri Starr Management Services, Inc. ⁽¹⁸⁾⁽²³⁾	Business services	8.3% (ABR + 3.8% 7/22/2016	9/30/2018	46	46	46
Tri Starr Management Services, Inc. ⁽¹⁸⁾⁽²⁴⁾	Business services	6.3% (LIBOR + 4.8% 7/22/2016	9/30/2018	669	627	669
Tri Starr Management Services, Inc. ⁽¹⁸⁾	Business services	6.3% (LIBOR + 4.8% 7/22/2016	9/30/2018	291	269	291
Tri Starr Management Services, Inc. ⁽¹⁸⁾	Business services	6.3% (LIBOR + 4.8% 7/22/2016	9/30/2018	2,545	2,352	2,545
Tri Starr Management Services, Inc. ⁽¹⁸⁾	Business services	10.0% PIK 7/22/2016	9/30/2018	1,573	1,407	1,573
Tri Starr Management Services, Inc. ⁽¹⁸⁾⁽²²⁾	Business services	10.0% PIK 7/22/2016	9/30/2018	1,049	320	472
Tri Starr Management Services, Inc. ⁽¹⁸⁾⁽²²⁾	Business services	5.0% PIK 7/22/2016	9/30/2018	3,241	1,062	—
			Subtotal northeast	\$9,414	\$6,083	\$5,596
Southeast						
—2.05% of net asset value						
Loadmaster Derrick & Equipment, Inc. ⁽¹⁸⁾⁽²²⁾	Energy / utilities	11.3% (LIBOR + 10.3%) (5.65% 7/22/2016	12/31/2020	\$7,844	\$7,307	\$3,811

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		Cash and 5.65% PIK)					
Loadmaster Derrick & Equipment, Inc. ⁽¹⁸⁾⁽²²⁾	Energy / utilities	13% PIK (LIBOR + 12% PIK)	7/1/2016	12/31/2020	1,761	1,053	—
Loadmaster Derrick & Equipment, Inc. ⁽¹⁸⁾	Energy / utilities	11.9% (LIBOR+ 10.3%)	7/2017	12/31/2020	3,240	3,240	3,240
				Subtotal southeast	\$ 12,623	\$ 11,600	\$ 7,051
Southwest							
—7.78% of net asset value							
OEM Group, LLC ⁽¹⁸⁾	Industrials and manufacturing	11.1% (LIBOR + 9.5%)	16/2016	2/15/2019	\$ 18,703	\$ 18,703	\$ 18,703
OEM Group, LLC ⁽¹⁸⁾	Industrials and manufacturing	11.1% (LIBOR + 9.5%)	16/2016	2/15/2019	8,060	8,045	8,060
				Subtotal southwest	\$ 26,763	\$ 26,748	\$ 26,763
				Subtotal first lien senior secured debt	\$ 48,800	\$ 44,431	\$ 39,410
Second lien debt							
—1.57% of net asset value							
Southeast							
—1.57% of net asset value							
Copperweld Bimetallics LLC ⁽¹⁸⁾	Industrials and manufacturing	12.00% (LIBOR+ 10.0%)	5/2016	10/5/2021	\$ 5,415	\$ 5,415	\$ 5,415
See accompanying notes to these consolidated financial statements.							

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THL Credit, Inc. and Subsidiaries

Consolidated Schedules of Investments

December 31, 2017

(dollar amounts in thousands)

Type of Investment/Portfolio company ⁽¹⁾⁽²⁾⁽³⁾	Industry	Initial Acquisition Interest Rate ⁽⁴⁾ Date	Maturity/ Dissolution Date Subtotal southeast	Principal ⁽⁵⁾ No. of Shares / No. of Units	Amortized Cost	Fair Value Cost
				\$5,415	\$5,415	\$5,415
			Subtotal second lien debt	\$5,415	\$5,415	\$5,415
Equity investments						
—14.1% of net asset value						
Northeast						
—2.03% of net asset value						
Tri Starr Management Services, Inc. ⁽¹⁸⁾⁽²¹⁾	Business services	7/22/2016		0.720	3,136	6,967
			Subtotal northeast		\$3,136	\$6,967
Northwest						
—5.11% of net asset value						
C&K Market, Inc. ⁽¹⁸⁾⁽²¹⁾	Retail & grocery	11/3/2010		1,992,365	\$2,270	\$7,619
C&K Market, Inc. ⁽¹⁸⁾⁽²⁰⁾	Retail & grocery	11/3/2010	7/1/2024	1,992,365	10,956	9,962
			Subtotal northwest		\$13,226	\$17,581
Southeast						
—3.81% of net asset value						
Copperweld Bimetallics LLC ⁽¹⁸⁾⁽²⁰⁾	Industrials and manufacturing	10/5/2016		676.93	\$3,385	\$3,920
Copperweld Bimetallics LLC ⁽¹⁸⁾⁽²¹⁾	Industrials and manufacturing	10/5/2016	10/5/2021	609,230	8,950	9,192
Loadmaster Derrick & Equipment, Inc. ⁽¹⁸⁾⁽²⁰⁾	Energy / utilities	7/1/2016		12,130.510	1,114	—
Loadmaster Derrick & Equipment, Inc. ⁽¹⁸⁾⁽²¹⁾	Energy / utilities	12/21/2016		2,955.600	—	—
			Subtotal southeast		\$13,449	\$13,112
Southwest						
—3.15% of net asset value						
OEM Group, LLC ⁽¹²⁾⁽¹³⁾⁽¹⁸⁾⁽²⁰⁾⁽²⁵⁾		3/16/2016		10,000	\$8,890	\$10,841

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Industrials and
manufacturing

Subtotal southwest	\$8,890	\$10,841
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Subtotal equity	\$38,701	\$48,501
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Investments in funds

—19.01% of net asset value

Northeast

—19.01% of net asset value

Investment
funds and

THL Credit Logan JV LLC ⁽¹²⁾⁽¹⁷⁾⁽¹⁸⁾⁽¹⁹⁾⁽²¹⁾⁽²⁷⁾ vehicles	12/3/2014	—	\$67,000	\$65,410
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See accompanying notes to these consolidated financial statements.

THL Credit, Inc. and Subsidiaries

Consolidated Schedules of Investments

December 31, 2017

(dollar amounts in thousands)

Type of Investment/Portfolio company ⁽¹⁾⁽²⁾⁽³⁾	Industry	Interest Rate	Initial Acquisition Date	Maturity/ Dissolution Date	Principal ⁽⁵⁾ No. of Shares / No. of Units	Amortized Cost	Fair Value ⁽⁶⁾
				Subtotal northeast	67,000		65,410
				Subtotal investments in funds	\$ 67,000		\$ 65,410
Total controlled investments—46.14% of net asset value						\$ 155,547	\$ 158,736
Non-controlled/affiliated investments—0.00% of net asset value							
Investments in funds							
—0.00% of net asset value							
Northeast							
—0.00% of net asset value							
THL Credit Greenway Fund LLC ⁽¹²⁾⁽¹⁷⁾⁽²¹⁾⁽²⁷⁾	Financial services		1/27/2011		\$ 1		\$ 1
THL Credit Greenway Fund II LLC ⁽¹²⁾⁽¹⁷⁾⁽²¹⁾⁽²⁷⁾	Financial services		3/1/2013		3		3
				Subtotal northeast	\$ 4		\$ 4
				Subtotal investments in funds	\$ 4		\$ 4
Total non-controlled/affiliated investments—0.00% of net asset value						\$ 4	\$ 4
Total investments—176.93% of net asset value						\$ 640,367	\$ 608,691

(1) All debt investments are income-producing, unless otherwise noted. Equity and member interests are non-income-producing unless otherwise noted.

(2) All investments are pledged as collateral under the Revolving Facility.

(3) As of December 31, 2017, 24.3% and 25.8% of the Company's total investments on a cost and fair value basis, respectively, are in non-qualifying assets. The Company may not acquire any non-qualifying assets unless, at the

time of the acquisition, qualifying assets represent at least 70% of the Company's total assets.
See accompanying notes to these consolidated financial statements.

THL Credit, Inc. and Subsidiaries

Consolidated Schedules of Investments

December 31, 2017

(dollar amounts in thousands)

- (4) Variable interest rate investments bear interest in reference to London Interbank offer rate, or LIBOR, Canadian Dollar offer rate, or CDOR, or Alternate Base Rate, or ABR, which are effective as of December 31, 2017. LIBOR loans and CDOR loans are typically indexed to 30-day, 60-day, 90-day or 180-day LIBOR or CDOR rates, at the borrower's option, and ABR rates are typically indexed to the current prime rate or federal funds rate. Each of LIBOR, CDOR and ABR rates may be subject to interest floors. As of December 31, 2017, the 30-day, 60-day, 90-day and 180-day LIBOR rates were 1.57%, 1.62%, 1.69% and 1.84%, respectively. As of December 31, 2017, the 30-day, 60-day, 90-day and 180-day CDOR rates were 1.41%, 1.46%, 1.52% and 1.72%, respectively.
- (5) Principal includes accumulated PIK, interest and is net of repayments.
- (6) Unless otherwise indicated, all investments are valued using significant unobservable inputs.
- (7) Foreign company at the time of investment and, as a result, is not a qualifying asset under Section 55(a) of the 1940 Act.
- (8) Unitranche investment; interest rate reflected represents the implied interest rate earned on the investment for the most recent quarter.
- (9) Issuer pays 0.50% unfunded commitment fee on delayed draw term loan and/or revolving loan facilities.
- (10) The negative cost is the result of the capitalized discount being greater than the principal amount outstanding on the loan.
- (11) At the option of the issuer, interest can be paid in cash or cash and PIK. The percentage of PIK shown is the maximum PIK that can be elected by the company.
- (12) Member interests of limited liability companies are the equity equivalents of the stock of corporations.
- (13) Equity ownership may be held in shares or units of companies related to the portfolio company.
- (14) Preferred stock investment return is income-producing with a stated rate of 13.0% cash and 2.0% PIK due on a monthly basis.
- (15) Interest held by a substantially owned subsidiary of THL Credit, Inc.
- (16) Income-producing security with no stated coupon; interest rate reflects an estimation of the effective yield to expected maturity as of December 31, 2017.
- (17) Not a qualifying asset under Section 55(a) of the 1940 Act.
- (18) As defined in Section 2(a)(9) of the 1940 Act, the Company is deemed to control this portfolio company because it owns more than 25% of the portfolio company's outstanding voting securities. See Schedule 12-14 in the accompanying notes to the consolidated financial statements for transactions for the quarter ended December 31, 2017 in which the issuer was a portfolio company that the Company is deemed to control.
- (19) On December 3, 2014, the Company entered into an agreement with Perspecta to create THL Credit Logan JV LLC, or Logan JV, a joint venture, which invests primarily in senior secured first lien term loans. All Logan JV investment decisions must be unanimously approved by the Logan JV investment committee consisting of one representative from each of the Company and Perspecta. Although the Company owns more than 25% of the voting securities of Logan JV, the Company does not believe that it has control over Logan JV (other than for purposes of the 1940 Act or otherwise).
- (20) Preferred stock.
- (21) Common stock and member interest.
- (22) Loan was on non-accrual as of December 31, 2017.
- (23)

Issuer pays 3.0% weighted average unfunded commitment fee on the revolving loan facility.

(24) Issuer pays 4.75% unfunded commitment fee on the revolving loan facility.

(25) Includes \$577 of cost and \$703 of fair value related to a non-controlling interest as a result of consolidating a blocker corporation that holds equity in OEM Group, LLC as of December 31, 2017.

(26) Canadian denominated investment with a par and fair market value of CAD \$30,000 and CAD \$29,850, respectively.

(27) Investment is measured at fair value using net asset value.

See accompanying notes to these consolidated financial statements.

THL Credit, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

September 30, 2018

(in thousands, except per share data)

(unaudited)

1. Organization

THL Credit, Inc., or the Company, was organized as a Delaware corporation on May 26, 2009. The Company has elected to be regulated as a business development company, or BDC, under the Investment Company Act of 1940, as amended, or 1940 Act. The Company has elected to be treated for tax purposes as a regulated investment company, or RIC, under the Internal Revenue Code of 1986, or as amended, the Code. The Company's investment objective is to generate both current income and capital appreciation, primarily through privately negotiated investments in debt and equity securities of lower middle market companies.

The Company has established wholly owned subsidiaries, THL Credit Holdings, Inc. and THL Credit YP Holdings Inc., and also established another subsidiary, THL Credit OEMG Investor Inc., to hold its equity interest in OEM Group, LLC, where it holds a majority interest. These subsidiaries are structured as Delaware entities, or tax blockers, to hold equity or equity-like investments in portfolio companies organized as limited liability companies, or LLCs (or other forms of pass-through entities). Corporate subsidiaries are not consolidated for income tax purposes and may incur income tax expense as a result of their ownership of portfolio companies.

The Company has a wholly owned subsidiary, THL Corporate Finance, Inc., which serves as the administrative agent on certain investment transactions.

2. Significant Accounting Policies and Recent Accounting Updates

Basis of Presentation

The Company is an investment company following the accounting and reporting guidance under the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 946, Financial Services Investment Companies.

The consolidated financial statements include the accounts of the Company and its subsidiaries. All inter-company accounts and transactions have been eliminated in consolidation. In accordance with Article 6 of Regulation S-X under the Securities Act of 1933, as amended, and the Securities and Exchange Act of 1934, as amended, the Company generally will not consolidate its interest in any company other than in investment company subsidiaries and controlled operating companies substantially all of whose business consists of providing services to the Company. The Company has made changes to the presentation of prior year information to conform with current year presentation.

The accompanying consolidated financial statements of the Company have been presented in accordance with accounting principles generally accepted in the United States of America ("GAAP") and pursuant to the requirements for reporting on Form 10-Q and Article 10 of Regulation S-X. Accordingly, certain disclosures accompanying annual financial statements prepared in accordance with GAAP are omitted. In the opinion of management, the unaudited

financial results included herein contain all adjustments, consisting solely of normal accruals, considered necessary for the fair statement of financial statements for the interim period included herein. The current period's results of operations are not necessarily indicative of the operating results to be expected for the period ending December 31, 2018.

The information included in this Form 10-Q should be read in conjunction with Management's Discussion and Analysis of Financial Condition and Results of Operations and the audited consolidated financial statements and notes thereto included in our annual report on Form 10-K for the year ended December 31, 2017 filed with the SEC on March 6, 2018. The financial results of the Company's portfolio companies are not consolidated in the financial statements.

The accounting records of the Company are maintained in U.S. dollars.

Consolidation

The Company follows the guidance in ASC Topic 946 Financial Services—Investment Companies and will not generally consolidate its investment in a company other than substantially owned investment company subsidiaries or a controlled operating company whose business consists of providing services to the Company. The Company consolidated the results of its substantially owned subsidiaries in its consolidated financial statements. In conjunction with the consolidation of subsidiaries, the Company recognizes the non-controlling interest in THL Credit OEMG Investor, Inc. in its consolidated financial statements. The Company does not consolidate its non-controlling interest in THL Credit Logan JV LLC, or Logan JV. See also the disclosure under the heading, THL Credit Logan JV LLC.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that may affect the reported amounts and disclosures in the financial statements. Changes in the economic environment, financial markets, creditworthiness of our portfolio companies and any other parameters used in determining these estimates could cause actual results to differ and these differences could be material.

Cash

Cash consists of funds held in demand deposit accounts at several financial institutions and, at certain times, balances may exceed the Federal Deposit Insurance Corporation insured limit and is therefore subject to credit risk. There were no cash equivalents as of September 30, 2018 and December 31, 2017.

Deferred Financing Costs

Deferred financing costs consist of fees and expenses paid in connection with the closing of the Revolving Facility (as defined in Note 7 hereto) and public debt offering of Notes (as defined in Note 7 hereto). These costs are capitalized at the time of payment and are amortized using the straight line and effective yield methods over the term of the Revolving Facility and Notes, respectively.

Under the Notes Payable, if there is a substantial modification of the terms of the existing agreement (greater than 10% change in the present value of cash flows under the old and new amended facilities) then the change would result in a debt extinguishment and any unamortized deferred financing costs would be expensed during that period. Third party costs under the new arrangement would be capitalized and amortized over the term of the new arrangement. Under the Revolving Facility, if the borrowing capacity of the old arrangement is lower than the borrowing capacity of the new arrangement for each underlying lender in the lending syndicate, then any unamortized deferred financing costs would be expensed during the period in proportion to the decrease in the old arrangement for that lender. Any remaining unamortized deferred financing costs relating to the old arrangement would be deferred and amortized over the term of the new arrangement along with any costs associated with the new arrangement.

Capitalized deferred financing costs related to the Notes are presented net against the respective balances outstanding on the Consolidated Statements of Assets and Liabilities. Capitalized deferred financing costs related to the Revolving Facility are presented separately on the Company's Consolidated Statements of Assets and Liabilities. See also the disclosure in Note 7, Borrowings.

Deferred Offering Costs

Deferred offering costs consist of fees and expenses incurred in connection with the offer and sale of the Company's common stock, including legal, accounting, printing fees and other related expenses, as well as costs incurred in connection with the filing of a shelf registration statement. These amounts are capitalized when incurred and recognized as a reduction of offering proceeds when the offering becomes effective or expensed upon expiration of the registration statement.

Fair Value of Financial Instruments

The carrying amounts of the Company's financial instruments, including cash, accounts payable and accrued expenses, approximate fair value due to their short-term nature. The net realizable value of the Company's escrow receivable approximates fair value. The carrying amounts and fair values of the Company's long-term obligations are disclosed in Note 7, Borrowings.

Valuation of Investments

The Company accounts for its Investment Portfolio at fair value. As a result, the Company follows the provisions of ASC 820, Fair Value Measurements and Disclosures ("ASC 820"). ASC 820 defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs used to measure fair value and enhances disclosure requirements for fair value measurements. ASC 820 requires the Company to assume that the portfolio investment is to be sold in the principal market to independent market participants, which may be a hypothetical market. Market participants are defined as buyers and sellers in the principal market that are independent, knowledgeable and willing and able to transact.

Investments, for which market quotations are readily available, are valued using market quotations, which are generally obtained from an independent pricing service or broker-dealers or market makers. Debt and equity securities, for which market quotations are not readily available or are determined to be unreliable are valued at fair value as determined in good faith by the Company's board of directors. Because the Company expects that there will not be a readily available market value for many of the investments in the Company's portfolio, it is expected that many of the Company's portfolio investments' values will be determined in good faith by the Company's board of directors in accordance with a documented valuation policy that has been reviewed and approved by our board of directors and in accordance with GAAP. Due to the inherent uncertainty of determining the fair value of investments that do not have a readily available market value, the fair value of the Company's investments may differ significantly from the values that would have been used had a readily available market value existed for such investments, and the differences could be material.

With respect to investments for which market quotations are not readily available or are determined to be unreliable, the Company's board of directors undertakes a multi-step valuation process each quarter, as described below:

- the Company's quarterly valuation process begins with each portfolio company or investment being initially valued by the investment professionals responsible for the portfolio investment; preliminary valuation conclusions are then documented and discussed with the investment committee of THL Credit Advisors LLC, or the Advisor;
- to the extent determined by the audit committee of the Company's board of directors, independent valuation firms are used to conduct independent appraisals of all "Level 3" investments and review the Advisor's preliminary valuations in light of their own independent assessment unless the amounts are immaterial or have closed near quarter-end;
- the audit committee of the Company's board of directors reviews the preliminary valuations of the Advisor and independent valuation firms and, if necessary, responds and supplements the valuation recommendation of the independent valuation firms to reflect any comments; and
- the Company's board of directors discusses valuations and determines the fair value of each investment in the Company's portfolio in good faith based on the input of the Advisor, the respective independent valuation firms and the audit committee.

The types of factors that the Company may take into account in fair value pricing its investments include, as relevant, the nature and realizable value of any collateral, the portfolio company's ability to make payments and its earnings and discounted cash flows, the markets in which the portfolio company does business, comparison to publicly traded securities and other relevant factors. The Company generally utilizes an income approach to value its debt investments and a combination of income and market approaches to value its equity investments. With respect to unquoted securities, the Advisor and the Company's board of directors, in consultation with the Company's independent third party valuation firms, values each investment considering, among other measures, discounted cash flow models, comparisons of financial ratios of peer companies that are public and other factors, which valuation is then approved by the board of directors.

Debt Investments

For debt investments, the Company generally determines the fair value primarily using an income, or yield, approach that analyzes the discounted cash flows of interest and principal for the debt security, as set forth in the associated loan agreements, as well as the financial position and credit risk of each portfolio investment. The Company's estimate of the expected repayment date is generally the legal maturity date of the instrument. The yield analysis considers changes in leverage levels, credit quality, portfolio company performance and other factors. The enterprise value, a market approach, is used to determine the value of equity and debt investments that are credit impaired, close to maturity or where the Company also holds a controlling equity interest. The method for determining enterprise value uses a multiple analysis, whereby appropriate multiples are applied to the portfolio company's revenues or net income

before net interest expense, income tax expense, depreciation and amortization, or EBITDA.

Payment Rights

The Company values its investment in payment rights using an income approach that analyzes the discounted projected future cash flow streams assuming an appropriate discount rate, which will among other things consider other transactions in the market, the current credit environment, performance of the underlying portfolio company and the length of the remaining payment stream.

Equity

The Company generally uses the market approach to value its equity investments. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities (including a business). The measurement is based on the value indicated by current market expectations about those future amounts. In following these approaches, the types of factors that the Company may take into account in fair value pricing the Company's investments include, as relevant: available current market data, including relevant and applicable market trading and transaction comparables, applicable market yields and multiples, the current investment performance rating, security covenants, call protection provisions, information rights, the nature and realizable value of any collateral, the portfolio company's ability to make payments, its earnings and discounted cash flows, the markets in which the portfolio company does business, comparisons of financial ratios of peer companies that are public, transaction comparables, the Company's principal market as the reporting entity and enterprise values, among other factors.

Investment in Funds

In circumstances in which net asset value per share of an investment is determinative of fair value, the Company estimates the fair value of an investment in an investment company using the net asset value per share of the investment (or its equivalent) without further adjustment if the net asset value per share of the investment is determined in accordance with the specialized accounting guidance for investment companies as of the reporting entity's measurement date.

Foreign Currency

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

- cash and cash equivalents, market value of investments, outstanding debt on revolving credit facilities, other assets and liabilities: at the spot exchange rate on the last business day of the period; and
- purchases and sales of investments, borrowings and repayments of such borrowings, income and expenses: at the rates of exchange prevailing on the respective dates of such transactions.

Although net assets and fair values are presented based on the applicable foreign exchange rates described above, the Company does not isolate that portion of the results of operations resulting from changes in foreign exchange rates on investments from the fluctuations arising from changes in fair values of investments held. Such fluctuations are included with the net realized and unrealized gain or loss from investments. Fluctuations arising from the translation of foreign currency borrowings are included with the net change in unrealized gains (losses) on translation of assets and liabilities in foreign currencies on the consolidated statements of operations.

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

The Company's current approach to hedging the foreign currency exposure in its non-U.S. dollar denominated investments is primarily to borrow the necessary local currency under the Company's Revolving Credit Facility to fund these investments.

Security Transactions, Payment-in-Kind, Income Recognition, Realized/Unrealized Gains or Losses

Security transactions are recorded on a trade-date basis. The Company measures realized gains or losses by the difference between the net proceeds from the repayment or sale and the amortized cost basis of the investment, using the specific identification method. Net realized gains and losses reflect the impact of investments written off during the period, if any. The Company reports changes in fair value of investments that are measured at fair value as a component of net change in unrealized appreciation or depreciation on investments in the Consolidated Statements of Operations.

Interest income, adjusted for amortization of premium and accretion of discount, is recorded on an accrual basis to the extent that the Company expects to collect such amounts. Dividend income is recognized on the ex-dividend date. Original issue discount, representing the estimated fair value of detachable equity or warrants obtained in conjunction with the acquisition of debt securities and market discount or premium are capitalized and accreted or amortized into interest income over the life of the respective security using the effective yield method. The amortized cost of investments represents the original cost adjusted for the accretion/amortization of discounts and premiums and upfront loan origination fees.

Loans are placed on non-accrual status when principal or interest payments are past due 30 days or more and/or when it is no longer probable that principal or interest will be collected. However, the Company may make exceptions to this policy if the loan has sufficient collateral value and is in the process of collection. The Company records the reversal of any previously accrued income against the same income category reflected in the Consolidated Statement of Operations. As of September 30, 2018, the Company had loans on non-accrual status with an amortized cost basis of \$14,357 and fair value of \$7,844. As of September 30, 2017, the Company had loans on non-accrual status with an amortized cost basis of \$32,371 and fair value of \$19,657.

The Company has investments in its portfolio which contain a contractual paid-in-kind, or PIK, interest provision. PIK interest is computed at the contractual rate specified in each investment agreement, is added to the principal balance of the investment, and is recorded as income. The Company will cease accruing PIK interest if there is insufficient value to support the accrual or if the Company does not expect amounts to be collectible and will generally only begin to recognize PIK income again when all principal and interest have been paid or upon the restructuring of the investment where the interest is deemed collectable. To maintain the Company's status as a RIC, PIK interest income, which is considered investment company taxable income, must be paid out to stockholders in the form of dividends even though the Company has not yet collected the cash. Amounts necessary to pay these dividends may come from available cash.

The following shows a rollforward of PIK income activity for the three and nine months ended September 30, 2018 and 2017:

	Three months ended September 30,		Nine months ended September 30,	
	2018	2017	2018	2017
Accumulated PIK balance, beginning of period	\$3,583	\$4,412	\$3,922	\$3,086
PIK income capitalized/receivable	934	427	1,824	1,785
PIK received in cash from repayments	(233)	—	(1,346)	(32)
PIK reduced through restructurings/sales	—	(44)	—	(44)
Accumulated PIK balance, end of period	\$4,284	\$4,795	\$4,400	\$4,795

Interest income from the Company's tax receivable agreements ("TRAs") is recorded based upon an estimation of an effective yield to expected maturity using anticipated cash flows. Amounts in excess of income recognized are recorded as a reduction to the cost basis of the investment. The Company monitors the anticipated cash flows from its TRAs and will adjust its effective yield periodically as needed.

The Company capitalizes and amortizes upfront loan origination fees received in connection with the closing of investments. The unearned income from such fees is accreted into interest income over the contractual life of the loan based on the effective interest method. Upon prepayment of a loan or debt security, any prepayment premiums, unamortized upfront loan origination fees, and unamortized discounts are recorded as interest income.

The Company will recognize any earned exit or back-end fees into income when it believes the amounts will ultimately become collected by using either the beneficial interest model or other appropriate income recognition frameworks.

In certain investment transactions, the Company may provide advisory services. For services that are separately identifiable and external evidence exists to substantiate fair value, income is recognized as earned. The Company had no income from advisory services related to portfolio companies for the three and nine months ended September 30, 2018 and 2017.

The Company may also generate revenue in the form of fees from the management of Greenway and Greenway II, prepayment premiums, commitment, loan origination, structuring or due diligence fees, exit fees, portfolio company administration fees, fees for providing significant managerial assistance and consulting fees.

U.S. Federal Income Taxes, Including Excise Tax

The Company has elected to be taxed as a RIC under Subchapter M of the Code and currently qualifies, and intends to continue to qualify each year, as a RIC under the Code. Accordingly, the Company is not subject to federal income tax on the portion of its taxable income and gains distributed to stockholders.

In order to qualify for favorable tax treatment as a RIC, the Company is required to distribute annually to its stockholders at least 90% of its investment company taxable income, as defined by the Code. To avoid a 4% U.S. federal excise tax on undistributed earnings, the Company is required to distribute each calendar year the sum of (i) 98% of its ordinary income for such calendar year (ii) 98.2% of its net capital gains for the one-year period ending October 31 of that calendar year (iii) any income recognized, but not distributed, in preceding years and on which the Company paid no U.S. federal income tax. The Company, at its discretion, may choose not to distribute all of its taxable income for the calendar year and pay a non-deductible 4% excise tax on this income. If the Company chooses to do so, all other things being equal, this would increase expenses and reduce the amount available to be distributed to stockholders. To the extent that the Company determines that its estimated current year annual taxable income will be in excess of estimated current year dividend distributions from such taxable income, the Company accrues excise taxes on estimated excess taxable income as taxable income is earned using an annual effective excise tax rate.

The annual effective excise tax rate is determined by dividing the estimated annual excise tax by the estimated annual taxable income. See also the disclosure in Note 9, Distributions, for a summary of recent dividends paid. For the three months ended September 30, 2018 and 2017, the Company incurred U.S. federal excise tax and other tax (benefits) expenses of \$(1) and \$19, respectively. For the nine months ended September 30, 2018 and 2017, the Company incurred U.S. federal excise tax and other tax expenses of \$302 and \$310, respectively.

Certain consolidated subsidiaries of the Company are subject to U.S. federal and state income taxes. These taxable entities are not consolidated for income tax purposes and may generate income tax liabilities or assets from permanent and temporary differences in the recognition of items for financial reporting and income tax purposes at the subsidiaries.

The following shows the breakdown of current and deferred income tax provisions for the three and nine months ended September 30, 2018 and 2017:

	For the three months ended		For the nine months ended	
	September 30, 2018	2017	September 30, 2018	2017
Current income tax provision:				
Current income tax benefit (provision)	\$(6)	\$170	\$(13)	\$6
Current tax provision on realized gain on investments	—	(7)	—	(842)
Deferred income tax benefit:				
Deferred income tax benefit	—	64	43	214
(Provision) benefit for taxes on unrealized gain on investments	(192)	365	(346)	2,261

These current and deferred income taxes are determined from taxable income estimates provided by portfolio companies where the Company holds equity or equity-like investments organized as pass-through entities in its corporate subsidiaries. These tax estimates may be subject to further change once tax information is finalized for the year. As of September 30, 2018 and December 31, 2017, \$13 and \$42, respectively, of income tax receivable was included in prepaid expenses and other assets on the Consolidated Statements of Assets and Liabilities. As of September 30, 2018 and December 31, 2017, \$2,035 and \$2,336, respectively, were included in deferred tax liability on the Consolidated Statements of Assets and Liabilities primarily relating to deferred taxes on unrealized gains on investments and other temporary book to tax differences held in its corporate subsidiaries. As of September 30, 2018 and December 31, 2017, \$2,056 (net of \$4,316 allowance) and \$2,661 (net of \$1,149 allowance), respectively of deferred tax assets were included in deferred tax assets on the Consolidated Statements of Assets and Liabilities relating to net operating loss carryforwards and unrealized losses on investments and other temporary book to tax differences that are expected to be used in future periods.

Under the RIC Modernization Act (the “RIC Act”), we are permitted to carry forward capital losses incurred in taxable years beginning after December 22, 2010, for an unlimited period. However, any losses incurred during post-enactment taxable years will be required to be utilized prior to the losses incurred in pre-enactment taxable years, which carry an expiration date. As a result of this ordering rule, pre-enactment capital loss carryforwards may be more likely to expire unused. Additionally, post-enactment capital loss carryforwards will retain their character as either short-term or long-term capital losses rather than being considered all short-term as permitted under the rules applicable to pre-enactment capital losses.

Because U.S. federal income tax regulations differ from GAAP, distributions in accordance with tax regulations may differ from net investment income and realized gains recognized for financial reporting purposes. Differences may be permanent or temporary. Permanent differences are reclassified among capital accounts in the consolidated financial statements to reflect their tax character. Temporary differences arise when certain items of income, expense, gain or loss are recognized at some time in the future. Differences in classification may also result from the treatment of short-term gains as ordinary income for tax purposes.

The Company follows the provisions under the authoritative guidance on accounting for and disclosure of uncertainty in tax positions. The provisions require management to determine whether a tax position of the Company is more likely than not to be sustained upon examination, including resolution of any related appeals or litigation processes, based on the technical merits of the position. For tax positions not meeting the more likely than not threshold, the tax amount recognized in the consolidated financial statements is reduced by the largest benefit that has a greater than fifty percent likelihood of being realized upon ultimate settlement with the relevant taxing authority. There are no unrecognized tax benefits or obligations in the accompanying consolidated financial statements. Although the Company files U.S. federal and state tax returns, the Company's major tax jurisdiction is U.S. federal. The Company's U.S. federal tax years subsequent to 2014 remain subject to examination by taxing authorities.

Dividends

Dividends and distributions to stockholders are recorded on the applicable record date. The amount to be paid out as a dividend is determined by the Company's board of directors on a quarterly basis. Net realized capital gains, if any, are generally distributed at least annually out of assets legally available for such distributions, although the Company may decide to retain such capital gains for investment.

Capital transactions in connection with the Company's dividend reinvestment plan are recorded when shares are issued.

Recent Accounting Pronouncements

In January 2016, the FASB issued ASU 2016-01, "Financial Instruments—Overall", which makes limited amendments to the guidance in U.S. GAAP on the classification and measurement of financial instruments. The new standard significantly revises an entity's accounting related to (1) the classification and measurement of investments in equity securities and (2) the presentation of certain fair value changes for financial liabilities measured at fair value. It also amends certain disclosure requirements associated with the fair value of financial instruments. ASU 2016-01 was effective for fiscal years beginning after December 15, 2017, including interim periods therein. The Company adopted this standard effective January 1, 2018, which did not have a material impact on its consolidated financial statements.

In April 2016, the FASB issued ASU 2016-10, "Revenue from Contracts with Customers (Topic 606)," which amends the criteria for revenue recognition where an entity enters into contracts with customers to transfer goods or services or where there is a transfer of nonfinancial assets. Under ASU 2016-10, an entity should recognize revenue in an amount that reflects the consideration to which the entity expects to be entitled to in exchange for those goods or services. ASU 2016-10 was effective for annual and interim reporting periods beginning after December 15, 2017. The Company adopted this standard effective January 1, 2018, which did not have a material impact on its consolidated financial statements.

In August 2016, the FASB issued ASU 2016-15, "Statement of Cash Flows (Topic 230)", which seeks to reduce diversity in how certain cash payments are presented in the Statement of Cash Flows. Under ASU 2016-15, an entity will need to conform to the presentation as prescribed for eight specific cash flow issues. ASU 2016-15 was effective for annual and interim reporting periods after December 15, 2017. The Company adopted this standard effective

January 1, 2018, which did not have material impact on its consolidated financial statements.

In August 2018, the FASB issued ASU 2018-13, “Fair Value Measurement (Topic 820): Disclosure Framework—Changes to the Disclosure Requirements for Fair Value Measurement”, which impacts fair value disclosure for both private and public companies. ASU 2018-13 removes, modifies, and adds certain fair value related disclosures. ASU 2018-13 is effective for annual and interim reporting periods beginning after December 15, 2019. The Company has determined that this guidance will not have a material impact on its consolidated financial statements.

3. Investments

The following is a summary of the levels within the fair value hierarchy in which the Company invests as of September 30, 2018:

Description	Fair Value	Level 1	Level 2	Level 3
First lien senior secured debt	\$340,083	\$ —	\$ —	\$340,083
Second lien debt	26,168	—	—	26,168
Subordinated debt	6,942	—	—	6,942
Equity investments	57,620	—	—	57,620
Warrants	678	—	—	678
Investment in Logan JV ⁽¹⁾	86,088	—	—	—
Investment in payment rights	11,541	—	—	11,541
Investments in funds ⁽¹⁾	3,710	—	—	—
Total investments	\$532,830	\$ —	\$ —	\$443,032

The following is a summary of the levels within the fair value hierarchy in which the Company invests as of December 31, 2017:

Description	Fair Value	Level 1	Level 2	Level 3
First lien senior secured debt	\$407,097	\$ —	\$ —	\$407,097
Second lien debt	32,765	—	—	32,765
Subordinated debt	19,105	—	—	19,105
Equity investments	69,174	—	—	69,174
Warrants	75	—	—	75
Investment in Logan JV ⁽¹⁾	65,410	—	—	—
Investment in payment rights	11,259	—	—	11,259
Investments in funds ⁽¹⁾	3,806	—	—	—
Total investments	\$608,691	\$ —	\$ —	\$539,475

⁽¹⁾Certain investments that are measured at fair value using net asset value have not been categorized in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the Consolidated Statements of Assets and Liabilities.

The following is a summary of the industry classification in which the Company invests as of September 30, 2018:

Industry	Amortized Cost	Fair Value	% of Total		% of Net	
			Portfolio	Assets		
Industrials and manufacturing	\$ 98,971	\$ 96,663	18.13	%	29.29	%

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Investment funds and vehicles	88,602	86,092	16.16	%	26.08	%
Consumer products and services	78,664	73,965	13.88	%	22.41	%
Healthcare	57,160	55,832	10.48	%	16.91	%
IT services	47,161	45,765	8.59	%	13.86	%
Financial services	40,838	42,354	7.95	%	12.83	%
Retail & grocery	38,041	40,679	7.63	%	12.32	%
Energy / utilities	46,999	38,822	7.29	%	11.76	%
Business services	27,785	33,238	6.24	%	10.07	%
Media, entertainment and leisure	15,913	15,874	2.98	%	4.81	%
Transportation	1,000	3,124	0.59	%	0.95	%
Restaurants	191	422	0.08	%	0.13	%
Total Investments	\$ 541,325	\$ 532,830	100.00	%	161.42	%

The following is a summary of the industry classification in which the Company invests as of December 31, 2017:

			% of Total	% of Net		
Industry	Amortized Cost	Fair Value	Portfolio	Assets		
Consumer products and services	\$ 121,937	\$ 117,149	19.25	%	34.05	%
Industrials and manufacturing	92,506	93,272	15.32	%	27.11	%
Financial services	75,111	77,663	12.76	%	22.57	%
Investment funds and vehicles	67,000	65,410	10.75	%	19.01	%
IT services	57,401	56,159	9.23	%	16.32	%
Healthcare	46,011	45,711	7.51	%	13.29	%
Business services	38,601	42,266	6.94	%	12.29	%
Energy / utilities	46,138	38,417	6.31	%	11.17	%
Retail & grocery	41,629	37,615	6.18	%	10.93	%
Media, entertainment and leisure	31,380	30,362	4.99	%	8.83	%
Transportation	1,000	3,124	0.51	%	0.91	%
Restaurants	21,653	1,543	0.25	%	0.45	%
Total Investments	\$ 640,367	\$ 608,691	100.00	%	176.93	%

The following is a summary of the geographical concentration of our investment portfolio as of September 30, 2018:

			% of Total	% of Net		
Region	Amortized Cost	Fair Value	Portfolio	Assets		
United States						
Northeast	\$ 188,615	\$ 192,181	36.07	%	58.22	%
Southwest	190,036	178,477	33.50	%	54.07	%
Southeast	78,005	76,418	14.34	%	23.15	%
West	41,247	43,807	8.22	%	13.27	%
Midwest	28,421	26,474	4.97	%	8.02	%
Canada	15,001	15,473	2.90	%	4.69	%
Total Investments	\$ 541,325	\$ 532,830	100.00	%	161.42	%

The following is a summary of the geographical concentration of our investment portfolio as of December 31, 2017:

			% of Total	% of Net		
Region	Amortized Cost	Fair Value	Portfolio	Assets		
United States						
Northeast	\$ 244,792	\$ 221,948	36.48	%	64.53	%
Southwest	189,459	180,283	29.62	%	52.40	%
Southeast	72,451	67,579	11.10	%	19.64	%

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Northwest	39,359	43,977	7.22	%	12.78	%
Midwest	44,882	43,117	7.08	%	12.53	%
West	27,323	27,963	4.59	%	8.13	%
Canada	22,101	23,824	3.91	%	6.92	%
Total Investments	\$ 640,367	\$ 608,691	100.00	%	176.93	%

In accordance with the authoritative guidance on fair value measurements and disclosures under GAAP, the Company discloses the fair value of its investments in a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). If any transfers occur between the levels or categories of the fair value hierarchy, they are assumed to have occurred at the beginning of the period. The guidance establishes three levels of the fair value hierarchy as follows:

Level 1—Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;

Level 2—Quoted prices in markets that are not considered to be active or financial instruments for which significant inputs are observable, either directly or indirectly;

Level 3—Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable.

The level of an asset or liability within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. However, the determination of what constitutes “observable” requires significant judgment by management.

The Company considers whether the volume and level of activity for the asset or liability have significantly decreased and identifies transactions that are not orderly in determining fair value. Accordingly, if the Company determines that either the volume and/or level of activity for an asset or liability has significantly decreased (from normal conditions for that asset or liability) or price quotations or observable inputs are not associated with orderly transactions, increased analysis and management judgment will be required to estimate fair value. Valuation techniques such as an income approach might be appropriate to supplement or replace a market approach in those circumstances.

The Company has adopted the authoritative guidance under GAAP for estimating the fair value of investments in investment companies that have calculated net asset value per share in accordance with the specialized accounting guidance for Investment Companies. Accordingly, in circumstances in which net asset value per share of an investment is determinative of fair value, the Company estimates the fair value of an investment in an investment company using the net asset value per share of the investment (or its equivalent) without further adjustment if the net asset value per share of the investment is determined in accordance with the specialized accounting guidance for investment companies as of the reporting entity’s measurement date. Redemptions are not generally permitted in the Company’s investments in funds. The remaining term of the Company’s investments in funds is expected to be one to five years.

The following provides quantitative information about Level 3 fair value measurements as of September 30, 2018:

Description	Fair Value	Valuation Technique	Unobservable Inputs	Range (Average) ⁽¹⁾
First lien senior secured debt	\$ 234,452	Discounted cash flows (income approach)	Weighted average cost of capital (WACC)	12 % - 14% (13 %)
	90,070	Market comparable companies (market approach)	EBITDA Multiple	4.7 x - 5.5 x (5.1 x)
	7,110	Market comparable companies (market approach)	Revenue Multiple	0.3 x - 0.7 x (0.5 x)
	8,451	Collateral Analysis	Recovery Rate	92 %
Second lien debt	20,753	Discounted cash flows (income approach)	Weighted average cost of capital (WACC)	13 % - 16% (15 %)
	5,415	Market comparable companies (market approach)	EBITDA Multiple	5.8 x - 6.3 x (6.0 x)
Subordinated debt	6,942	Market comparable companies (market approach)	EBITDA Multiple	3.8 x - 4.3 x (4.0 x)
Equity investments	54,496	Market comparable companies (market approach)	EBITDA Multiple	5.0 x - 5.7 x (5.4 x)
	3,124	Market comparable companies (market approach)	Revenue Multiple	3.0 x - 3.5 x (3.3 x)

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Warrants	678	Market comparable companies (market approach)	EBITDA Multiple	5.0 x - 5.5 x (5.3 x)	
Investment in payment rights	11,541	Discounted cash flows (income approach)	Weighted average cost of capital (WACC)	12 % - 13%	12 %
			Federal and State Tax Rates	26 %	
Total Level 3 Investments	\$ 443,032				

⁽¹⁾Averages were determined using a weighted average based upon the fair value of the investments in each investment category.

The following provides quantitative information about Level 3 fair value measurements as of December 31, 2017:

Description	Fair Value	Valuation Technique	Unobservable Inputs	Range (Average) ⁽¹⁾	
First lien senior secured debt	\$ 334,483	Discounted cash flows (income approach)	Weighted average cost of capital (WACC)	11 % - 12%	(12 %)
	72,614	Market comparable companies (market approach)	EBITDA Multiple	4.5 x - 5.2 x	(4.8 x)
Second lien debt	26,237	Discounted cash flows (income approach)	Weighted average cost of capital (WACC)	13 % - 14%	(13 %)
	6,528	Market comparable companies (market approach)	EBITDA Multiple	5.0 x - 6.0 x	(5.5 x)
Subordinated debt	12,425	Discounted cash flows (income approach)	Weighted average cost of capital (WACC)	13 % - 14%	(14 %)
	6,680	Market comparable companies (market approach)	EBITDA Multiple	4.5 x - 5.5 x	(5.0 x)
Equity investments	55,201	Market comparable companies (market approach)	EBITDA Multiple	5.3 x - 6.0 x	(5.7 x)
	13,973	Discounted cash flows (income approach)	Weighted average cost of capital (WACC)	16 % - 17%	(16 %)
Warrants	75	Market comparable companies (market approach)	EBITDA Multiple	5.8 x - 6.3 x	(6.0 x)
Investment in payment rights	11,259	Discounted cash flows (income approach)	Weighted average cost of capital (WACC)	12 % - 13%	13 %
			Federal and State Tax Rates	26 %	
Total Level 3 Investments	\$ 539,475				

⁽¹⁾Averages were determined using a weighted average based upon the fair value of the investments in each investment category.

The primary significant unobservable input used in the fair value measurement of the Company's debt securities (first lien secured debt, second lien debt and subordinated debt), including income-producing investments in funds and income producing securities and payment rights is the weighted average cost of capital, or WACC. Significant increases (decreases) in the WACC in isolation would result in a significantly lower (higher) fair value measurement.

In determining the WACC, for the income, or yield approach, the Company considers current market yields and multiples, portfolio company performance, leverage levels, credit quality, among other factors, including U.S. federal tax rates, in its analysis. In the case of tax receivable agreement, or TRAs, the Company considers the risks associated with changes in tax rates, the performance of the portfolio company and the expected term of the investment. Changes in one or more of these factors can have a similar directional change on other factors in determining the appropriate WACC to use in the income approach.

The primary significant unobservable input used in the fair value measurement of the Company's equity investments, investments in warrants and debt investments where the Company has a controlling equity investment is the EBITDA multiple adjusted by management for differences between the investment and referenced comparables, or the multiple. Significant increases (decreases) in the multiple in isolation would result in a significantly higher (lower) fair value measurement. To determine the multiple for the market approach, the Company considers current market trading and/or transaction multiples, portfolio company performance (financial ratios) relative to public and private peer companies and leverage levels, among other factors. Changes in one or more of these factors can have a similar directional change on other factors in determining the appropriate multiple to use in the market approach.

The following table rolls forward the changes in fair value during the nine months ended September 30, 2018 for investments classified within Level 3:

	First lien			Investment in			
	senior			Equity			
	secured	Second lien	Subordinated	Equity	Warrants	rights	Totals
	debt	debt	debt	investments			
Beginning balance, January 1, 2018	\$407,097	\$32,765	\$19,105	\$69,174	\$75	\$11,259	\$539,475
Purchases	30,996	—	—	769	—	403	32,168
Sales and repayments	(89,922)	(6,223)	(12,302)	(14,067)	—	—	(122,514)
Unrealized appreciation (depreciation) ⁽¹⁾	(689)	20,578	928	2,581	603	(121)	23,880
Realized (loss) gain	(10,748)	(21,013)	(1,210)	(1,119)	—	—	(34,090)
Net amortization of premiums, discounts and fees	2,387	61	71	71	—	—	2,590
PIK	962	—	350	211	—	—	1,523
Ending balance, September 30, 2018	\$340,083	\$26,168	\$6,942	\$57,620	\$678	\$11,541	\$443,032
Net change in unrealized appreciation (depreciation) from investments still held as of the reporting date	\$(8,403)	\$20	\$(88)	\$1,534	\$603	\$(120)	\$(6,454)

⁽¹⁾ All unrealized appreciation (depreciation) in the table above is reflected in the accompanying Consolidated Statements of Operations.

The following table rolls forward the changes in fair value during the nine months ended September 30, 2017 for investments classified within Level 3:

	First lien			Investment in			
	senior			Equity			
	secured	Second lien	Subordinated	Equity	Warrants	rights	Totals
	debt	debt	debt	investments			
Beginning balance, January 1, 2017	\$370,863	\$95,284	\$28,092	\$86,163	\$4,151	\$13,289	\$605,067
Purchases ⁽²⁾	78,934	—	1,651	1,859	—	—	82,444
Sales and repayments ⁽²⁾	(54,827)	(21,434)	—	(7,155)	—	—	(90,641)
Unrealized appreciation (depreciation) ⁽¹⁾	2,511	4,227	(1,520)	(2,851)	29	(47)	3,806
Realized (loss) gain	(11,969)	(11,329)	—	1,934	—	—	(22,821)
Net amortization of premiums, discounts and fees	3,439	100	70	31	—	—	3,640

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PIK	805	386	493	399	—	—	—	2,083
Transfers between categories ⁽³⁾	29,069	(20,369)	(8,700)	4,151	(4,151)	—	—	—
Ending balance, September 30, 2017	\$418,825	\$46,865	\$20,086	\$84,531	\$29	\$13,242	\$—	\$583,578
Net change in unrealized appreciation (depreciation) from investments still held as of the reporting date	\$356	\$(4,914)	\$(1,519)	\$1,765	\$29	\$(47)	\$—	\$(4,330)

⁽¹⁾ All unrealized appreciation (depreciation) in the table above is reflected in the accompanying Consolidated Statements of Operations.

⁽²⁾ Includes reorganizations and restructuring of investments.

⁽³⁾ Represents transfer of Gold, Inc. from subordinated debt to second lien debt, transfer of YP Equity Investors, LLC from warrants to equity investments, and transfer of Alex Toys, LLC from second lien debt to first lien debt.
Significant Unconsolidated Subsidiaries

In accordance with the SEC's Regulation S-X and GAAP, the Company is not permitted to consolidate any subsidiary or other entity that is not an investment company or a controlled operating company whose business consists of providing services to the company, including those in which the Company has a controlling interest. The Company had certain unconsolidated subsidiaries for the nine months ended September 30, 2018 and 2017 that met at least one of the significance conditions under the SEC's Regulation S-X. Accordingly, pursuant to Rule 4-08 of Regulation S-X, summarized, comparative financial

information is presented below for our significant unconsolidated subsidiaries, which include C&K Market, Inc., Copperweld Bimetallics, LLC, Loadmaster Derrick & Equipment, Inc., OEM Group, LLC, THL Credit Logan JV, LLC and Tri-Starr Management Services, Inc. for the nine months ended September 30, 2018 and C&K Market, Inc., Copperweld Bimetallics, LLC, Loadmaster Derrick & Equipment, Inc., OEM Group, LLC, Thibaut, Inc., THL Credit Logan JV, LLC and Tri-Starr Management Services, Inc. for the nine months ended September 30, 2017.

	For the nine months ended September 30,	
Income Statement	2018	2017
Net Sales	\$451,749	\$456,993
Gross Profit	\$106,005	\$119,688
Net loss	\$(8,427)	\$(9,926)

THL Credit Logan JV LLC

On December 3, 2014, the Company entered into an agreement with Perspecta Trident LLC, an affiliate of Perspecta Trust LLC, or Perspecta, to create THL Credit Logan JV LLC, or Logan JV, a joint venture, which invests primarily in senior secured first lien term loans. All Logan JV investment decisions must be unanimously approved by the Logan JV investment committee consisting of one representative from each of the Company and Perspecta.

The Company has determined that Logan JV is an investment company under ASC 946, however, in accordance with such guidance, the Company will generally not consolidate its investment in a company other than a wholly owned investment company subsidiary or a controlled operating company whose business consists of providing services to the Company. Accordingly, the Company does not consolidate its non-controlling interest in Logan JV.

Logan JV is capitalized with capital contributions which are generally called from its members, on a pro-rata basis based on their capital commitments, as transactions are completed. Any decision by the Logan JV to call down on capital commitments requires the explicit authorization of the Company, coupled with that of Perspecta, and the Company may withhold such authorization for any reason in its sole discretion.

As of September 30, 2018 and December 31, 2017, Logan JV had the following commitments, contributions and unfunded commitments from its members.

	As of September 30, 2018		
	Total	Contributed	Unfunded
Member	Commitments	Capital	Commitments
THL Credit, Inc.	\$200,000	\$ 88,600	\$ 111,400
Perspecta Trident LLC	50,000	22,150	27,850
Total Investments	\$250,000	\$ 110,750	\$ 139,250

	As of December 31, 2017		
Member	Total	Contributed	Unfunded

	Commitment Capital		Commitments
THL Credit, Inc.	\$200,000	\$ 67,000	\$ 133,000
Perspecta Trident LLC	50,000	16,750	33,250
Total Investments	\$250,000	\$ 83,750	\$ 166,250

Logan JV has a senior credit facility, or the Logan JV Credit Facility, with Deutsche Bank AG and other banks. As of September 30, 2018 and December 31, 2017, the Logan JV Credit Facility had \$250,000 and \$175,000 of commitments subject to leverage and borrowing base restrictions with an interest rate of three month LIBOR (with no LIBOR floor) plus 2.20% and LIBOR (with no LIBOR floor) plus 2.50%, respectively. The final maturity date of the Logan JV Credit Facility is January 12, 2023 with the revolving loan period ending on January 12, 2021. As of September 30, 2018 and December 31, 2017, Logan JV had \$215,555 and \$169,632 of outstanding borrowings under the credit facility, respectively.

As of September 30, 2018 and December 31, 2017, Logan JV had total investments at fair value of \$320,805 and \$250,400, respectively. As of September 30, 2018 and December 31, 2017, Logan JV's portfolio was comprised of senior secured first lien loans and second lien loans to 130 and 110 different borrowers, respectively. As of September 30, 2018 and December 31, 2017, there were no loans on non-accrual status. As of September 30, 2018 and December 31, 2017, Logan JV had unfunded commitments to fund revolver and delayed draw loans to its portfolio companies totaling \$5,244 and \$1,426, respectively. The portfolio companies in Logan JV are in industries similar to those in which the Company may invest directly.

Below is a summary of Logan JV's portfolio, followed by a listing of the individual loans in Logan JV's portfolio as of September 30, 2018 and December 31, 2017:

	As of September 30,		As of December 31,	
	2018		2017	
First lien secured debt, at par	\$ 313,915		\$ 233,904	
Second lien debt, at par	18,581		22,847	
Total debt investments, at par	\$ 332,496		\$ 256,751	
Weighted average yield on first lien secured loans ⁽¹⁾	7.0	%	6.4	%
Weighted average yield on second lien loans ⁽¹⁾	10.1	%	9.3	%
Weighted average yield on all loans ⁽¹⁾	7.2	%	6.7	%
Number of borrowers in Logan JV	130		110	
Largest loan to a single borrower ⁽²⁾	\$ 5,167		\$ 5,000	
Total of five largest loans to borrowers ⁽²⁾	\$ 25,092		\$ 24,397	

⁽¹⁾Weighted average yield at their current amortized cost.

⁽²⁾At current principal amount.

The weighted average yield of Logan JV's debt investments is not the same as a return on Logan JV investment for the Company's stockholders but, rather, relates to a portion of the Company's investment portfolio and is calculated before the payment of the Company's expenses. The weighted average yield was computed using the effective interest rates as of September 30, 2018 and December 31, 2017, respectively. There can be no assurance that the weighted average yield will remain at its current level.

For three months ended September 30, 2018 and 2017, the Company's share of income from distributions related to its Logan JV LLC equity interest was \$2,560 and \$2,480, respectively, which amounts are included in dividend income and realized gains from controlled investments in the Consolidated Statement of Operations. For the nine months ended September 30, 2018 and 2017, the Company's share of income from distributions related to its Logan JV LLC equity interest was \$7,360 and \$6,660, respectively, which amounts are included in dividend income from controlled investments and net realized gain (loss) from controlled investments in the Consolidated Statement of Operations. As of September 30, 2018 and December 31, 2017, \$2,648 and \$2,640, respectively, of income related to the Logan JV was included in interest, dividends and fees receivable on the Consolidated Statements of Assets and Liabilities. As of September 30, 2018, distributions declared and earned of \$10,000 for the twelve months ended September 30, 2018, represented a dividend yield to the Company of 13.3% based upon average capital invested. As of December 31, 2017, distributions declared and earned of \$9,300 for the twelve months ended December 31, 2017, represented a dividend yield to the Company of 14.2% based upon average capital invested.

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Logan JV Loan Portfolio as of September 30, 2018

(dollar amounts in thousands)

Type of Investment/			Initial					Fair
Portfolio company	Industry	Interest Rate ⁽¹⁾	Acquisition Date	Maturity Date	Principal	Principal	Amortized Cost	Value ⁽²⁾
Senior Secured First Lien Term Loans								
Canada								
Parq Holdings LP	Hotel, Gaming & Leisure	9.89% (LIBOR +7.5%)	12/05/2014	12/17/2020	990,000.00	990	\$ 983	\$992
PNI Canada Acquireco Corp	High Tech Industries	7.99% (LIBOR +5.75%)	08/23/2017	09/21/2022	1,806,750.00	1,807	1,721	1,814
Total Canada							\$ 2,704	\$2,806
Germany								
Rhodia Acetow	Construction & Building	8.09% (LIBOR +5.5%)	04/21/2017	05/31/2023	987,500.00	988	\$ 976	\$983
VAC Germany Holding GmbH	Metals & Mining	6.39% (LIBOR +4%)	02/26/2018	02/26/2025	2,985,000.00	2,985	2,971	3,006
Total Germany							\$ 3,947	\$3,989
United Kingdom								
Auxey Bidco Ltd. ⁽¹²⁾	Services: Business	7.89% (LIBOR +5.5%)	08/07/2018	08/07/2025	5,000,000.00	5,000	\$ 4,800	\$4,825
EG Group	Retail	6.39% (LIBOR +4%)	03/23/2018	02/07/2025	2,852,333.34	2,852	2,839	2,862
Total United Kingdom							\$ 7,639	\$7,687
United States of America								
	Services: Consumer		03/20/2017	02/21/2022	1,585,330.67	1,585	\$ 1,580	\$1,586

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1A Smart Start LLC		6.74% (LIBOR +4.5%)							
1A Smart Start LLC	Services: Consumer	6.99% (LIBOR +4.75%)	08/28/2015	02/21/2022	2,431,250.00	2,431	2,419	2,431	
A Place for Mom Inc	Services: Consumer	5.99% (LIBOR +3.75%)	07/28/2017	08/10/2024	3,960,000.00	3,960	3,943	3,972	
A10 Capital, LLC	Banking, Finance, Insurance & Real Estate	8.66% (LIBOR +6.5%)	04/25/2018	04/27/2023	5,000,000.00	5,000	4,954	4,950	
Advanced Computer Software	High Tech Industries	6.88% (LIBOR +4.75%)	05/25/2018	05/31/2024	1,500,000.00	1,500	1,496	1,515	
Advanced Integration Technology LP	Aerospace & Defense	7.22% (LIBOR +4.75%)	07/15/2016	04/03/2023	1,960,150.00	1,960	1,945	1,960	
AgroFresh Inc.	Chemicals, Plastics & Rubber	6.99% (LIBOR +4.75%)	12/01/2015	07/31/2021	1,939,849.62	1,940	1,933	1,933	
Air Medical Group Holdings Inc	Healthcare & Pharmaceuticals	6.42% (LIBOR +4.25%)	09/26/2017	03/14/2025	2,233,125.00	2,233	2,218	2,227	
Alcami Carolinas Corp	Healthcare & Pharmaceuticals	6.4% (LIBOR +4.25%)	07/09/2018	07/06/2025	4,000,000.00	4,000	3,980	4,030	
Alpha Media LLC	Media: Broadcasting & Subscription	8.2% (LIBOR +6%)	02/24/2016	02/25/2022	3,122,885.43	3,123	3,033	2,994	
AMCP Clean Acquisition Co LLC	Services: Business	6.64% (LIBOR +4.25%)	07/10/2018	07/10/2025	2,413,306.45	2,413	2,401	2,424	
AMCP Clean Acquisition Co LLC ⁽³⁾ (13)	Services: Business	6.64% (LIBOR +4.25%)	07/10/2018	07/10/2025	580,645.16	581	(3)	3	
American Sportsman Holdings Co	Retail	7.24% (LIBOR +5%)	11/22/2016	09/25/2024	3,960,000.00	3,960	3,914	4,005	
Ansira Holdings, Inc. ⁽⁴⁾	Media: Advertising, Printing & Publishing	7.99% (LIBOR +5.75%)	04/17/2018	12/20/2022	612,995.74	613	150	149	
Ansira Holdings, Inc.	Media: Advertising, Printing & Publishing	7.99% (LIBOR +5.75%)	12/20/2016	12/20/2022	1,854,457.70	1,854	1,841	1,845	
AP Gaming I LLC	Hotel, Gaming & Leisure	6.49% (LIBOR +4.25%)	06/06/2016	02/15/2024	2,468,750.00	2,469	2,463	2,488	
	Automotive		05/09/2017	05/10/2024	493,750.00	494	486	448	

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APC Aftermarket		7.32% (LIBOR +5%)						
Aptean, Inc.	Services: Business	6.64% (LIBOR +4.25%)	02/15/2016	12/20/2022	1,183,053.65	1,183	1,174	1,192
Avaya Inc	Telecommunications	6.41% (LIBOR +4.25%)	11/09/2017	12/15/2024	2,594,556.01	2,595	2,570	2,621
Barbri Inc	Media: Diversified & Production	6.35% (LIBOR +4.25%)	12/01/2017	11/21/2023	3,198,716.22	3,199	3,185	3,195
BCP Qualtek Merger Sub LLC	Telecommunications	7.99% (LIBOR +5.75%)	07/16/2018	07/16/2025	4,000,000.00	4,000	3,922	3,960
Beasley Mezzanine Holdings LLC	Media: Broadcasting & Subscription	6.16% (LIBOR +4%)	11/17/2017	11/01/2023	2,938,962.96	2,939	2,926	2,967
Big Ass Fans LLC	Services: Business	6.14% (LIBOR +3.75%)	11/07/2017	05/21/2024	2,481,189.14	2,481	2,470	2,505
Big River Steel LLC	Metals & Mining	7.39% (LIBOR +5%)	08/15/2017	08/23/2023	1,980,000.00	1,980	1,964	2,013
BI-LO LLC	Retail	10.34% (LIBOR +8%)	05/15/2018	05/31/2024	1,500,000.00	1,500	1,443	1,508

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Logan JV Loan Portfolio as of September 30, 2018

(dollar amounts in thousands)

Type of Investment/		Initial		Maturity		Amortized		Fair
Portfolio company	Industry	Interest Rate ⁽¹⁾	Acquisition Date	Date	Principal	Principal Cost		Value ⁽²⁾
Bomgar Corp	Telecommunications	6.39% (LIBOR +4%)	04/17/2018	04/18/2025	1,995,000.00	1,995	1,990	2,002
Brand Energy & Infrastructure Services, Inc.	Services: Business	6.64% (LIBOR +4.25%)	06/16/2017	06/21/2024	2,962,500.00	2,963	2,938	2,985
California Cryobank LLC	Healthcare & Pharmaceuticals	6.39% (LIBOR +4%)	08/03/2018	07/26/2025	3,208,333.34	3,208	3,193	3,228
Catapult Learning, Inc.	Services: Consumer	8.55% (LIBOR +6.35%)	05/22/2018	05/18/2023	4,739,336.49	4,739	4,695	4,692
Catapult Learning, Inc. ^{(5) (13)}	Services: Consumer	8.74% (LIBOR +6.35%)	05/22/2018	05/18/2023	260,663.51	261	(2)	(3)
CC Amulet Intermediate, LLC ^{(6) (13)}	Healthcare & Pharmaceuticals	7.14% (LIBOR +4.75%)	06/18/2018	04/30/2024	1,538,461.54	1,538	(15)	(15)
CC Amulet Intermediate, LLC	Healthcare & Pharmaceuticals	6.99% (LIBOR +4.75%)	06/18/2018	04/30/2024	3,452,884.61	3,453	3,420	3,418
Clear Balance Holdings, LLC	Banking, Finance, Insurance & Real Estate	8.14% (LIBOR +5.75%)	07/07/2015	10/05/2023	4,950,000.00	4,950	4,931	4,925
Commercial Barge Line Co	Transportation: Cargo	10.99% (LIBOR +8.75%)	11/06/2015	11/12/2020	1,312,500.00	1,313	1,285	1,020
Constellis Holdings, LLC	Aerospace & Defense	7.39% (LIBOR +5%)	04/18/2017	04/21/2024	1,975,000.00	1,975	1,959	1,960
Conyers Park Parent Merger Sub Inc	Retail	5.84% (LIBOR +3.5%)	06/21/2017	07/07/2024	1,980,000.00	1,980	1,972	2,002
Country Fresh Holdings, LLC	Beverage, Food & Tobacco	7.39% (LIBOR +5%)	07/14/2017	03/31/2023	4,403,508.77	4,404	4,369	4,293
Covenant Surgical Partners Inc	Healthcare & Pharmaceuticals	6.89% (LIBOR +4.5%)	09/29/2017	10/04/2024	689,334.62	689	688	693

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Covenant Surgical Partners Inc	Healthcare & Pharmaceuticals	6.84% (LIBOR +4.5%)	09/29/2017	10/04/2024	2,290,384.62	2,290	2,285	2,302
CPI Acquisition, Inc.	Services: Consumer	7.02% (LIBOR +4.5%)	08/14/2015	08/17/2022	4,187,266.11	4,187	4,101	2,826
CryoLife Inc	Healthcare & Pharmaceuticals	6.39% (LIBOR +4%)	11/15/2017	12/02/2024	1,985,000.00	1,985	1,976	2,010
CT Technologies Intermediate Holdings, Inc	Healthcare & Pharmaceuticals	6.49% (LIBOR +4.25%)	02/11/2015	12/01/2021	1,925,325.00	1,925	1,930	1,817
Deerfield Holdings Corp	Banking, Finance, Insurance & Real Estate	5.49% (LIBOR +3.25%)	12/06/2017	02/13/2025	248,750.00	249	248	249
DigiCert, Inc.	High Tech Industries	6.39% (LIBOR +4.75%)	09/20/2017	10/31/2024	997,500.00	998	993	1,002
Drilling Info Inc.	High Tech Industries	6.54% (LIBOR +4.25%)	07/27/2018	07/26/2025	4,500,000.00	4,500	4,478	4,492
DXP Enterprises, Inc.	Energy: Oil & Gas	6.99% (LIBOR +4.75%)	08/16/2017	08/29/2023	1,485,000.00	1,485	1,473	1,499
Evo Payments International, LLC	Services: Business	5.49% (LIBOR +3.25%)	12/08/2016	12/22/2023	2,600,532.00	2,601	2,581	2,622
Fleetpride	Automotive	6.74% (LIBOR +4.5%)	03/28/2018	11/19/2022	1,669,388.89	1,669	1,624	1,690
FullBeauty Brands LP	Retail	7.09% (LIBOR +4.75%)	03/08/2016	10/14/2022	3,908,870.66	3,909	3,741	1,194
Gold Standard Baking, Inc.	Wholesale	6.94% (LIBOR +4.5%)	05/19/2015	04/23/2021	2,488,069.76	2,488	2,483	2,264
Golden West Packaging Group LLC	Containers, Packaging & Glass	7.49% (LIBOR +5.25%)	02/09/2018	06/20/2023	4,769,385.51	4,769	4,748	4,769
Great Dane Merger Sub Inc	Services: Business	5.99% (LIBOR +3.75%)	05/02/2018	05/21/2025	2,992,500.00	2,993	2,978	3,004
Green Plains Inc	Energy: Oil & Gas	7.75% (LIBOR +5.5%)	08/18/2017	08/29/2023	1,414,285.72	1,414	1,403	1,434
Gruden Acquisition Inc.	Transportation: Cargo	7.89% (LIBOR +5.5%)	06/21/2017	08/18/2022	1,974,619.29	1,975	1,937	1,996
Gulf Finance, LLC	Energy: Oil & Gas	7.64% (LIBOR	08/17/2016	08/25/2023	1,879,498.41	1,879	1,840	1,586

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		+5.25%)							
Heartland Dental LLC ⁽⁷⁾	Services: Consumer	3.75% (LIBOR +3.75%)	04/19/2018	04/17/2025	195,652.17	196	(1)	-
Heartland Dental LLC	Services: Consumer	5.99% (LIBOR +3.75%)	04/19/2018	04/30/2025	1,301,086.96	1,301	1,295		1,303
Help/Systems Holdings, Inc.	High Tech Industries	5.99% (LIBOR +3.75%)	03/23/2018	03/28/2025	1,995,000.00	1,995	1,990		2,010
Higginbotham Insurance Agency, Inc.	Banking, Finance, Insurance & Real Estate	5.99% (LIBOR +3.75%)	12/14/2017	12/19/2024	4,962,500.00	4,963	4,940		4,863
Idera Inc	High Tech Industries	6.75% (LIBOR +4.5%)	06/27/2017	06/28/2024	2,337,681.82	2,338	2,318		2,360
Impala Private Holdings II LLC	Services: Business	6.25% (LIBOR +4%)	11/10/2017	11/14/2024	1,605,701.76	1,606	1,599		1,612
Infoblox Inc.	High Tech Industries	6.74% (LIBOR +4.5%)	11/03/2016	11/07/2023	2,141,111.99	2,141	2,103		2,159
Intermedia Holdings, Inc.	Telecommunications	8.36% (LIBOR +6%)	07/13/2018	07/11/2025	3,000,000.00	3,000	2,971		3,014
International Textile Group Inc	Consumer goods: Non-Durable	7.1% (LIBOR +5%)	04/20/2018	04/19/2024	993,750.00	994	989		997
Isagenix International LLC	Consumer goods: Non-Durable	8.14% (LIBOR +5.75%)	04/26/2018	06/14/2025	1,975,000.00	1,975	1,956		1,980
Kemet Corporation	High Tech Industries	8.24% (LIBOR +6%)	04/21/2017	04/26/2024	937,500.00	938	915		956
Kestra Financial, Inc.	Banking, Finance, Insurance & Real Estate	6.64% (LIBOR +4.25%)	06/10/2016	06/24/2022	3,910,450.00	3,910	3,874		3,910
KMG Chemicals Inc	Chemicals, Plastics & Rubber	4.99% (LIBOR +2.75%)	06/13/2017	06/15/2024	690,909.09	691	688		694
LifeScan Global Corp ⁽¹²⁾	Healthcare & Pharmaceuticals	8.39% (LIBOR +6%)	06/19/2018	09/28/2024	2,250,000.00	2,250	2,183		2,231
LSCS Holdings Inc.	Healthcare & Pharmaceuticals	6.56% (LIBOR +4.25%)	03/09/2018	03/17/2025	466,993.27	467	465		467

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Logan JV Loan Portfolio as of September 30, 2018

(dollar amounts in thousands)

Type of Investment/		Initial		Maturity		Amortized		Fair
Portfolio company	Industry	Interest Rate ⁽¹⁾	Acquisition Date	Date	Principal	Principal	Cost	Value ⁽²⁾
LSCS Holdings Inc.	Healthcare & Pharmaceuticals	6.75% (LIBOR +4.25%)	03/09/2018	03/17/2025	1,809,102.72	1,809	1,801	1,809
Lyons Magnus Inc	Beverage, Food & Tobacco	5.99% (LIBOR +3.75%)	06/08/2018	11/11/2024	3,973,781.24	3,974	3,961	3,999
MAG DS Corp.	Aerospace & Defense	6.99% (LIBOR +4.75%)	06/01/2018	05/30/2025	2,992,500.00	2,993	2,964	2,985
Mavenir Systems Inc	Telecommunications	8.14% (LIBOR +6%)	05/01/2018	05/01/2025	1,995,000.00	1,995	1,957	2,000
MCS Group Holdings LLC	Services: Business	7.14% (LIBOR +4.75%)	05/12/2017	05/20/2024	1,975,000.00	1,975	1,967	1,684
MDVIP Inc	Services: Business	6.42% (LIBOR +4.25%)	11/10/2017	11/14/2024	3,017,200.00	3,017	3,004	3,032
Merrill Communications LLC	Media: Advertising, Printing & Publishing	7.59% (LIBOR +5.25%)	05/29/2015	06/01/2022	877,875.65	878	875	887
Miller's Ale House Inc	Beverage, Food & Tobacco	6.83% (LIBOR +4.75%)	05/24/2018	05/21/2025	2,400,000.00	2,400	2,388	2,382
MLN US Holdco LLC ⁽¹²⁾	Telecommunications	6.89% (LIBOR +4.5%)	07/13/2018	07/13/2025	3,000,000.00	3,000	2,993	3,035
Morphe, LLC	Consumer goods: Non-Durable	8.4% (LIBOR +6%)	02/21/2017	02/10/2023	2,775,000.00	2,775	2,744	2,775
Nasco Healthcare, Inc.	Healthcare & Pharmaceuticals	7.02% (LIBOR +4.5%)	07/13/2015	06/30/2021	4,500,913.22	4,501	4,491	4,456
New Insight Holdings Inc	Services: Business	7.74% (LIBOR +5.5%)	12/08/2017	12/20/2024	1,985,000.00	1,985	1,897	1,997
NextCare, Inc. ⁽⁸⁾ ⁽¹³⁾	Healthcare & Pharmaceuticals	7.14% (LIBOR +4.75%)	02/13/2018	02/28/2023	588,235.29	588	(5)	-
NextCare, Inc.			02/13/2018	02/28/2023	3,394,705.88	3,395	3,365	3,395

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	Healthcare & Pharmaceuticals	6.99% (LIBOR +4.75%)						
Northern Star Holdings Inc.	Utilities: Electric	7.14% (LIBOR +4.75%)	03/28/2018	03/14/2025	4,228,750.00	4,229	4,209	4,234
Oak Point Partners, LLC	Banking, Finance, Insurance & Real Estate	7.59% (LIBOR +5.25%)	09/13/2017	09/13/2023	3,000,000.00	3,000	2,969	2,955
OB Hospitalist Group Inc	Healthcare & Pharmaceuticals	6.1% (LIBOR +4%)	08/08/2017	08/01/2024	2,244,000.00	2,244	2,235	2,255
Odyssey Logistics & Technology Corp	Transportation: Cargo	5.99% (LIBOR +3.75%)	10/06/2017	10/12/2024	1,985,024.98	1,985	1,976	1,997
OpenLink	High Tech Industries	7.39% (LIBOR +5%)	03/02/2018	03/21/2025	1,970,000.00	1,970	1,961	1,979
Output Services Group Inc	Services: Business	6.49% (LIBOR +4.25%)	03/26/2018	03/21/2024	4,490,673.08	4,491	4,470	4,530
Park Place Technologies, LLC	Services: Business	6.24% (LIBOR +4%)	03/22/2018	03/22/2025	2,334,150.00	2,334	2,323	2,338
Ping Identity Corp	High Tech Industries	5.99% (LIBOR +3.75%)	01/23/2018	01/24/2025	1,496,250.00	1,496	1,489	1,503
Pivotal Payments	Services: Business	4.5% (LIBOR +4.5%)	09/27/2018	09/27/2025	3,103,448.28	3,103	3,072	3,072
Pivotal Payments (9) (12)	Services: Business	3.39% (LIBOR +1%)	09/27/2018	09/27/2025	896,551.72	897	(9)	(9)
PLH Group Inc	Energy: Oil & Gas	8.34% (LIBOR +6%)	08/01/2018	07/25/2023	4,000,000.00	4,000	3,883	3,940
Polar US Borrower (12)	Chemicals, Plastics & Rubber	7.14% (LIBOR +4.75%)	08/21/2018	08/10/2025	3,000,000.00	3,000	2,880	3,019
Premise Health Holding Corp (10) (12)	Healthcare & Pharmaceuticals	6.14% (LIBOR +3.75%)	08/14/2018	07/11/2025	294,106.67	294	(1)	2
Premise Health Holding Corp	Healthcare & Pharmaceuticals	6.14% (LIBOR +3.75%)	08/14/2018	07/11/2025	3,705,893.33	3,706	3,688	3,726
Project Leopard Holdings Inc	High Tech Industries	6.24% (LIBOR +4%)	06/21/2017	07/07/2023	1,732,532.81	1,733	1,729	1,742
PSC Industrial Outsourcing, LP	Environmental Industries	5.91% (LIBOR +3.75%)	10/05/2017	10/11/2024	1,985,000.00	1,985	1,968	2,002

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Quidditch Acquisition Inc	Beverage, Food & Tobacco	9.17% (LIBOR +7%)	03/16/2018	03/21/2025	1,016,170.22	1,016	997	1,034
Red Ventures LLC	Media: Diversified & Production	6.24% (LIBOR +4%)	10/18/2017	11/08/2024	2,043,750.00	2,044	2,026	2,071
SCS Holdings Inc	Services: Business	6.49% (LIBOR +4.25%)	11/20/2015	10/30/2022	1,592,362.40	1,592	1,584	1,604
Silverback Merger Sub Inc	High Tech Industries	5.71% (LIBOR +3.5%)	08/11/2017	08/21/2024	1,188,000.00	1,188	1,185	1,087
Situs Group Holdings Corporation	Banking, Finance, Insurance & Real Estate	6.74% (LIBOR +4.5%)	02/21/2018	02/27/2023	3,580,000.00	3,580	3,564	3,580
SMS Systems Maintenance Services Inc	Services: Business	7.24% (LIBOR +5%)	02/09/2017	10/30/2023	2,947,500.00	2,948	2,936	2,412
SoClean, Inc	Healthcare & Pharmaceuticals	8.34% (LIBOR +6%)	02/13/2018	12/20/2022	5,166,713.02	5,167	5,119	5,193
Starfish- V Merger Sub Inc	High Tech Industries	7.26% (LIBOR +5%)	08/11/2017	08/16/2024	1,237,500.01	1,238	1,227	1,242
STS Operating, Inc.	Energy: Oil & Gas	6.49% (LIBOR +4.25%)	04/27/2018	12/11/2024	1,492,481.60	1,492	1,489	1,492
TerraForm AP Acquisition Holdings LLC	Energy: Electricity	6.64% (LIBOR +4.25%)	10/11/2016	06/27/2022	805,934.02	806	806	812
ThoughtWorks, Inc.	High Tech Industries	6.24% (LIBOR +4%)	10/06/2017	10/11/2024	2,992,500.00	2,993	2,986	3,015
ThoughtWorks, Inc.	High Tech Industries	6.24% (LIBOR +4%)	04/19/2018	10/11/2024	570,000.00	570	567	573
ThoughtWorks, Inc. ⁽¹¹⁾	High Tech Industries	4% (LIBOR +4%)	04/19/2018	10/12/2024	428,571.43	429	(2)	2
TKC Holdings Inc	Consumer goods: Durable	6% (LIBOR +3.75%)	06/08/2017	02/01/2023	295,500.00	296	294	296
TOMS Shoes LLC	Retail	7.81% (LIBOR +5.5%)	12/18/2014	10/30/2020	1,930,000.00	1,930	1,878	1,538

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Logan JV Loan Portfolio as of September 30, 2018

(dollar amounts in thousands)

Type of Investment/		Initial						
Portfolio company	Industry	Interest Rate ⁽¹⁾	Acquisition		Maturity	Amortized		Fair Value ⁽²⁾
			Date	Date		Principal	Cost	
Tupelo Buyer Inc	Transportation: Consumer	5.91% (LIBOR +3.75%)	10/02/2017	10/07/2024	2,209,895.00	2,210	2,195	2,228
TV Borrower US LLC	High Tech Industries	7.14% (LIBOR +4.75%)	02/16/2017	02/22/2024	985,000.00	985	981	989
Uber Technologies, Inc.	Services: Consumer	6.12% (LIBOR +4%)	03/22/2018	04/04/2025	2,793,000.00	2,793	2,780	2,815
US Salt LLC	Chemicals, Plastics & Rubber	6.99% (LIBOR +4.75%)	11/30/2017	12/01/2023	2,985,000.00	2,985	2,959	2,985
US Shipping Corp	Utilities: Oil & Gas	6.49% (LIBOR +4.25%)	03/09/2016	06/26/2021	205,934.41	206	200	197
Utility One Source L.P.	Construction & Building	7.74% (LIBOR +5.5%)	04/07/2017	04/18/2023	987,500.00	988	980	1,011
Verdesian Life Sciences LLC	Chemicals, Plastics & Rubber	7.34% (LIBOR +5%)	12/09/2014	07/01/2020	2,028,348.48	2,028	1,911	1,937
Vertiv Group Corporation	Capital Equipment	6.31% (LIBOR +4%)	09/30/2015	11/30/2023	1,504,310.34	1,504	1,470	1,513
Vistage Worldwide, Inc.	Services: Business	6.15% (LIBOR +4%)	02/06/2018	02/10/2025	2,507,400.00	2,507	2,502	2,523
Weight Watchers International, Inc.	Beverage, Food & Tobacco	7.09% (LIBOR +4.75%)	11/20/2017	11/29/2024	2,598,750.00	2,599	2,553	2,633
Wirepath Home Systems LLC	Services: Consumer	6.74% (LIBOR +4.5%)	07/31/2017	08/05/2024	2,970,056.25	2,970	2,957	2,987
Women's Care Florida LLP	Healthcare & Pharmaceuticals	6.74% (LIBOR +4.5%)	08/18/2017	09/29/2023	4,962,500.00	4,963	4,941	4,969
Yak Access LLC	Construction & Building	7.14% (LIBOR +5%)	06/29/2018	07/02/2025	3,000,000.00	3,000	2,912	2,903

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Zenith Merger Sub, Inc.	Services: Business	7.89% (LIBOR +5.5%)	12/22/2017	12/13/2023	2,977,500.00	2,978	2,952	2,978
Total United States of America							\$291,127	\$287,773
Total Senior Secured First Lien Term Loans							\$305,417	\$302,255
Second Lien Term Loans								
United States of America								
ABG Intermediate Holdings 2 LLC	Consumer goods: Non-Durable	9.99% (LIBOR +7.75%)	09/26/2017	09/29/2025	2,333,333.33	2,333	\$2,317	\$2,355
CH Hold Corp	Automotive	9.49% (LIBOR +7.25%)	01/26/2017	02/03/2025	1,000,000.00	1,000	996	1,015
Constellis Holdings, LLC	Aerospace & Defense	11.39% (LIBOR +9%)	04/18/2017	04/21/2025	1,000,000.00	1,000	988	980
DigiCert, Inc.	High Tech Industries	10.24% (LIBOR +8%)	09/20/2017	10/31/2025	750,000.00	750	747	750
DiversiTech Holdings Inc	Capital Equipment	9.89% (LIBOR +7.5%)	05/18/2017	06/02/2025	2,000,000.00	2,000	1,983	1,990
Gruden Acquisition Inc.	Transportation: Cargo	10.89% (LIBOR +8.5%)	07/31/2015	08/18/2023	500,000.00	500	485	500
Midwest Physician Administrative Services, LLC	Healthcare & Pharmaceuticals	9.17% (LIBOR +7%)	08/11/2017	08/15/2025	979,042.75	979	971	984
NextCare, Inc.	Healthcare & Pharmaceuticals	10.99% (LIBOR +8.75%)	02/13/2018	08/28/2023	1,000,000.00	1,000	987	995
Optiv Security Inc	Services: Business	9.5% (LIBOR +7.25%)	01/19/2017	01/31/2025	1,500,000.00	1,500	1,494	1,455
Park Place Technologies, LLC	Services: Business	10.24% (LIBOR +8%)	03/22/2018	03/29/2026	700,000.00	700	693	698
Pathway Partners Vet Management	Services: Consumer	10.24% (LIBOR +8%)	10/04/2017	10/10/2025	1,899,305.55	1,899	1,883	1,890

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Pathway Partners Vet Management	Services: Consumer	10.24% (LIBOR +8%)	10/04/2017	10/10/2025	100,694.45	101	100	100
Red Ventures LLC	Media: Diversified & Production	10.24% (LIBOR +8%)	10/18/2017	11/08/2025	468,750.00	469	462	480
SESAC Holdco II LLC	Media: Diversified & Production	9.49% (LIBOR +7.25%)	02/13/2017	02/24/2025	1,000,000.00	1,000	992	993
TKC Holdings Inc	Consumer goods: Durable	10.25% (LIBOR +8%)	01/31/2017	02/01/2024	1,850,000.00	1,850	1,838	1,869
TV Borrower US LLC	High Tech Industries	10.64% (LIBOR +8.25%)	02/16/2017	02/22/2025	1,000,000.00	1,000	988	1,004
Wash Multifamily Laundry Systems, LLC.	Services: Consumer	9.24% (LIBOR +7%)	05/04/2015	05/15/2023	425,479.17	425	424	419
Wash Multifamily Laundry Systems, LLC.	Services: Consumer	9.24% (LIBOR +7%)	05/04/2015	05/12/2023	74,520.83	75	74	73
Total United States of America							\$ 18,422	\$ 18,550
Total Second Lien Term Loans							\$ 18,422	\$ 18,550
44								

Logan JV Loan Portfolio as of September 30, 2018

(dollar amounts in thousands)

			Initial					
Type of Investment/			Acquisition	Maturity			Amortized	Fair
Portfolio company	Industry	Interest Rate ⁽¹⁾	Date	Date	Principal	Principal	Cost	Value ⁽²⁾
Total Investments							\$ 323,839	\$ 320,805
Cash and cash equivalents								
Dreyfus Government Cash Management Fund							17,760	17,760
Other cash accounts							2,765	2,765
Total Cash and cash equivalents							\$ 20,526	\$ 20,526

⁽¹⁾ Variable interest rates indexed to 30-day, 60-day, 90-day or 180-day LIBOR rates, at the borrower's option. LIBOR rates are subject to interest rate floors.

⁽²⁾ Represents fair value in accordance with ASC Topic 820.

⁽³⁾ Represents a delayed draw commitment of \$580,645, which was unfunded as of September 30, 2018. Unfunded amounts of a delayed draw position have a lower rate than the contractual fully funded rate. Issuer pays 1.50% unfunded commitment fee on delayed draw term loan and/or revolving loan facilities.

⁽⁴⁾ Represents a delayed draw commitment of \$612,996, of which \$460,886 was unfunded as of September 30, 2018. Unfunded amounts of a delayed draw position have a lower rate than the contractual fully funded rate. Issuer pays 1.00% unfunded commitment fee on delayed draw term loan and/or revolving loan facilities.

⁽⁵⁾ Represents a delayed draw commitment of \$260,664, which was unfunded as of September 30, 2018. Issuer pays 1.00% unfunded commitment fee on delayed draw term loan and/or revolving loan facilities.

⁽⁶⁾ Represents a delayed draw commitment of \$1,538,462, which was unfunded as of September 30, 2018. Issuer pays 1.00% unfunded commitment fee on delayed draw term loan and/or revolving loan facilities.

⁽⁷⁾ Represents a delayed draw commitment of \$195,652, which was unfunded as of September 30, 2018. Issuer pays 3.75% unfunded commitment fee on delayed draw term loan and/or revolving loan facilities.

⁽⁸⁾ Represents a delayed draw commitment of \$588,235, which was unfunded as of September 30, 2018. Issuer pays 1.00% unfunded commitment fee on delayed draw term loan and/or revolving loan facilities.

⁽⁹⁾ Represents a delayed draw commitment of \$896,552, which was unfunded as of September 30, 2018. Issuer will pay 1.00% unfunded commitment fee on delayed draw term loan and/or revolving loan facilities when the trade settles.

⁽¹⁰⁾ Represents a delayed draw commitment of \$294,107, which was unfunded as of September 30, 2018. Issuer pays 1.00% unfunded commitment fee on delayed draw term loan and/or revolving loan facilities.

⁽¹¹⁾ Represents a delayed draw commitment of \$428,571, which was unfunded as of September 30, 2018. Issuer pays 2.00% unfunded commitment fee on delayed draw term loan and/or revolving loan facilities.

⁽¹²⁾ Unsettled trade that will start to accrue interest on when the trade settles. 3 month LIBOR as of September 30, 2018 is shown to reflect the expected interest rate.

⁽¹³⁾ Unfunded amount will start to accrue interest when the borrower draws on the delayed draw/revolver facility. 3 month LIBOR as of September 30, 2018 is shown to reflect the expected interest rate.

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Logan JV Loan Portfolio as of December 31, 2017

(dollar amounts in thousands)

			Initial				Fair
Type of Investment/			Acquisition	Maturity		Amortized	Value
Portfolio company	Industry	Interest Rate ⁽¹⁾	Date	Date	Principal	Cost	⁽²⁾
Senior Secured First Lien Term Loans							
Canada							
Can Am Construction Inc	Construction & Building	7.07% (LIBOR +5.5%)	06/29/2017	07/01/2024	1,194	\$ 1,160	\$1,206
Parq Holdings LP	Hotel, Gaming & Leisure	9.19% (LIBOR +7.5%)	12/05/2014	12/17/2020	998	\$ 989	\$1,005
PNI Canada Acquireco Corp	High Tech Industries	7.32% (LIBOR +5.75%)	08/23/2017	09/21/2022	1,820	\$ 1,717	\$1,764
Total Canada						\$ 3,866	\$3,975
Cayman Islands							
Lindblad Maritime	Hotel, Gaming & Leisure	6.34% (LIBOR +4.5%)	06/23/2015	05/08/2021	334	\$ 336	\$337
Total Cayman Islands						\$ 336	\$337
Denmark							
Rhodia Acetow	Construction & Building	7.19% (LIBOR +5.5%)	04/21/2017	05/31/2023	995	\$ 982	\$999
Total Denmark						\$ 982	\$999
Luxembourg							
AMS FinCo SARL	Services: Business	7.07% (LIBOR +5.5%)	05/17/2017	05/27/2024	2,488	\$ 2,465	\$2,512
Total Luxembourg						\$ 2,465	\$2,512
United States of America							
1A Smart Start LLC	Services: Consumer	6.19% (LIBOR +4.5%)	03/20/2017	02/21/2022	1,593	\$ 1,588	\$1,586
1A Smart Start LLC	Services: Consumer	6.44% (LIBOR +4.75%)	08/28/2015	02/21/2022	2,450	\$ 2,434	\$2,450

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A Place for Mom Inc	Services: Consumer	5.69% (LIBOR +4%)	07/28/2017	08/10/2024	3,990	\$ 3,971	\$4,002
Advanced Integration Technology LP	Aerospace & Defense	6.32% (LIBOR +4.75%)	07/15/2016	04/03/2023	1,975	\$ 1,958	\$1,990
AgroFresh Inc.	Services: Business	6.44% (LIBOR +4.75%)	12/01/2015	07/31/2021	1,955	\$ 1,946	\$1,935
Air Medical Group Holdings Inc	Healthcare & Pharmaceuticals	4.25% (LIBOR +4.25%)	09/26/2017	09/25/2024	2,250	\$ 2,233	\$2,259
Alpha Media LLC	Media: Broadcasting & Subscription	7.42% (LIBOR +6%)	02/24/2016	02/25/2022	3,299	\$ 3,184	\$3,159
American Sportsman Holdings Co	Retail	6.569% (LIBOR +5%)	11/22/2016	09/25/2024	3,990	\$ 3,938	\$3,985
Ansira Holdings, Inc. (3)	Media: Advertising, Printing & Publishing	8.19% (LIBOR +6.5%)	12/20/2016	12/20/2022	254	\$ 138	\$139
Ansira Holdings, Inc.	Media: Advertising, Printing & Publishing	8.19% (LIBOR +6.5%)	12/20/2016	12/20/2022	1,728	\$ 1,714	\$1,719
AP Gaming I LLC	Hotel, Gaming & Leisure	7.07% (LIBOR +5.5%)	06/06/2017	02/15/2024	2,488	\$ 2,482	\$2,517
APC Aftermarket	Automotive	6.41% (LIBOR +5%)	05/09/2017	05/10/2024	498	\$ 488	\$492
Aptean, Inc.	Services: Business	5.95% (LIBOR +4.25%)	12/15/2017	12/20/2022	1,985	\$ 1,967	\$2,004
Avaya Inc	Telecommunications	6.23% (LIBOR +4.75%)	11/09/2017	12/15/2024	2,614	\$ 2,586	\$2,577
Barbri Inc	Media: Diversified & Production	5.73% (LIBOR +4.25%)	12/01/2017	11/21/2023	3,500	\$ 3,483	\$3,500
Beasley Mezzanine Holdings LLC	Media: Broadcasting & Subscription	5.49% (LIBOR +4%)	11/17/2017	11/15/2023	3,033	\$ 3,018	\$3,064
Big Ass Fans LLC	Services: Business	5.94% (LIBOR +4.25%)	11/07/2017	05/21/2024	2,500	\$ 2,488	\$2,511
Big River Steel LLC	Metals & Mining	6.69% (LIBOR +5%)	08/15/2017	08/23/2023	1,995	\$ 1,976	\$2,017
Birch Communications, Inc.	Telecommunications	8.6% (LIBOR +7.25%)	12/05/2014	07/17/2020	1,289	\$ 1,280	\$1,234

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Brand Energy & Infrastructure Services, Inc.	Services: Business	5.63% (LIBOR +4.25%)	06/16/2017	06/21/2024	2,985	\$ 2,957	\$3,000
Clear Balance Holdings, LLC	Banking, Finance, Insurance & Real Estate	7.44% (LIBOR +5.75%)	07/07/2015	06/30/2020	4,988	\$ 4,976	\$4,938
Commercial Barge Line Co	Transportation: Cargo	10.32% (LIBOR +8.75%)	11/06/2015	11/12/2020	1,369	\$ 1,330	\$800
Constellis Holdings, LLC	Aerospace & Defense	6.69% (LIBOR +5%)	04/18/2017	04/21/2024	1,990	\$ 1,972	\$2,014
ConvergeOne Holdings Corp.	Telecommunications	6.45% (LIBOR +4.75%)	06/15/2017	06/20/2024	1,990	\$ 1,972	\$1,997

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Logan JV Loan Portfolio as of December 31, 2017

(dollar amounts in thousands)

Type of Investment/		Interest Rate (1)	Initial		Principal	Amortized Cost	Fair Value (2)
Portfolio company	Industry		Acquisition Date	Maturity Date			
Conyers Park Parent Merger Sub Inc	Retail	5.39% (LIBOR +4%)	06/21/2017	07/07/2024	1,995	\$ 1,986	\$2,012
Country Fresh Holdings, LLC	Beverage, Food & Tobacco	6.69% (LIBOR +5%)	07/14/2017	03/31/2023	4,874	\$ 4,829	\$4,825
Covenant Surgical Partners Inc ⁽⁵⁾	Healthcare & Pharmaceuticals	6.13% (LIBOR +4.75%)	09/29/2017	09/28/2024	692	\$ 126	\$133
Covenant Surgical Partners Inc	Healthcare & Pharmaceuticals	6.09% (LIBOR +4.75%)	09/29/2017	10/04/2024	2,308	\$ 2,302	\$2,325
CPI Acquisition, Inc.	Services: Consumer	5.96% (LIBOR +4.5%)	08/14/2015	08/17/2022	4,187	\$ 4,084	\$3,057
CryoLife Inc	Healthcare & Pharmaceuticals	5.36% (LIBOR +4%)	11/15/2017	12/02/2024	2,000	\$ 1,990	\$2,020
CT Technologies Intermediate Holdings, Inc	Healthcare & Pharmaceuticals	5.82% (LIBOR +4.25%)	02/11/2015	12/01/2021	1,940	\$ 1,946	\$1,939
Cvent, Inc.	Services: Business	5.32% (LIBOR +3.75%)	06/16/2016	11/29/2024	1,990	\$ 1,972	\$1,995
Deerfield Holdings Corp	Banking, Finance, Insurance & Real Estate	3.25% (LIBOR +3.25%)	12/06/2017	12/06/2024	250	\$ 249	\$251
DigiCert, Inc.	Services: Business	6.13% (LIBOR +4.75%)	09/20/2017	10/31/2024	1,000	\$ 995	\$1,014
DXP Enterprises, Inc.	Energy: Oil & Gas	7.07% (LIBOR +5.5%)	08/16/2017	08/29/2023	1,496	\$ 1,482	\$1,511
EmployBridge Holding Co.	Services: Business	8.19% (LIBOR +6.5%)	02/04/2015	05/15/2020	2,912	\$ 2,907	\$2,844
EnergySolutions, LLC	Environmental Industries	6.45% (LIBOR +4.75%)	07/28/2017	05/29/2020	3,727	\$ 3,774	\$3,783
	Services: Business		12/08/2016	12/22/2023	2,620	\$ 2,598	\$2,646

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Evo Payments International, LLC		5.57% (LIBOR +4%)						
Fairmount Santrol Holdings Inc.	Metals & Mining	7.69% (LIBOR +6%)	10/27/2017	11/01/2022	2,000	\$ 1,971	\$ 2,028	
Freedom Mortgage Corporation	Banking, Finance, Insurance & Real Estate	6.96% (LIBOR +5.5%)	02/17/2017	02/23/2022	2,956	\$ 2,948	\$ 3,002	
FullBeauty Brands LP	Retail	6.32% (LIBOR +4.75%)	03/08/2016	10/14/2022	3,929	\$ 3,729	\$ 2,325	
Gold Standard Baking, Inc.	Wholesale	6.25% (LIBOR +4.5%)	05/19/2015	04/23/2021	2,925	\$ 2,917	\$ 2,918	
Green Plains Inc	Chemicals, Plastics & Rubber	7.07% (LIBOR +5.5%)	08/18/2017	08/29/2023	1,425	\$ 1,411	\$ 1,439	
Gruden Acquisition Inc.	Transportation: Cargo	7.19% (LIBOR +5.5%)	06/21/2017	08/18/2022	1,990	\$ 1,945	\$ 1,998	
Gulf Finance, LLC	Energy: Oil & Gas	6.95% (LIBOR +5.25%)	08/17/2016	08/25/2023	1,946	\$ 1,899	\$ 1,756	
Heartland Dental LLC	Services: Consumer	6.45% (LIBOR +4.75%)	07/28/2017	07/31/2023	1,000	\$ 995	\$ 1,015	
Higginbotham Insurance Agency, Inc.	Banking, Finance, Insurance & Real Estate	3.75% (LIBOR +3.75%)	12/14/2017	11/30/2024	5,000	\$ 4,975	\$ 5,013	
Idera Inc	High Tech Industries	6.57% (LIBOR +5%)	06/27/2017	06/28/2024	2,356	\$ 2,334	\$ 2,358	
Impala Private Holdings II LLC	Services: Business	5.7% (LIBOR +4%)	11/10/2017	11/14/2024	1,667	\$ 1,658	\$ 1,661	
Infoblox Inc.	High Tech Industries	6.57% (LIBOR +5%)	11/03/2016	11/07/2023	2,205	\$ 2,168	\$ 2,221	
Insurance Technologies	Banking, Finance, Insurance & Real Estate	7.74% (LIBOR +6.5%)	03/26/2015	12/15/2021	3,406	\$ 3,377	\$ 3,406	
Insurance Technologies ⁽⁴⁾	Banking, Finance, Insurance & Real Estate	0.5% (LIBOR +0.5%)	03/26/2015	12/15/2021	137	\$ (1) \$-	
Jackson Hewitt Tax Service Inc	Services: Consumer	8.38% (LIBOR +7%)	07/24/2015	07/30/2020	931	\$ 921	\$ 923	
Kemet Corporation	High Tech Industries	7.57% (LIBOR +6%)	04/21/2017	04/26/2024	975	\$ 948	\$ 986	

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Kestra Financial, Inc.	Banking, Finance, Insurance & Real Estate	6.94% (LIBOR +5.25%)	06/10/2016	06/24/2022	3,940	\$ 3,896	\$3,940
KMG Chemicals Inc	Chemicals, Plastics & Rubber	4.32% (LIBOR +2.75%)	06/13/2017	06/15/2024	809	\$ 805	\$813
Lindblad Expeditions Inc	Hotel, Gaming & Leisure	6.34% (LIBOR +4.5%)	06/23/2015	05/08/2021	2,591	\$ 2,600	\$2,610
Lyons Magnus Inc aka	Consumer goods: Non-Durable	5.68% (LIBOR +4.25%)	11/03/2017	11/11/2024	2,500	\$ 2,488	\$2,527
Margaritaville Holdings LLC	Beverage, Food & Tobacco	7.46% (LIBOR +6%)	03/12/2015	03/12/2021	4,177	\$ 4,155	\$4,177
MCS Group Holdings LLC	Services: Business	6.25% (LIBOR +4.75%)	05/12/2017	05/20/2024	1,990	\$ 1,981	\$2,005
MDVIP Inc	Services: Business	5.66% (LIBOR +4.25%)	11/10/2017	11/14/2024	3,040	\$ 3,025	\$3,048
Merrill Communications LLC	Media: Advertising, Printing & Publishing	6.63% (LIBOR +5.25%)	05/29/2015	06/01/2022	1,750	\$ 1,743	\$1,765
Meter Readings Holding, LLC	Utilities: Electric	7.23% (LIBOR +5.75%)	08/17/2016	08/29/2023	2,967	\$ 2,941	\$2,982
Morphe, LLC	Retail	7.69% (LIBOR +6%)	02/21/2017	02/10/2023	2,888	\$ 2,850	\$2,873
Nasco Healthcare, Inc.	Healthcare & Pharmaceuticals	6.07% (LIBOR +4.5%)	07/13/2015	06/30/2021	4,536	\$ 4,523	\$4,513
New Insight Holdings Inc	Services: Business	7.13% (LIBOR +5.5%)	12/08/2017	12/20/2024	2,000	\$ 1,900	\$1,918
NextCare, Inc.	Healthcare & Pharmaceuticals	7.57% (LIBOR +6%)	08/21/2015	07/31/2018	2,919	\$ 2,916	\$2,919
Oak Point Partners, LLC	Banking, Finance, Insurance & Real Estate	7.32% (LIBOR +5.75%)	09/13/2017	09/13/2023	3,000	\$ 2,964	\$2,978
OB Hospitalist Group Inc	Healthcare & Pharmaceuticals	5.61% (LIBOR +4.25%)	08/08/2017	08/01/2024	2,400	\$ 2,389	\$2,424

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Logan JV Loan Portfolio as of December 31, 2017

(dollar amounts in thousands)

Type of Investment/		Initial					
Portfolio company	Industry	Interest Rate (1)	Acquisition Date	Maturity Date	Principal	Amortized Cost	Fair Value (2)
Odyssey Logistics & Technology Corp	Transportation: Cargo	5.82% (LIBOR +4.25%)	10/06/2017	10/12/2024	2,000	\$ 1,990	\$ 2,010
Pre-Paid Legal Services, Inc	Services: Business	6.82% (LIBOR +5.25%)	05/21/2015	07/01/2019	828	\$ 826	\$ 831
Project Leopard Holdings Inc	High Tech Industries	7.19% (LIBOR +5.5%)	06/21/2017	07/07/2023	1,746	\$ 1,742	\$ 1,760
PSC Industrial Outsourcing, LP	Environmental Industries	5.71% (LIBOR +4.25%)	10/05/2017	10/11/2024	2,000	\$ 1,981	\$ 2,030
PT Holdings LLC	Wholesale	5.57% (LIBOR +4%)	12/04/2017	12/09/2024	3,000	\$ 2,985	\$ 3,018
Quest Software	High Tech Industries	6.92% (LIBOR +5.5%)	11/09/2017	10/31/2022	2,725	\$ 2,706	\$ 2,773
Red Ventures LLC	Media: Diversified & Production	4.25% (LIBOR +4%)	10/18/2017	11/08/2024	2,494	\$ 2,470	\$ 2,495
Riverbed Technology, Inc.	High Tech Industries	4.82% (LIBOR +3.25%)	02/25/2015	04/24/2022	966	\$ 962	\$ 953
SCS Holdings Inc	Services: Business	5.82% (LIBOR +4.25%)	11/20/2015	10/30/2022	1,807	\$ 1,796	\$ 1,821
Silverback Merger Sub Inc	High Tech Industries	5.44% (LIBOR +4%)	08/11/2017	08/21/2024	1,197	\$ 1,194	\$ 1,210
Sirva Worldwide, Inc.	Transportation: Cargo	7.99% (LIBOR +6.5%)	11/18/2016	11/22/2022	2,878	\$ 2,818	\$ 2,906
SMS Systems Maintenance Services Inc	Services: Business	6.57% (LIBOR +5%)	02/09/2017	10/30/2023	2,970	\$ 2,957	\$ 2,554
Starfish- V Merger Sub Inc	High Tech Industries	6.69% (LIBOR +5%)	08/11/2017	08/16/2024	1,247	\$ 1,235	\$ 1,220
	Energy: Electricity		10/11/2016	06/27/2022	868	\$ 868	\$ 873

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TerraForm AP Acquisition Holdings LLC		5.94% (LIBOR +4.25%)					
Thoughtworks, Inc.	High Tech Industries	6.07% (LIBOR +4.5%)	10/06/2017	10/11/2024	3,000	\$ 2,993	\$ 3,008
TKC Holdings Inc	Consumer goods: Durable	5.67% (LIBOR +4.25%)	06/08/2017	02/01/2023	298	\$ 296	\$ 300
TOMS Shoes LLC	Retail	6.98% (LIBOR +5.5%)	12/18/2014	10/30/2020	1,945	\$ 1,873	\$ 1,157
Tupelo Buyer Inc	Transportation: Consumer	5.64% (LIBOR +4.25%)	10/02/2017	10/07/2024	1,600	\$ 1,585	\$ 1,618
TV Borrower US LLC	High Tech Industries	6.44% (LIBOR +4.75%)	02/16/2017	02/22/2024	993	\$ 988	\$ 998
US Renal Care Inc	Healthcare & Pharmaceuticals	5.94% (LIBOR +4.25%)	11/17/2015	12/30/2022	1,960	\$ 1,946	\$ 1,936
US Salt LLC	Chemicals, Plastics & Rubber	4.75% (LIBOR +4.75%)	11/30/2017	12/01/2023	3,000	\$ 2,970	\$ 3,000
US Shipping Corp	Utilities: Oil & Gas	5.82% (LIBOR +4.25%)	03/09/2016	06/26/2021	211	\$ 203	\$ 189
Utility One Source L.P.	Construction & Building	7.07% (LIBOR +5.5%)	04/07/2017	04/18/2023	995	\$ 986	\$ 1,019
Verdesian Life Sciences LLC	Chemicals, Plastics & Rubber	6.38% (LIBOR +5%)	12/09/2014	07/01/2020	2,119	\$ 1,944	\$ 1,907
Vertiv Group Corporation	Capital Equipment	5.35% (LIBOR +4%)	09/30/2016	11/30/2023	1,504	\$ 1,465	\$ 1,505
Viewpoint Inc	High Tech Industries	5.94% (LIBOR +4.25%)	07/18/2017	07/19/2024	998	\$ 993	\$ 1,002
Weight Watchers International, Inc.	Beverage, Food & Tobacco	6.23% (LIBOR +4.75%)	11/20/2017	11/29/2024	2,700	\$ 2,647	\$ 2,721
Wirepath Home Systems LLC	Services: Business	6.87% (LIBOR +5.25%)	07/31/2017	08/05/2024	2,993	\$ 2,978	\$ 3,034
Women's Care Florida LLP	Healthcare & Pharmaceuticals	6.07% (LIBOR +4.5%)	08/18/2017	09/29/2023	5,000	\$ 4,976	\$ 4,994
Zenith Merger Sub, Inc.	Services: Business	7.06% (LIBOR +5.5%)	12/22/2017	12/13/2023	3,000	\$ 2,970	\$ 2,970

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Zest Holdings LLC	Healthcare & Pharmaceuticals	5.82% (LIBOR +4.25%)	04/13/2017	08/16/2023	1,985	\$ 1,981	\$ 2,006
Total United States of America							\$ 223,014 \$ 220,603
Total Senior Secured First Lien Term Loans							\$ 230,663 \$ 228,426
Second Lien Term Loans							
Luxembourg							
Lully Finance S.a.r.l.	Telecommunications	10.069% (LIBOR +8.5%)	07/31/2015	10/16/2023	1,000	\$ 993	\$ 985
Total Luxembourg							\$ 993 \$ 985
United States of America							
ABG Intermediate Holdings 2 LLC	Consumer goods: Durable	9.44% (LIBOR +7.75%)	09/26/2017	09/29/2025	2,333	\$ 2,316	\$ 2,368
BJ's Wholesale Club, Inc.	Beverage, Food & Tobacco	8.95% (LIBOR +7.5%)	01/27/2017	02/03/2025	3,000	2,987	2,939
CH Hold Corp	Automotive	8.82% (LIBOR +7.25%)	01/26/2017	02/03/2025	1,000	996	1,023

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Logan JV Loan Portfolio as of December 31, 2017

(dollar amounts in thousands)

			Initial				
Type of Investment/			Acquisition	Maturity	Amortized	Fair	
Portfolio company	Industry	Interest Rate ⁽¹⁾	Date	Date	Principal	Cost	Value ⁽²⁾
Constellis Holdings, LLC	Aerospace & Defense	10.69% (LIBOR +9%)	04/18/2017	04/21/2025	1,000	986	1,003
DigiCert, Inc.	Services: Business	9.38% (LIBOR +8%)	09/20/2017	10/31/2025	750	746	756
DiversiTech Holdings Inc	Capital Equipment	9.2% (LIBOR +7.5%)	05/18/2017	06/02/2025	2,000	1,981	2,025
Gruden Acquisition Inc.	Transportation: Cargo	10.19% (LIBOR +8.5%)	07/31/2015	08/18/2023	500	482	499
Midwest Physician Administrative Services, LLC	Healthcare & Pharmaceuticals	8.42% (LIBOR +7%)	08/11/2017	08/15/2025	1,000	990	1,006
Optiv Security Inc	Services: Business	8.63% (LIBOR +7.25%)	01/19/2017	01/31/2025	1,500	1,493	1,352
Pathway Partners Vet Management	Healthcare & Pharmaceuticals	9.57% (LIBOR +8%)	10/04/2017	10/10/2025	1,389	1,375	1,382
Pathway Partners Vet Management ⁽⁶⁾	Healthcare & Pharmaceuticals	8% (LIBOR +8%)	10/04/2017	10/10/2025	611	(6)	(3)
Red Ventures LLC	Media: Diversified & Production	9.57% (LIBOR +8%)	10/18/2017	11/08/2025	544	536	545
SESAC Holdco II LLC	Media: Diversified & Production	8.73% (LIBOR +7.25%)	02/13/2017	02/24/2025	1,000	991	986
TKC Holdings Inc	Consumer goods: Durable	9.42% (LIBOR +8%)	01/31/2017	02/01/2024	1,850	1,836	1,864
TV Borrower US LLC	High Tech Industries	9.94% (LIBOR +8.25%)	02/16/2017	02/22/2025	1,000	987	995
Viewpoint Inc	High Tech Industries	9.94% (LIBOR +8.25%)	07/18/2017	07/21/2025	1,000	991	998
	Services: Consumer		05/04/2015	05/15/2023	425	423	423

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Wash Multifamily Laundry Systems, LLC.		8.57% (LIBOR +7%)					
Wash Multifamily Laundry Systems, LLC.	Services: Consumer	8.57% (LIBOR +7%)	05/04/2015	05/12/2023	75	74	74
Total United States of America						\$ 20,184	\$ 20,235
Total Second Lien Term Loans						\$ 21,177	\$ 21,220
Equity Investments							
United States of America							
Avaya Inc	Telecommunications		12/15/2017		870	870	754
Total United States of America						\$ 870	\$ 754
Total Equity Investments						\$ 870	\$ 754
Total Investments						\$ 252,710	\$ 250,400
Cash and cash equivalents							
Dreyfus Government Cash Management Fund						10,023	10,023
Other cash accounts						614	614
Total Cash and cash equivalents						\$ 10,637	\$ 10,637

(1) Variable interest rates indexed to 30-day, 60-day, 90-day or 180-day LIBOR rates, at the borrower's option. LIBOR rates are subject to interest rate floors.

(2) Represents fair value in accordance with ASC Topic 820.

(3) Represents a delayed draw commitment of \$113, which was unfunded as of December 31, 2017.

(4) Represents a delayed draw commitment of \$137, which was unfunded as of December 31, 2017.

(5) Represents a delayed draw commitment of \$565, which was unfunded as of December 31, 2017.

(6) Represents a delayed draw commitment of \$611, which was unfunded as of December 31, 2017.

Logan JV Summarized Financial Information:

Below is certain summarized financial information for Logan JV as of September 30, 2018 and December 31, 2017 and for the three and nine months ended September 30, 2018 and 2017:

Selected Balance Sheet Information:

	As of September 30, 2018 (Dollars in thousands)	As of December 31, 2017 (Dollars in thousands)
Assets:		
Investments at fair value (cost of \$323,839		
and \$252,710, respectively)	\$ 320,805	\$ 250,400
Cash	20,526	10,637
Other assets	1,133	9,605
Total assets	\$ 342,464	\$ 270,642
Liabilities:		
Loans payable reported net of unamortized debt issuance costs	\$ 213,193	\$ 168,110
Payable for investments purchased	15,918	15,616
Distribution payable	3,310	3,300
Other liabilities	2,432	1,854
Total liabilities	\$ 234,853	\$ 188,880
Members' capital	\$ 107,611	\$ 81,762
Total liabilities and members' capital	\$ 342,464	\$ 270,642

Selected Statement of Operations Information:

For the three months ended	For the three months ended	For the nine months ended	For the nine months ended
September 30,	September 30,	September 30,	September 30,
2018 (Dollars in	2017 (Dollars in	2018 (Dollars in	2017 (Dollars in

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	thousands)	thousands)	thousands)	thousands)
Interest income	\$ 6,011	\$ 4,559	\$ 15,974	\$ 12,717
Fee income	(6)	39	102	263
Total revenues	6,005	4,598	16,076	12,980
Credit facility expenses ⁽¹⁾	2,681	1,637	6,821	4,491
Other fees and expenses	298	89	854	280
Total expenses	2,979	1,726	7,675	4,771
Net investment income	3,026	2,872	8,401	8,209
Net realized gains	92	336	371	767
Net change in unrealized appreciation (depreciation)				
on investments	201	(891)	(724)	(2,595)
Net increase in members' capital from operations	\$ 3,319	\$ 2,317	\$ 8,048	\$ 6,381

⁽¹⁾ As of September 30, 2018, Logan JV had \$215,555 of outstanding debt under the credit facility with an effective interest rate of 4.62% per annum. As of December 31, 2017, Logan JV had \$169,632 of outstanding debt under the credit facility with an effective interest rate of 3.92% per annum.

Investment in Tax Receivable Agreement Payment Rights

In June 2012, the Company invested in a TRA that entitles it to certain payment rights, or TRA Payment Rights, from Duff & Phelps Corporation, or Duff & Phelps. The TRA transfers the economic value of certain tax deductions, or tax benefits, taken by Duff & Phelps to the Company and entitles the Company to a stream of payments to be received. The TRA payment right is, in effect, a subordinated claim on the issuing company which can be valued based on the credit risk of the issuer, which includes projected future earnings, the liquidity of the underlying payment right, risk of tax law changes, the effective tax rate and any other factors which might impact the value of the payment right.

Through the TRA, the Company is entitled to receive an annual tax benefit payment based upon 85% of the savings from certain deductions along with interest. The payments that the Company is entitled to receive result from cash savings, if any, in U.S. federal, state or local income tax that Duff & Phelps realizes (i) from the tax savings derived from the goodwill and other intangibles created in connection with the Duff & Phelps initial public offering and (ii) from other income tax deductions. These tax benefit payments will continue until the relevant deductions are fully utilized, which is projected to be 16 years from the initial investment date. Pursuant to the TRA, the Company maintains the right to enforce Duff & Phelps payment obligations as a transferee of the TRA contract. If Duff & Phelps chooses to pre-pay and terminate the TRA, the Company will be entitled to the present value of the expected future TRA payments. If Duff & Phelps breaches any material obligation then all obligations are accelerated and calculated as if an early termination occurred. Failure to make a payment is a breach of a material obligation if the failure occurs for more than three months.

The projected annual tax benefit payment will be accrued on a quarterly basis and paid annually. The payment will be allocated between a reduction in the cost basis of the investment and interest income based upon an amortization schedule. Based upon the characteristics of the investment, the Company has chosen to categorize the investment in the TRA payment rights as investment in payment rights in the fair value hierarchy. For the three months ended September 30, 2018 and 2017, the Company recognized interest income totaling \$374 and \$505 respectively, related to the TRA. For the nine months ended September 30, 2018 and 2017, the Company recognized interest income totaling \$1,111 and \$1,499, respectively, related to the TRA.

Revolving and Unfunded Delayed Draw Loans

For the Company's investments in revolving and delayed draw loans, the cost basis of the investments purchased is adjusted for the cash received for the discount on the total balance committed. The fair value is also adjusted for price appreciation or depreciation on the unfunded portion. As a result, the purchase of commitments not completely funded may result in a negative value until it is offset by the future amounts called and funded.

4. Related Party Transactions

Investment Management Agreement

On March 2, 2018, the Company's investment management agreement was re-approved by its board of directors, including a majority of the Company's directors who are not interested persons of the Company. Under the investment management agreement, the Advisor, subject to the overall supervision of the Company's board of directors, manages the day-to-day operations of, and provides investment advisory services to the Company.

Base Management Fee

The base management fee calculation remains the same and is calculated at an annual rate of 1.5% of the Company's gross assets payable quarterly in arrears on a calendar quarter basis. For purposes of calculating the base management

fee, “gross assets” is determined as the value of the Company’s assets without deduction for any liabilities. The base management fee is calculated based on the value of the Company’s gross assets at the end of the most recently completed calendar quarter, and appropriately adjusted for any share issuances or repurchases during the current calendar quarter.

For the three months ended September 30, 2018 and 2017, the Company incurred base management fees of \$2,240 and \$2,621, respectively. For the nine months ended September 30, 2018 and 2017, the Company incurred base management fees of \$6,893 and \$7,834, respectively. As of September 30, 2018 and December 31, 2017, \$2,240 and \$2,556, respectively, was payable to the Advisor.

Incentive Fee on Net Investment Income

The Company accepted the Advisor's proposal to waive 100% of the incentive fees earned for the period commencing on January 1, 2018 and ending on December 31, 2018 (such waiver, "Incentive Fee Waiver"). Such waived incentive fees shall not be subject to recoupment.

Subsequently, the Company accepted the Advisor's proposal to waive 100% of the incentive fees accrued for the period commencing on January 1, 2019 and ending on June 30, 2019. Such waived incentive fees shall not be subject to recoupment.

Commencing January 1, 2018, the Company accepted the Advisor's proposal to calculate the incentive fee on net investment income as indicated below ("Reduced Incentive Fee on Net Investment Income") and waive such portion of the Reduced Incentive Fee on Net Investment Income that is in excess of the incentive fee on net investment income as set forth in the investment management agreement that the Advisor would otherwise be entitled to receive. In order to ensure that the Company will pay the Advisor less aggregate fees on a cumulative basis, as calculated beginning January 1, 2018, the Company will, at the end of each quarter, also calculate the incentive fee on net investment income owed by the Company to the Advisor based on the formula in place prior to January 1, 2018 effect to the waiver ("Incentive Fee on Net Investment Income Prior to Fee Waiver Agreement"). If, at any time beginning January 1, 2018, the aggregate fees on a cumulative basis, as calculated based on the formula in place after January 1, 2018, would be greater than the aggregate fees on a cumulative basis, as calculated based on the Incentive Fee on Net Investment Income Prior to Fee Waiver Agreement, the Advisor shall only be entitled to the lesser of those two amounts. See the section Incentive Fee on Net Investment Income Calculated Prior to the Fee Waiver Agreement for the details of the calculation under the investment management agreement.

On January 1, 2018, the Reduced Incentive Fee on Net Investment Income will be calculated by reference to the most recent trailing twelve quarter period or, if shorter, the number of quarters that have occurred since January 1, 2018 ("Trailing Twelve Quarter Period"), rather than on the standalone quarterly basis as set forth in the investment management agreement. Specifically, the net investment income component will be calculated, and payable, quarterly in arrears at the end of each calendar quarter by reference to the Company's aggregate preincentive fee net investment income, as adjusted as described below, from the calendar quarter then ending and the eleven preceding calendar quarters (or if shorter, the number of quarters that have occurred since January 1, 2018). Preincentive fee net investment income is expressed as a rate of return on the value of the Company's net assets (defined as total assets less indebtedness and before taking into account any incentive fees payable during the period) at the beginning of each applicable calendar quarter comprising of the relevant Trailing Twelve Quarters. The hurdle amount for incentive fee based on preincentive fee net investment income will continue to be determined on a quarterly basis and equal to 2.0% (which is 8.0% annualized) but shall be multiplied by the net asset value attributable to the Company's common stock at the beginning of each applicable calendar quarter comprising the relevant Trailing Twelve Quarters (also referred to as "minimum income level"). The hurdle amount will be calculated after making appropriate adjustments for subscriptions (which includes all issuances by us of shares of the Company's common stock, including issuances pursuant to the Company's dividend reinvestment plan) and distributions that occurred during the relevant Trailing Twelve Quarters.

The calculation of preincentive fee net investment income shall continue to mean interest income, amortization of original issue discount, commitment and origination fees, dividend income and any other income (including any other fees, such as, structuring, diligence, managerial assistance and consulting fees or other fees that we receive from portfolio companies) accrued during the calendar quarter, minus the Company's operating expenses for the quarter (including the base management fee, expenses payable under the Company's administration agreement (discussed below), and any interest expense and any dividends paid on any issued and outstanding preferred stock, but excluding the incentive fee and any offering expenses and other expenses not charged to operations but excluding certain

reversals to the extent such reversals have the effect of reducing previously accrued incentive fees based on the deferral of non-cash interest. Furthermore, preincentive fee net investment income will continue to include, in the case of investments with a deferred interest feature (such as original issue discount, debt instruments with PIK interest and zero coupon securities), accrued income that we have not yet received in cash.

The incentive fee based on preincentive net investment income for each quarter will be determined as follows:

• The Investment Advisor receives no incentive fee for any calendar quarter in which the Company's preincentive fee net investment income does not exceed the minimum income level.

• Subject to the Incentive Fee Cap described below, the Advisor receives 100% of the Company's preincentive fee net investment income for the Trailing Twelve Quarters with respect to that portion of the preincentive net investment income for such quarter, if any, that exceeds the minimum income level but is less than 2.5% (which is 10.0% annualized) (also referred to as the "catch-up" provision); and

• 20.0% of the Company's preincentive fee net investment income, if any, greater than 2.5% (10.0% annualized) for the Trailing Twelve Quarters.

The amount of the incentive fee on preincentive net investment income that will be paid for a particular quarter will equal the excess of the incentive fee so calculated minus the aggregate incentive fees on preincentive net investment income that were paid in respect of the eleven calendar quarters (or if shorter, the appropriate number of quarters that have occurred since January 1, 2018) included in the relevant Trailing Twelve Quarters but not in excess of the Incentive Fee Cap (as described below).

The foregoing incentive fee will be subject to an Incentive Fee Cap (as defined below). The “Incentive Fee Cap” for any quarter is an amount equal to (a) 20% of the Cumulative Net Return (as defined below) during the relevant Trailing Twelve Quarters, minus (b) the aggregate incentive fees based on income that were paid in respect of the first eleven calendar quarters (or the portion thereof) included in the relevant Trailing Twelve Quarters. “Cumulative Net Return” means (x) preincentive net investment income in respect of the relevant Trailing Twelve Quarters minus (y) any Net Capital Loss, if any, in respect of the relevant Trailing Twelve Quarters. If, in any quarter, the Incentive Fee Cap is zero or a negative value, the Company will pay no incentive fee based on income to its Advisor for such quarter. If, in any quarter, the Incentive Fee Cap for such quarter is a positive value but is less than the incentive fee based on pre-incentive net investment income that is payable to its Advisor for such quarter (before giving effect to the Incentive Fee Cap) calculated as described above, the Company will pay an incentive fee based on preincentive net investment income to its Advisor equal to the Incentive Fee Cap for such quarter. If, in any quarter, the Incentive Fee Cap for such quarter is equal to or greater than the incentive fee based on preincentive net investment income that is payable to its Advisor for such quarter (before giving effect to the Incentive Fee Cap) calculated as described above, the Company will pay an incentive fee based on income to its Advisor equal to the incentive fee calculated as described above for such quarter without regard to the Incentive Fee Cap. “Net Capital Loss” in respect of a particular period means the difference, if positive, between (i) aggregate capital losses, whether realized or unrealized, in such period and (ii) aggregate capital gains, whether realized or unrealized, in such period.

For the three and nine months ended September 30, 2018, the Company would have incurred \$951 and \$2,645, respectively, of incentive fees related to ordinary income under this calculation.

For the avoidance of doubt, the purpose of the Reduced Incentive Fee on Net Investment Income is to reduce aggregate incentive fees payable to Advisor by the Company, effective as of January 1, 2018. In order to ensure that the Company will pay the Advisor less aggregate fees on a cumulative basis, as calculated beginning January 1, 2018, the Company will, at the end of each quarter, also calculate the incentive fee on net investment income owed by the Company to Advisor based on the formula in place prior to January 1, 2018. If, at any time beginning January 1, 2018, the aggregate fees on a cumulative basis, as calculated based on the formula in place after January 1, 2018 after giving effect to the Incentive Fee Waiver, would be greater than the aggregate fees on a cumulative basis, as calculated based on the formula in place prior to January 1, 2018, the Advisor shall only be entitled to the lesser of those two amounts until such time as the requisite number of shareholders approve such amended incentive fee calculation.

Incentive Fee on Net Investment Income Prior to Fee Waiver Agreement

The incentive fee on net investment income prior to the Fee Waiver Agreement was calculated and payable, quarterly in arrears based on the Company’s preincentive fee net investment income for the immediately preceding calendar quarter, subject to a cumulative total return requirement and to deferral of non-cash amounts. The preincentive fee net investment income, which was expressed as a rate of return on the value of the Company’s net assets attributable to the Company’s common stock, for the immediately preceding calendar quarter, had a 2.0% (which is 8.0% annualized) hurdle rate (also referred to as “minimum income level”). The Advisor received no incentive fee for any calendar quarter in which the Company’s preincentive fee net investment income does not exceed the minimum income level. Subject to the cumulative total return requirement described below, the Advisor receives 100% of the Company’s preincentive fee net investment income for any calendar quarter with respect to that portion of the preincentive net investment income for such quarter, if any, that exceeded the minimum income level but is less than 2.5% (which is 10.0%

annualized) of net assets (also referred to as the “catch-up” provision) and 20.0% of the Company’s preincentive fee net investment income for such calendar quarter, if any, greater than 2.5% (10.0% annualized) of net assets. The foregoing incentive fee was subject to a total return requirement, which provided that no incentive fee in respect of the Company’s preincentive fee net investment income is payable except to the extent 20.0% of the cumulative net increase in net assets resulting from operations over the then current and 11 preceding calendar quarters exceeds the cumulative incentive fees accrued and/or paid for the 11 preceding quarters. In other words, any ordinary income incentive fee that was payable in a calendar quarter was limited to the lesser of (i) 20% of the amount by which the Company’s preincentive fee net investment income for such calendar quarter exceeds the 2.0% hurdle, subject to the “catch- up” provision, and (ii) (x) 20% of the cumulative net increase in net assets resulting from operations for the then current and 11 preceding quarters minus (y) the cumulative incentive fees accrued and/or paid for the 11 preceding calendar quarters. For the foregoing purpose, the “cumulative net increase in net assets resulting from operations” was the amount, if positive, of the sum of the Company’s preincentive fee net investment income, base management fees, realized gains and losses and unrealized appreciation and depreciation for the then current and 11 preceding calendar quarters. In addition, the portion of such incentive fee that was attributable to deferred interest (sometimes referred to as payment-in-kind interest, or PIK, or original issue discount, or OID) will be paid to Advisor, together with interest thereon from the date of deferral to the date of payment, only if and to the extent the Advisor actually received such interest in cash, and any accrual thereof was be reversed if and to the extent such interest is

reversed in connection with any write-off or similar treatment of the investment giving rise to any deferred interest accrual. There was no accumulation of amounts on the hurdle rate from quarter to quarter and accordingly there is no clawback of amounts previously paid if subsequent quarters are below the quarterly hurdle rate and there is no delay of payment if prior quarters are below the quarterly hurdle rate.

For the three and nine months ended September 30, 2018, the Company has incurred \$0 and reversed \$9, respectively, of incentive fees related to ordinary income, net of incentive fee waived of \$1,658 and \$1,658, respectively. For the three and nine months ended September 30, 2017, the Company incurred \$0 and \$2,465, respectively, of incentive fees related to ordinary income, net of incentive fees waived of \$811 and \$811, respectively.

Incentive Fee on Net Investment Income Payable

For the three and nine months ended September 30, 2018, the Company reversed \$0 and \$9, respectively, of incentive fees related to the adjustment of previously deferred incentive fee. For the three and nine months ended September 30, 2017, the Company incurred \$0 and \$2,465, respectively, of incentive fees related to ordinary income.

As of September 30, 2018 and December 31, 2017, \$32 and \$94, respectively, of such incentive fees related to previously deferred income now received in cash are currently payable to the Advisor, and reflected in accrued expenses and other payables on the Consolidated Statements of Assets and Liabilities. As of September 30, 2018 and December 31, 2017, \$856 and \$972, respectively of incentive fees incurred by the Company were generated from deferred interest (i.e. PIK, certain discount accretion and deferred interest) and are not payable until such amounts are received in cash. These amounts are reflected in accrued incentive fees on the Consolidated Statements of Assets and Liabilities.

Incentive Fee on Capital Gains

The second component of the incentive fee (capital gains incentive fee) is determined and payable in arrears as of the end of each calendar year (or upon termination of the investment management agreement, as of the termination date). This component is equal to 20.0% of the Company's cumulative aggregate realized capital gains from inception through the end of that calendar year, computed net of the cumulative aggregate realized capital losses and cumulative aggregate unrealized capital depreciation through the end of such year. The calculation of the capital gains incentive fee has not been modified or waived. The aggregate amount of any previously paid capital gains incentive fees is subtracted from such capital gains incentive fee calculated. There was no capital gains incentive fee payable to the Company's Advisor under the investment management agreement as of September 30, 2018 and December 31, 2017.

GAAP Incentive Fee Accrual

GAAP requires that the incentive fee accrual be calculated assuming a hypothetical liquidation of the Company at the balance sheet date. A hypothetical liquidation considers the cumulative aggregate realized gains and losses and unrealized capital appreciation or depreciation of investments or other financial instruments in the calculation, as an incentive fee would be payable if such realized gains and losses or unrealized capital appreciation or depreciation were realized, even though such realized gains and losses and unrealized capital appreciation or depreciation is not permitted to be considered in calculating the fee actually payable under the investment management agreement ("GAAP Incentive Fee"). There can be no assurance that such unrealized appreciation or depreciation will be realized in the future. Accordingly, such fee, as calculated and accrued, would not necessarily be payable under the investment management agreement, and may never be paid based upon the computation of incentive fees in subsequent periods. For the three and nine months ended September 30, 2018 and 2017, the Company incurred no incentive fees related to the GAAP incentive fee.

Administration Agreement

The Company has also entered into an administration agreement with the Advisor under which the Advisor will provide administrative services to the Company. Under the administration agreement, the Advisor performs, or oversees the performance of administrative services necessary for the operation of the Company, which include, among other things, being responsible for the financial records which the Company is required to maintain and preparing reports to the Company's stockholders and reports filed with the SEC. In addition, the Advisor assists in determining and publishing the Company's net asset value, oversees the preparation and filing of the Company's tax returns and the printing and dissemination of reports to the Company's stockholders, and generally oversees the payment of the Company's expenses and the performance of administrative and professional services rendered to the Company by others. The Company will reimburse the Advisor for its allocable portion of the costs and expenses incurred by the Advisor for overhead in performance by the Advisor of its duties under the administration agreement and the investment management agreement, including facilities, office equipment and the Company's allocable portion of cost of compensation and related expenses of the Company's chief financial officer and chief compliance

officer and their respective staffs, as well as any costs and expenses incurred by the Advisor relating to any administrative or operating services provided by the Advisor to the Company. The Company's board of directors reviews the allocation methodologies with respect to such expenses. Such costs are reflected as administrator expenses in the accompanying Consolidated Statements of Operations. Under the administration agreement, the Advisor provides, on behalf of the Company, managerial assistance to those portfolio companies to which the Company is required to provide such assistance. To the extent that the Company's Advisor outsources any of its functions, the Company pays the fees associated with such functions on a direct basis without profit to the Advisor.

For the three months ended September 30, 2018 and 2017, the Company incurred administrator expenses of \$512 and \$670, respectively. For the nine months ended September 30, 2018 and 2017, the Company incurred administrator expenses of \$1,640 and \$2,207, respectively. As of September 30, 2018 and December 31, 2017, \$38 and \$13 of administrator expenses were due from the Advisor, respectively, which was included in Due from affiliate on the Consolidated Statement of Assets and Liabilities.

License Agreement

The Company and the Advisor have entered into a license agreement with THL Partners, L.P., or THL Partners, under which THL Partners has granted to the Company and the Advisor a non-exclusive, personal, revocable, worldwide, non-transferable license to use the trade name and service mark THL, which is a proprietary mark of THL Partners, for specified purposes in connection with the Company's and the Advisor's respective businesses. This license agreement is royalty-free, which means the Company is not charged a fee for its use of the trade name and service mark THL. The license agreement is terminable either in its entirety or with respect to the Company or the Advisor by THL Partners at any time in its sole discretion upon 60 days prior written notice, and is also terminable with respect to either the Company or the Advisor by THL Partners in the case of certain events of non-compliance. After the expiration of its first one year term, the entire license agreement is terminable by either the Company or the Advisor at the Company or its sole discretion upon 60 days prior written notice. Upon termination of the license agreement, the Company and the Advisor must cease to use the name and mark THL, including any use in the Company's respective legal names, filings, listings and other uses that may require the Company to withdraw or replace the Company's names and marks. Other than with respect to the limited rights contained in the license agreement, the Company and the Advisor have no right to use, or other rights in respect of, the THL name and mark. The Company is an entity operated independently from THL Partners, and third parties who deal with the Company have no recourse against THL Partners.

Managed Funds

The Advisor and its affiliates may also manage other funds in the future that may have investment mandates that are similar, in whole or in part, with ours. For example, the Advisor may serve as investment adviser to one or more private funds, registered closed-end funds and collateralized loan obligations (CLO). In addition, the Company's officers may serve in similar capacities for one or more private funds, registered closed-end funds and CLOs. The Advisor and its affiliates may determine that an investment is appropriate for us and for one or more of those other funds. In such event, depending on the availability of such investment and other appropriate factors, the Advisor or its affiliates may determine that the Company should invest side-by-side with one or more other funds. The Advisor's policies are designed to manage and mitigate the conflicts of interest associated with the allocation of investment opportunities if we are able to co-invest, either pursuant to SEC interpretive positions or an exemptive order, with other funds managed by the Advisor and its affiliates. As a result, the Advisor and/or its affiliates may face conflicts in allocating investment opportunities between us and such other entities. Although the Advisor and its affiliates will endeavor to allocate investment opportunities in a fair and equitable manner and consistent with applicable allocation procedures, it is possible that we may not be given the opportunity to participate in investments made by investment funds managed by the Advisor or its affiliates.

The 1940 Act generally prohibits BDCs from making certain negotiated co-investments with affiliates absent an order from the SEC permitting the BDC to do so. The SEC has granted the Company the relief it sought in an exemptive application that expands the Company's ability to co-invest in portfolio companies with certain other funds managed by the Advisor or its affiliates ("Affiliated Funds") in a manner consistent with the Company's investment objective, positions, policies, strategies and restrictions as well as regulatory requirements and other pertinent factors, subject to compliance with certain conditions (the "Order"). Pursuant to the Order, the Company is permitted to co-invest with Affiliated Funds if, among other things, a "required majority" (as defined in Section 57(o) of the 1940 Act) or its independent directors make certain conclusions in connection with a co-investment transaction, including that (1) the terms of the transactions, including the consideration to be paid, are reasonable and fair to the Company and its stockholders and do not involve overreaching of the Company or its stockholders on the part of any person concerned, and (2) the transaction is consistent with the interests of the Company's stockholders and is consistent with its investment objective and strategies.

Greenway

On January 14, 2011, THL Credit Greenway Fund LLC, or Greenway, was formed as a Delaware limited liability company. Greenway is a portfolio company of the Company. Greenway is a closed-end investment fund which provides for no liquidity or redemption options and is not readily marketable. Greenway operates under a limited liability agreement dated January 19, 2011, or the Agreement. Greenway will continue in existence until January 14, 2021, subject to earlier termination pursuant to certain terms of the Agreement. The term may also be extended for up to three additional one-year periods pursuant to certain terms of the Agreement. Greenway had a two year investment period.

Greenway had \$150,000 of capital committed by affiliates of a single institutional investor and is managed by the Company. The Company's capital commitment to Greenway is \$15. As of September 30, 2018, Greenway's committed capital had been fully called. The Company's nominal investment in Greenway is reflected in the September 30, 2018 and December 31, 2017 Consolidated Schedules of Investments.

The Company acts as the investment adviser to Greenway and is entitled to receive certain fees relating to its investment management services provided, including a base management fee, a performance fee and a portion of the closing fees on each investment transaction. As a result, Greenway is classified as an affiliate of the Company. For the three and nine months ended September 30, 2018, the Company earned \$11 and \$32, respectively, in fees related to Greenway, which is included in other income from non-controlled, affiliated investments in the Consolidated Statements of Operations. For the three and nine months ended September 30, 2017, the Company recorded earned fees and adjustment to earned fees of \$16 and (\$23), respectively, which is included in other income from non-controlled, affiliated investments in the Consolidated Statements of Operations. As of September 30, 2018 and December 31, 2017, \$12 and \$76 of fees and expenses related to Greenway, respectively, were included in due from affiliate on the Consolidated Statements of Assets and Liabilities.

Greenway invested in securities similar to those of the Company pursuant to investment and allocation guidelines which address, among other things, the size of the borrowers, the types of transactions and the concentration and investment ratio amongst Greenway and the Company. However, the Company has the discretion to invest in other securities.

Greenway II

On January 31, 2013, THL Credit Greenway Fund II, LLC, or Greenway II LLC, was formed as a Delaware limited liability company and is a portfolio company of the Company. Greenway II LLC is a closed-end investment fund which provides for no liquidity or redemption options and is not readily marketable. Greenway II LLC operates under a limited liability agreement dated February 11, 2013, as amended, or the Greenway II LLC Agreement. Greenway II LLC will continue until October 10, 2021, subject to earlier termination pursuant to certain terms of the Greenway II LLC Agreement. The term may also be extended for up to three additional one-year periods pursuant to certain terms of the Greenway II LLC Agreement. Greenway II LLC has a two year investment period.

As contemplated in the Greenway II LLC Agreement, the Company has established a related investment vehicle and entered into an investment management agreement with an account set up by an unaffiliated third party investor to invest alongside Greenway II LLC pursuant to similar economic terms. The account is also managed by the Company. References to "Greenway II" herein include Greenway II LLC and the account of the related investment vehicle. Greenway II had \$186,500 of capital commitments primarily from institutional investors. As of September 30, 2018, Greenway II's committed capital had been fully called. The Company's nominal investment in Greenway II is reflected in the September 30, 2018 and December 31, 2017 Consolidated Schedules of Investments.

The Company acts as the investment adviser to Greenway II and is entitled to receive certain fees relating to its investment management services provided, including a base management fee, a performance fee and a portion of the closing fees on each investment transaction. As a result, Greenway II is classified as an affiliate of the Company. For the three and nine months ended September 30, 2018, the Company earned \$180 and \$660, respectively, in fees related to Greenway II, which are included in other income from non-controlled, affiliated investments in the Consolidated Statements of Operations. For the three and nine months ended September 30, 2017, the Company earned \$264 and \$843, respectively, in fees related to Greenway II, which are included in other income from non-controlled, affiliated investments in the Consolidated Statements of Operations. As of September 30, 2018 and December 31, 2017, \$239 and \$301, respectively, of fees and expenses related to Greenway II were included in due from affiliate on the Consolidated Statements of Assets and Liabilities.

Other deferred assets consist of placement agent expenses incurred in connection with the offer and sale of partnership interests in Greenway II. These amounts are capitalized when the partner signs the Greenway II subscription agreement and are recognized as an expense over the period when the Company expects to collect management fees from Greenway II. For the three months ended September 30, 2018 and 2017, the Company recognized \$0 and \$50, respectively, in expenses related to placement agent expenses, which are included in other general and administrative expenses in the Consolidated Statements of Operations. For the nine months ended September 30, 2018 and 2017, the Company recognized \$0 and \$150, respectively, in expenses related to placement agent expenses, which are included in other general and administrative expenses in the Consolidated Statements of Operations. As of September 30, 2018 and December 31, 2017, the other deferred assets were fully recognized.

Greenway II invested in securities similar to those of the Company pursuant to investment and allocation guidelines which address, among other things, the size of the borrowers, the types of transactions and the concentration and investment ratio amongst Greenway II and the Company. However, the Company has the discretion to invest in other securities.

Due To and From Affiliates

The Advisor paid certain other general and administrative expenses on behalf of the Company. As of September 30, 2018 and December 31, 2017, there were \$68 and \$151, respectively, due to affiliate, which was included in accrued expenses and other payables on the Consolidated Statements of Assets and Liabilities.

As of September 30, 2018 and December 31, 2017, the Advisor owed \$38 and \$13, respectively, of administrator expenses as a reimbursement to the Company, which was included in due from affiliate on the Consolidated Statements of Assets and Liabilities.

The Company acts as the investment adviser to Greenway and Greenway II and is entitled to receive certain fees. As a result, Greenway and Greenway II are classified as affiliates of the Company. As of September 30, 2018 and December 31, 2017, \$251 and \$377 of total fees and expenses related to Greenway and Greenway II, respectively, were included in due from affiliate on the Consolidated Statements of Assets and Liabilities.

For the Company's controlled equity investments, as of September 30, 2018, it had \$3,321 of dividends receivable from Logan JV, Copperweld Bimetallics, LLC and C&K Market, Inc., \$38 of fees from OEM Group, LLC, \$292 of interest from Copperweld Bimetallics, LLC and \$0 of interest from Loadmaster Derrick & Equipment, Inc., included in interest, dividends, and fees receivable and \$191 of fees from Tri Starr Management Services, Inc. in prepaid expenses and other assets on the Consolidated Statements of Assets and Liabilities. As of December 31, 2017, it had \$3,499 of dividends receivable from Logan JV and C&K Market, Inc., \$460 of interest and fees from OEM Group, LLC, \$169 of interest from Copperweld Bimetallics, LLC, \$95 of interest from Loadmaster Derrick & Equipment, Inc., included in interest, dividends, and fees receivable, and \$316 of interest and fees from Tri Starr Management Services, Inc. in prepaid expenses and other assets, which was offset by \$50 of deferred revenue in other deferred liabilities, on the Consolidated Statements of Assets and Liabilities.

5. Realized Gains and Losses on Investments, net of income tax provision

The following shows the breakdown of net realized gains and losses for the three and nine months ended September 30, 2018 and 2017:

	For the		For the	
	three months		nine months	
	ended September		ended September	
	30,	2017	30,	2017
	2018	2017	2018	2017
Aerogroup International Inc. ⁽¹⁾	\$(366)	\$—	\$(6,675)	\$—
Charming Charlie LLC ⁽²⁾	—	—	(11,494)	—
CRS Reprocessing, LLC ⁽³⁾	—	(11,924)	—	(11,924)
Fairstone Financial Inc. ⁽⁴⁾	—	—	157	—
Food Processing Holdings, LLC	28	645	28	645
Flagship VII, Ltd.	—	—	—	(808)
Flagship VIII, Ltd.	—	—	—	(649)
Gryphon Partners 3.5, L.P.	128	—	176	589
Hostway Corporation	—	—	—	(951)
Specialty Brands Holdings, LLC ⁽⁵⁾	—	—	(21,013)	—
THL Credit Logan JV LLC	(101)	—	242	—
Washington Inventory Service ⁽⁶⁾	—	—	—	(10,378)
YP Equity Investors, LLC	—	—	21	1,263
Other	25	(45)	22	(17)
Net realized losses	\$(286)	\$(11,324)	\$(38,536)	\$(22,230)

⁽¹⁾In March of 2018, Aerogroup International Inc. was sold through bankruptcy proceedings and the Company received \$2,494 in proceeds with an additional \$6,295 reflected as escrow receivable. During the nine months ended September 30, 2018, a realized loss on the investment of \$6,675 was offset by a reversal of unrealized prior period depreciation of \$2,231.

⁽²⁾In January 2018, the Company's commitment in the DIP facilities allowed it to convert \$17,893 of principal of its Pre-petition Term Loan into a DIP Roll-up Term Loan. As part of this conversion and in accordance with debt extinguishment rules under GAAP, the Company recorded a realized loss of \$8,369, which was offset by a corresponding change in unrealized appreciation in the same amount. Subsequently, on April 24, 2018, Charming Charlie LLC emerged from Chapter 11 bankruptcy proceedings whereby the Company converted its DIP facilities, Pre-petition Term Loan and DIP Roll-up Term Loan into two new exit first lien term loans and a noncontrolling common equity interest (the Company and other funds managed by the Advisor collectively have a controlling equity interest in Charming Charlie, LLC). On the same date, the Company funded \$894 of the remaining unfunded commitments under its DIP facilities and used an additional \$2,236 to purchase another lender's existing DIP revolving credit facility, all of which converted to the exit first lien term loans. As a result of these transactions, the Company's debt investment in Charming Charlie is comprised of \$24,601 in the exit first lien term loans. In addition, the Company provided \$8,946 of commitments under a vendor financing facility, which was subsequently reduced to \$8,275 with \$671 funded into a first lien term loan. As part of this conversion and in accordance with GAAP, the company recorded a realized loss of \$3,125 for the nine months ended September 30, 2018.

⁽³⁾On September 11, 2017, the Company sold its senior secured term loan realizing proceeds of \$3,160.

⁽⁴⁾Includes the impact of foreign exchange gain.

⁽⁵⁾On June 29, 2018, as part of restructuring the business, the Company agreed to sell its second lien term loan for \$450 in cash and received nominal equity interests in an affiliated entity.

⁽⁶⁾On June 8, 2017, as part of restructuring the business, the Company agreed to sell its second lien term loan to the first lien lenders for \$550.

In connection with the proceeds received from the exit of its equity investment in YP Equity Investors, LLC and affiliated funds held in a consolidated blocker corporation, the Company recorded an income tax provision on realized gains of \$7 and \$842, respectively, for the three and nine months ended September 30, 2017.

6. Net Increase in Net Assets Per Share Resulting from Operations

The following information sets forth the computation of basic and diluted net increase in net assets per share resulting from operations:

	For the three months ended September 30, 2018		For the nine months ended September 30, 2018	
	2017	2018	2017	2018
Numerator—net increase in net assets resulting from operations:	\$4,653	\$4,113	\$12,530	\$10,641
Denominator—basic and diluted weighted average common shares:	32,674	32,722	32,674	32,839
Basic and diluted net increase in net assets per common share resulting from operations:	\$0.14	\$0.13	\$0.38	\$0.33

Diluted net increase in net assets per share resulting from operations equals basic net increase in net assets per share resulting from operations for each period because there were no common stock equivalents outstanding during the above periods.

7. Borrowings

The following shows a summary of the Company's borrowings as of September 30, 2018 and December 31, 2017:

Facility	As of September 30, 2018						December 31, 2017			
	Commitments	Borrowings Outstanding	Weighted Average Borrowings Outstanding (2)	Weighted Average Interest Rate		Commitments	Borrowings Outstanding	Weighted Average Borrowings Outstanding (4)	Weighted Average Interest Rate	
Revolving Facility ⁽⁵⁾	\$275,000	\$112,961	\$147,900	4.66	%	\$275,000	\$167,317	\$118,021	4.03	%
2021 Notes	50,000	50,000	50,000	6.75	%	50,000	50,000	50,000	6.75	%
2022 Notes	60,000	60,000	60,000	6.75	%	60,000	60,000	60,000	6.75	%
Total	\$385,000	\$222,961	\$257,900	5.69	%	\$385,000	\$277,317	\$228,021	5.11	%

(1) As of September 30, 2018, excludes deferred financing costs of \$950 for the 2021 Notes and \$1,535 for the 2022 Notes presented as a reduction to the respective balances outstanding in the Consolidated Statements of Assets and Liabilities.

(2) Represents the weighted average borrowings outstanding for the nine months ended September 30, 2018.

(3) As of December 31, 2017, excludes deferred financing costs of \$1,177 for the 2021 Notes and \$1,808 for the 2022 Notes presented as a reduction to the respective balances outstanding in the Consolidated Statements of Assets and Liabilities.

(4) Represents the weighted average borrowings outstanding for the year ended December 31, 2017.

(5) The Company may borrow amounts in U.S. dollars or certain other permitted currencies. As of September 30, 2018, the Company had outstanding debt denominated in Canadian Dollars (CAD) of CAD \$19,389 on its Revolving Credit Facility. The CAD was converted into USD at a spot exchange rate of \$0.77 CAD to \$1.00 USD as of September 30, 2018. As of December 31, 2017, the Company had outstanding debt denominated in Canadian Dollars (CAD) of CAD \$29,389 on its Revolving Facility. The CAD was converted into USD at a spot exchange rate of \$0.80 CAD to \$1.00 USD as of December 31, 2017.

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Credit Facility

On December 15, 2017, the Company entered into an amendment, or the Revolving Amendment, to its existing revolving credit agreement, or Revolving Facility. The Revolving Amendment revised the Revolving Facility dated August 19, 2015 to, among other things, extend the maturity date from August 2019 to December 2022 (with a one year term out period beginning in December 2021). The one year term out period is the one year anniversary between the revolver termination date, or the end of the availability period, and the maturity date. During this time, the Company is required to make mandatory prepayments on its loans from the proceeds it receives from the sale of assets, extraordinary receipts, returns of capital or the issuances of equity or debt. The Revolving Amendment also reduced the size of the commitments from \$303,500 to \$275,000. The Revolving Facility, denominated in USD, has an interest rate of LIBOR plus 2.5% (with no LIBOR floor). The Revolving Facility, denominated in CAD, has an interest rate of CDOR plus 2.5% (with no CDOR floor). The non-use fee is 1.0% annually if the Company uses 35% or less of the Revolving Facility and 0.50% annually if the Company uses more than 35% of the Revolving Facility. The Company elects the LIBOR or CDOR rates on the loans outstanding on its Revolving Facility, which has a LIBOR or CDOR period that is one, two, three or nine months. The LIBOR rate on the USD borrowings outstanding on its Revolving Facility had a one month LIBOR period as of September 30, 2018. The CDOR rate on the CAD borrowings outstanding on its Revolving Facility had a one month CDOR period as of September 30, 2018.

As of September 30, 2018, the Company had borrowings of \$112,961 outstanding under the Revolving Facility with a weighted average interest rate of 4.70% including non-USD borrowings denominated in Canadian dollars of CAD \$19,389 (\$15,000 in USD) outstanding under the Revolving Facility with a weighted average interest rate of 4.34%. The borrowings denominated in CAD are translated into USD based on the spot rate at each balance sheet date. The impact resulting from changes in foreign exchange rates on the Revolving Facility borrowings is included in unrealized appreciation (depreciation) on foreign currency borrowings in our Consolidated Statements of Operations. The borrowings denominated in CAD may be positively or negatively affected by movements in the rate of exchange between the USD and CAD. This movement is beyond our control and cannot be predicted.

On December 15, 2017, in conjunction with the Revolving Amendment, the \$75,000 senior secured term loan facility, Term Loan Facility, was refinanced into the Revolving Facility and the Term Loan Facility was terminated. The Term Loan Facility previously had a maturity date of August 2021, an interest rate of LIBOR plus 2.75% (with no LIBOR floor) and had substantially similar terms to the existing Revolving Facility (as amended by the Revolving Amendment). As of September 30, 2017, the LIBOR rate on its Senior Secured Term Loan had a one month LIBOR period.

The Revolving Facility included an accordion feature permitting the Company to expand the Revolving Facility, if certain conditions are satisfied; provided, however, that the aggregate amount of the Revolving Facility, collectively, is capped. The Second Revolving Amendment revised the cap from \$600,000 to \$500,000.

The Revolving Facility generally requires payment of interest on a quarterly basis for ABR loans (commonly based on the Prime Rate or the Federal Funds Rate), and at the end of the applicable interest period for Eurocurrency loans bearing interest at LIBOR, the interest rate benchmark used to determine the variable rates paid on the Revolving Facility. All outstanding principal is due upon each maturity date. The Revolving Facility also require a mandatory prepayment of interest and principal upon certain triggering events (including, without limitation, the disposition of assets or the issuance of certain securities).

Borrowings under the Revolving Facility are subject to, among other things, a minimum borrowing/collateral base. The Revolving Facility have certain collateral requirements and/or covenants, including, but not limited to covenants related to: (a) limitations on the incurrence of additional indebtedness and liens, (b) limitations on certain investments, (c) limitations on certain restricted payments, (d) limitations on the creation or existence of agreements that prohibit

liens on certain properties of the Company and its subsidiaries, and (e) compliance with certain financial maintenance standards including (i) minimum stockholders' equity, (ii) a ratio of total assets (less total liabilities not represented by senior securities) to the aggregate amount of senior securities representing indebtedness, of the Company and its consolidated subsidiaries, of not less than 2.00, (iii) minimum liquidity, (iv) minimum net worth, and (v) a consolidated interest coverage ratio. In addition to the financial maintenance standards, described in the preceding sentence, borrowings under the Revolving Facility (and the incurrence of certain other permitted debt) are subject to compliance with a borrowing base that applies different advance rates to different types of assets in the Company's portfolio.

The credit agreement governing the Revolving Facility also includes default provisions such as the failure to make timely payments under the Revolving Facility, the occurrence of a change in control, and the failure by the Company to materially perform under the operative agreements governing the Revolving Facility, which, if not complied with, could, at the option of the lenders under the Revolver Facility, accelerate repayment under the Revolving Facility, thereby materially and adversely affecting the Company's liquidity, financial condition and results of operations. The Company cannot be assured that it will be able to borrow funds under the Revolving Facility at any particular time or at all. The Company is currently in compliance with all financial covenants under the Revolving Facility.

For the nine months ended September 30, 2018, the Company borrowed \$69,500 and repaid \$123,088 under the Revolving Facility (includes CAD \$10,000 converted to USD \$7,688). For the nine months ended September 30, 2017, the Company borrowed \$85,860 (includes CAD \$29,389 converted to USD \$22,110) and repaid \$82,750 under the Revolving Facility.

As of September 30, 2018 and December 31, 2017, the carrying amount of the Company's outstanding Revolving Facility approximated fair value. The fair values of the Company's Revolving Facility are determined in accordance with ASC 820, which defines fair value in terms of the price that would be paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions. The fair value of the Company's Revolving Facility is estimated based upon market interest rates and entities with similar credit risk. As of September 30, 2018 and December 31, 2017, the Revolving Facility would be deemed to be Level 3 of the fair value hierarchy.

Interest expense and related fees, excluding amortization of deferred financing costs, of \$1,614 and \$5,253, respectively, were incurred in connection with the Revolving Facility for the three and nine months ended September 30, 2018. Interest expense and related fees, excluding amortization of deferred financing costs, of \$2,152 and \$6,257, respectively, were incurred in connection with the Revolving Facility and previously outstanding Term Loan for the three and nine months ended September 30, 2017. Amortization of deferred financing costs of \$148 and \$241, respectively, were incurred in connection with the Facilities for the three months ended September 30, 2018 and 2017. Amortization of deferred financing costs of \$437 and \$715, respectively, were incurred in connection with the Facilities for the nine months ended September 30, 2018 and 2017. As of September 30, 2018, the Company had \$2,460 of deferred financing costs related to the Revolving Facility, which is presented as an asset. As of December 31, 2017, the Company had \$2,890 of deferred financing costs related to the Revolving Facility, which is presented as an asset.

In accordance with the 1940 Act, with certain exceptions, the Company is only allowed to borrow amounts such that its asset coverage, as defined in the 1940 Act, is at least 200% after such borrowing. The asset coverage as of September 30, 2018 was in excess of 200%. However, recent legislation has modified the 1940 Act by allowing a BDC to increase the maximum amount of leverage it may incur under the 1940 Act from an asset coverage ratio of 200% to an asset coverage ratio of 150%, if certain requirements are met. Under the legislation, the Company will be allowed to increase its leverage capacity if shareholders representing at least a majority of the votes cast, when quorum is met, approve a proposal to do so. If the Company receives shareholder approval, it would be allowed to increase our leverage capacity on the first day after such approval. Alternatively, the legislation allows the majority of the Company's independent directors to approve an increase in its leverage capacity, and such approval would become effective after one year. In either case, the Company would be required to make certain disclosures on its website and in SEC filings regarding, among other things, the receipt of approval to increase its leverage, its leverage capacity and usage, and risks related to leverage. As a result of this legislation, the Company may be able to increase its leverage up to an amount that reduces its asset coverage ratio from 200% to 150% if it receives the necessary approval and amends the Revolving Facility, with lender consent, as described above. The company continues to evaluate whether to increase its leverage capacity under this new legislation.

Notes

In December 2014, the Company completed a public offering of \$50,000 in aggregate principal amount of 6.75% notes due 2021, or the 2021 Notes. The 2021 Notes mature on November 15, 2021, and may be redeemed in whole or in part at any time or from time to time at our option on or after November 15, 2017. The 2021 Notes bear interest at a rate of 6.75% per year payable quarterly on March 30, June 30, September 30 and December 30, of each year, beginning December 30, 2014 and trade on the New York Stock Exchange under the trading symbol "TCRX".

In December 2015 and November 2016, the Company completed a public offering of \$35,000 and \$25,000, respectively, in aggregate principal amount of 6.75% notes due 2022, or the 2022 Notes. The 2022 Notes mature on December 30, 2022, and may be redeemed in whole or in part at any time or from time to time at our option on or after December 30, 2018. The 2022 Notes bear interest at a rate of 6.75% per year payable quarterly on March 30, June 30, September 30 and December 30, of each year, beginning March 30, 2016 and trade on the New

York Stock Exchange under the trading symbol “TCRZ”.

The 2021 Notes and the 2022 Notes are collectively referred to as the Notes.

As of September 30, 2018, the carrying amount and fair value of our Notes was \$110,000 and \$111,348, respectively. As of December 31, 2017, the carrying amount and fair value of our Notes was \$110,000 and \$112,652, respectively. The fair value of our Notes are determined in accordance with ASC 820, which defines fair value in terms of the price that would be paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions. The fair value of the Notes is based on the closing price of the security, which is a Level 2 input under ASC 820 due to the trading volume.

In connection with the issuance of the Notes, the Company incurred \$4,682 of fees and expenses. These deferred financing costs are presented as a reduction to the Notes payable balance and are being amortized using the effective yield method over the term of the Notes. For the three months ended September 30, 2018 and 2017, the Company amortized approximately \$168 and \$168 of deferred financing costs, respectively, which is reflected in amortization of deferred financing costs on the Consolidated Statements of Operations. For the nine months ended September 30, 2018 and 2017, the Company amortized approximately \$500 and \$499, respectively, which is reflected in amortization of deferred financing costs on the Consolidated Statements of Operations. As of September 30, 2018 and December 31, 2017, the Company had \$2,485 and \$2,895 remaining deferred financing costs on the Notes, which reduced the notes payable balance on the Consolidated Statements of Assets and Liabilities.

For the three months ended September 30, 2018 and 2017, the Company incurred interest expense on the Notes of \$1,856 and \$1,856, respectively. For the nine months ended September 30, 2018 and 2017, the Company incurred interest expense on the Notes of \$5,569 and \$5,569, respectively. In October 2018, the Company issued \$51,607 in aggregate principal amount of 6.125% notes due 2023. Refer to Note 12, Subsequent Events for more information relating to such issuance.

The indenture and supplements thereto relating to the Notes contain certain covenants, including but not limited to (i) an inability to incur additional borrowings, including through the issuance of additional debt or the sale of additional debt securities unless the Company's asset coverage meets the definition in the 1940 Act after such borrowing and (ii) if we are not subject to the reporting requirements under the Securities and Exchange Act of 1934 to file periodic reports with the SEC we will provide interim and consolidated financial information to the holders of the Notes and the trustee.

8. Contractual Obligations and Off-Balance Sheet Arrangements

From time to time, the Company, or the Advisor, may become party to legal proceedings in the ordinary course of business, including proceedings related to the enforcement of the Company's rights under contracts with its portfolio companies. Neither the Company, nor the Advisor, is currently subject to any material legal proceedings.

Unfunded commitments to provide funds to portfolio companies are not reflected on the Company's Consolidated Statements of Assets and Liabilities. The Company's unfunded commitments may be significant from time to time. These commitments will be subject to the same underwriting and ongoing portfolio maintenance as are the on-balance sheet financial instruments that the Company holds. Since these commitments may expire without being drawn upon, the total commitment amount does not necessarily represent future cash requirements. The Company intends to use cash flow from normal and early principal repayments and proceeds from borrowings and offerings to fund these commitments.

As of September 30, 2018 and December 31, 2017, the Company has the following unfunded commitments to portfolio companies:

	As of	
	September	December
	30,	31, 2017
	2018	
Unfunded delayed draw facilities		
Charming Charlie, LLC	\$8,275	\$ 4,474
Home Partners of America, Inc.	5,858	—
	14,133	4,474
Unfunded revolving commitments		
Gener8, LLC	1,200	—
Hansons Window & Construction, Inc.	103	256
HealthDrive Corporation	250	850
Holland Intermediate Acquisition Corp. ⁽¹⁾	3,000	3,000
The John Gore Organization, Inc.	—	800
Loadmaster Derrick & Equipment, Inc.	255	60
OEM Group, LLC	3,555	940
Togetherwork Holdings, LLC	—	116

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Tri Starr Management Services, Inc.	595	549
Sciens Building Solutions, LLC	2,556	2,055
SPST Holdings, LLC	755	755
Whitney, Bradley & Brown, Inc.	—	117
	12,269	9,498
Unfunded commitments to investments in funds		
Freeport Financial SBIC Fund LP	680	680
Gryphon Partners 3.5, L.P.	380	380
	1,060	1,060
Total unfunded commitments	\$27,462	\$ 15,032

(1) The Company has sole discretion as to whether to lend under this revolving commitment.

The changes in fair value of the Company's unfunded commitments are considered to be immaterial as the yield determined at the time of underwriting is expected to be materially consistent with the yield upon funding. The Company will fund its unfunded commitments from the same sources it uses to fund its investment commitments that are funded at the time they are made (which are typically existing cash and cash equivalents and borrowings under the Revolving Facility). The Company manages its liquidity to ensure that it has available capital to fund its unfunded commitments as necessary.

9. Distributions

The Company has elected to be taxed as a RIC under Subchapter M of the Code. In order to maintain its status as a RIC, it is required to distribute annually to its stockholders at least 90% of its investment company taxable income, as defined by the Code. To avoid a 4% excise tax on undistributed earnings, the Company is required to distribute each calendar year the sum of (i) 98% of its ordinary income for such calendar year (ii) 98.2% of its net capital gains for the one-year period ending October 31 of that calendar year (iii) any income recognized, but not distributed, in preceding years and on which the Company paid no federal income tax. The Company intends to make distributions to stockholders on a quarterly basis of substantially all of its net investment income. In addition, although the Company intends to make distributions of net realized capital gains, if any, at least annually, out of assets legally available for such distributions, it may in the future decide to retain such capital gains for investment.

In addition, the Company may be limited in its ability to make distributions due to the BDC asset coverage test for borrowings applicable to the Company as a BDC under the 1940 Act.

The following table summarizes the Company's distributions declared and paid or to be paid on all shares, including distributions reinvested, if any, for the period from January 1, 2016 through December 31, 2018:

Date Declared	Record Date	Payment Date	Amount Per Share	Percentage Attributable to Return of Investors' Paid-In Capital
March 8, 2016	March 21, 2016	March 31, 2016	\$ 0.34	—
May 3, 2016	June 15, 2016	June 30, 2016	\$ 0.34	—
August 2, 2016	September 15, 2016	September 30, 2016	\$ 0.34	—
November 8, 2016	December 15, 2016	December 30, 2016	\$ 0.27	—
March 7, 2017	March 20, 2017	March 31, 2017	\$ 0.27	—
May 2, 2017	June 15, 2017	June 30, 2017	\$ 0.27	—
August 1, 2017	September 15, 2017	September 29, 2017	\$ 0.27	—
November 7, 2017	December 15, 2017	December 29, 2017	\$ 0.27	—
March 2, 2018	March 20, 2018	March 30, 2018	\$ 0.27	—
May 1, 2018	June 15, 2018	June 29, 2018	\$ 0.27	—
August 7, 2018	September 14, 2018	September 28, 2018	\$ 0.27	—
November 6, 2018	December 14, 2018	December 31, 2018	\$ 0.27	—

The Company may not be able to achieve operating results that will allow it to make distributions at a specific level or to increase the amount of these distributions from time to time. If the Company does not distribute a certain

percentage of its income annually, it will suffer adverse tax consequences, including possible loss of its status as a regulated investment company. The Company cannot assure stockholders that they will receive any distributions at a particular level.

The Company maintains an “opt in” dividend reinvestment plan for our common stockholders. As a result, unless stockholders specifically elect to have their dividends automatically reinvested in additional shares of common stock, stockholders will receive all such dividends in cash. There were no dividends reinvested for the three and nine months ended September 30, 2018. There were \$0 and \$3, respectively, of dividends reinvested for the three and nine months ended September 30, 2017.

Under the terms of the Company’s dividend reinvestment plan, dividends will primarily be paid in newly issued shares of common stock. However, the Company reserves the right to purchase shares in the open market in connection with the implementation of the plan. This feature of the plan means that, under certain circumstances, the Company may issue shares of our common stock at a price below net asset value per share, which could cause our stockholders to experience dilution.

Distributions in excess of the Company’s current and accumulated earnings and profits would generally be treated as a return of capital (reduced by the Company’s fees and expenses) to the extent of a shareholder’s adjusted tax basis in its shares. If a shareholder’s tax basis is reduced to zero, the shareholder would treat any remaining distributions as a capital gain. The determination of the tax attributes of our distributions will be made annually as of the end of our fiscal year based upon our taxable income for the full year and distributions paid for the full year. Therefore, a determination made on a quarterly basis may not be representative of the actual tax attributes of our distributions for a full year. If the Company had determined the tax

attributes of its 2018 distributions as of September 30, 2018, 100% would be from ordinary income, 0% would be from capital gains and 0% would be a return of capital. Each year, a statement on Form 1099-DIV identifying the source of the distribution will be mailed to the Company's stockholders of record.

The Company may generate qualified interest income and short-term capital gains that may be exempt from United States withholding tax on foreign accounts. A regulated investment company, or RIC, is permitted to designate distributions in the form of dividends that represent interest income (commonly referred to as qualified interest income) and short-term capital gains as exempt from U.S. withholding tax when paid to non-U.S. stockholders with proper documentation.

10. Financial Highlights

	For the three months ended		For the nine months ended	
	September 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017
Per Share Data ⁽¹⁾ :				
Net asset value attributable to THL Credit, Inc.,				
beginning of period	\$10.23	\$11.48	\$10.51	\$11.82
Net investment income, after taxes ⁽²⁾	0.26	0.34	0.84	0.94
Net realized loss on investments ⁽²⁾	(0.01)	(0.35)	(1.19)	(0.68)
Income tax provision, realized gain ⁽²⁾	—	—	—	(0.03)
Net change in unrealized appreciation				
(depreciation) on investments, net of deferred taxes ⁽²⁾⁽⁵⁾	(0.11)	0.14	0.75	0.10
Net increase in net assets resulting from				
operations	0.14	0.13	0.40	0.33
Distributions to stockholders from net investment	(0.27)	(0.27)	(0.81)	(0.81)

income								
Net asset value attributable to THL Credit, Inc., end of								
period	\$10.10		\$11.34		\$10.10		\$11.34	
Per share market value at end of								
period	\$8.07		\$9.33		\$8.07		\$9.33	
Total return ⁽³⁾⁽⁶⁾	6.65	%	-3.52	%	-1.35	%	1.25	%
Shares outstanding at end of period	32,674		32,674		32,674		32,674	
Ratio/Supplemental Data:								
Net assets at end of period, attributable to								
THL Credit Inc.	\$330,093		\$370,404		\$330,093		\$370,404	
Ratio of total expenses to average net assets,								
attributable to THL Credit, Inc. ⁽⁴⁾⁽⁷⁾⁽⁸⁾	9.04	%	9.61	%	9.38	%	9.82	%
Ratio of net investment income to average net								
assets, attributable to THL Credit, Inc. ⁽⁷⁾⁽⁹⁾	10.23	%	11.66	%	10.85	%	10.80	%
Portfolio turnover, attributable to THL Credit, Inc.	3.71	%	4.33	%	9.87	%	13.46	%

- (1) Includes the cumulative effect of rounding.
- (2) Calculated based on weighted average common shares outstanding.
- (3) Total return is based on the change in market price per share during the period. Total return takes into account dividends and distributions, if any, reinvested in accordance with the Company's dividend reinvestment plan.
- (4) For the three months ended September 30, 2018 and 2017, the ratio components included 2.68% and 2.79% of base management fee, 0.00% and 0.00% of net incentive fee, 4.52% and 4.71% of the cost of borrowing, 1.76% and 2.25% of other

operating expenses, and 0.08% and (0.14%) of the impact of all taxes, respectively. For the nine months ended September 30, 2018 and 2017, the ratio components included 2.71% and 2.73% of base management fee, 0.00% and 0.87% of net incentive fee, 4.63% and 4.55% of the cost of borrowing, 1.85% and 2.01% of other operating expenses, and 0.19% and (0.34%) of the impact of all taxes, respectively.

(5) Includes the net change in unrealized appreciation (depreciation) on foreign currency transactions.

(6) Not annualized.

(7) Annualized, except for taxes and the related impact of incentive fees.

(8) Ratio of total expenses

before
incentive fee
waiver to
average net
assets
attributable to
THL Credit
Inc. is 9.54%
and 10.51%
for the three
months ended
September 30,
2018 and
2017,
respectively.

Ratio of total
expenses
before
incentive fee
waiver to
average net
assets
attributable to
THL Credit
Inc. is 9.87%
and 10.10%
for the nine
months ended
September 30,
2018 and
2017,
respectively.
Incentive fees
are not
annualized as
part of this
calculation.

⁽⁹⁾ Ratio of net
investment
income before
incentive fee
waiver to
average net
assets
attributable to
THL Credit
Inc. is 9.73%
and 10.76%
for the three
months ended
September 30,

2018 and
2017,
respectively.
Ratio of net
investment
income before
incentive fee
waiver to
average net
assets
attributable to
THL Credit
Inc. is 10.36%
and 10.51%
for the nine
months ended
September 30,
2018 and
2017,
respectively.
Incentive fees
are not
annualized as
part of this
calculation.

11. Stock Repurchase Program

On March 7, 2017 our board of directors authorized a \$20,000 stock repurchase program, which was extended on March 2, 2018. Unless extended by its board of directors, the stock repurchase program will expire on March 2, 2019 and may be modified or terminated at any time for any reason without prior notice. The Company has provided its stockholders with notice of its ability to repurchase shares of its common stock in accordance with 1940 Act requirements. The Company will retire immediately all such shares of common stock that it purchases in connection with the stock repurchase program.

The following table summarizes our share repurchases under our stock repurchase program for the three and nine months ended September 30, 2018 and 2017:

	For the three months ended September 30, 2018	For the nine months ended September 30, 2017
Dollar amount repurchased	\$—\$992	\$—\$2,493
Shares repurchased	— 102	— 252

Average price per share (including commission)	\$—\$9.73	\$—\$9.89
Weighted average discount to net asset value	— 15.55 %	— 15.02 %

12. Subsequent Events

The Company's management has evaluated subsequent events through the date of issuance of the consolidated financial statements included herein. There have been no subsequent events that occurred during such period that would require disclosure in this Form 10-Q or would be required to be recognized in the consolidated financial statements as of and for the nine months ended September 30, 2018, except as discussed below.

From October 1, 2018 through November 7, 2018, the Company made new investments totaling \$15,233 and follow-on investments of \$8,626 at a combined weighted average yield based upon cost at the time of the investment of 10.9%.

On October 5, 2018, the Company completed a public offering of \$50,000 in aggregate principal amount of 6.125% notes due 2023 ("2023 Notes"). The 2023 Notes mature on October 30, 2023, and may be redeemed in whole or in part at any time or from time to time at our option on or after October 30, 2021. The 2023 Notes bear interest at a rate of 6.125% per year payable quarterly on March 30, June 30, September 30 and December 30, of each year, beginning December 30, 2018 and trade on the New York Stock Exchange under the trading symbol "TCRW". On October 16, 2018, the underwriters exercised their option to purchase an additional \$1,607 to cover overallocments. The proceeds from this public offering were used to redeem the 2021 Notes and partially repay the Revolving Facility. The redemption of the 2021 Notes was completed on November 5, 2018. As a

result of this redemption, the Company will recognize approximately \$921 of one-time costs from the accelerated amortization of deferred financing costs related to the 2021 Notes during the three months ended December 31, 2018.

On October 26, 2018, the Company fully exited its debt and controlling equity investment in Tri Starr Management Services, Inc. Cash proceeds received and escrow were in-line with the September 30, 2018 fair value.

On November 6, 2018, the Company's board of directors declared a dividend of \$0.27 per share payable on December 31, 2018 to stockholders of record at the close of business on December 14, 2018.

Schedule 12-14

THL Credit, Inc. and Subsidiaries

Schedule of Investments in and Advances to Affiliates

(dollar amounts in thousands)

(unaudited)

Type of Investment/Portfolio company (1)(2)(9)	Principal/No.of		Net Realized Gain (Loss)	Net Unrealized Appreciation (Depreciation)	Dividends/ Interest Income/ Other		Fair Value at September 30, 2018
	Shares /No.of	Purchases Sales					
	Units						
Control Investments							
—56.06% of net asset value							
Control Investments - Majority Owned							
—51.44% of net asset value							
First lien senior secured debt							
—13.98% of net asset value							
Northeast							
—1.80% of net asset value							
Tri Starr Management Services, Inc. - LIFO							
revolving loan 9.0% (ABR+3.8%)							
due 9/30/2019	\$ —	\$ 304	\$(350)	\$ —	\$ —	\$ 14	\$ —
Tri Starr Management Services, Inc. - Non							
LIFO revolving loan 7.0% (LIBOR + 4.8%)							
cash due 9/30/2019	669	—	—	—	(42)	76	669
Tri Starr Management Services, Inc. - Tranche							
1-A term loan 7.0% (LIBOR + 4.8%) cash							
due 9/30/2019	291	—	—	—	(22)	37	291

Tri Starr Management Services, Inc. -
Tranche

1-B term loan 7.0% (LIBOR + 4.8%)
cash

due 9/30/2019	2,545	—	—	—	(193)	320	2,545
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Tri Starr Management Services, Inc. -
Tranche

2 term loan 10% PIK due 9/30/2019	1,695	—	—	—	(105)	226	1,695
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Tri Starr Management Services, Inc. -
Tranche

3 term loan 10% PIK due 9/30/2019 (3)	1,130	—	—	—	263	—	735
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Tri Starr Management Services, Inc. -
Tranche

4 term loan 5% PIK due 9/30/2019 (3)	3,364	—	—	—	—	—	—
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Subtotal Northeast	\$ 9,694	\$ 304	\$(350)	\$ —	\$ (99)	\$ 673	\$ 5,935
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Southeast

—2.15% of net asset value

Loadmaster Derrick & Equipment,
Inc. -

Senior secured revolving term loan
(3)

12.6% (LIBOR+ 10.3%) due 12/31/2020	\$ 4,615	\$ 1,375	\$—	\$ —	\$ —	\$ 95	\$ 4,615
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Loadmaster Derrick & Equipment,
Inc. -

Senior secured term loan 11.9% (LIBOR + 10.3% PIK) ⁽³⁾ due 12/31/2020	8,315	—	—	—	(1,316)	—	2,495
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Loadmaster Derrick & Equipment,
Inc. -

Senior secured term loan 13.7%

(LIBOR + 12% PIK) ⁽³⁾ due 12/31/2020	1,885	—	—	—	—	—	—
Subtotal Southeast	\$ 14,815	\$ 1,375	\$—	\$ —	\$ (1,316)	\$ 95	\$ 7,110

Southwest

—10.04% of net asset value

OEM Group, LLC - Senior secured
term loan

11.7% (LIBOR+9.5%)(7.7% Cash
and 4.0% PIK)

due 6/30/2022	\$ 18,893	\$ —	\$ —	\$ —	\$ —	\$ 1,601	\$ 18,893
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OEM Group, LLC - Senior secured
revolving

term loan 11.7%
(LIBOR+9.5%)(7.7% Cash and 4.0%
PIK)

due 6/30/2022	5,195	4,975	—	—	1,930	145	5,195
---------------	-------	-------	---	---	-------	-----	-------

OEM Group, LLC - Senior secured
revolving

term loan 11.7%
(LIBOR+9.5%)(7.7% Cash and 4.0%
PIK)

due 6/30/2022	9,020	1,620	(750)	—	(10)	770	9,020
Subtotal Southwest	\$ 33,108	\$ 6,595	\$ (750)	\$ —	\$ 1,920	2,516	\$ 33,108

THL Credit, Inc. and Subsidiaries

Schedule of Investments in and Advances to Affiliates

(dollar amounts in thousands)

(unaudited)

Type of Investment/Portfolio company ⁽¹⁾⁽²⁾⁽⁹⁾	Principal/No.of			Net	Net	Dividends/	Fair
	Shares /No.of			Realized	Unrealized	Interest	Value at
	Units	Purchases	Sales	Gain	Appreciation	Income/	September
				(Loss)	(Depreciation)	Other	30,
						Income	2018
Subtotal first lien senior secured debt	\$ 57,617	\$ 8,274	\$(1,100)	\$ —	\$ 505	\$ 3,284	\$ 46,153
Second lien debt							
—1.64% of net asset value							
Southeast							
—1.64% of net asset value							
Copperweld Bimetallics, LLC - 12%							
cash due 10/5/2021	\$ 5,415	\$ —	\$ —	\$ —	\$ —	\$ 493	\$ 5,415
Subtotal Southeast	\$ 5,415	\$ —	\$ —	\$ —	\$ —	\$ 493	\$ 5,415
Subtotal second lien debt	\$ 5,415	\$ —	\$ —	\$ —	\$ —	\$ 493	\$ 5,415
Equity Investments							
—9.74% of net asset value							
Northeast							
—2.72% of net asset value							
Tri Starr Management Services, Inc. ⁽⁶⁾	0.72	\$ —	\$ —	\$ —	\$ 2,041	\$ 113	\$ 9,009
Subtotal Northeast		\$ —	\$ —	\$ —	\$ 2,041	\$ 113	\$ 9,009
Southeast							
—6.48% of net asset value							
Copperweld Bimetallics, LLC ⁽⁵⁾	677	\$ —	\$ —	\$ —	\$ 3	\$ 359	\$ 4,038
Copperweld Bimetallics, LLC ⁽⁶⁾	609,230	—	—	—	8,147	487	17,339
Loadmaster Derrick & Equipment, Inc. ⁽³⁾⁽⁵⁾	12,131	—	—	—	—	—	—
	2,956	—	—	—	—	—	—

Loadmaster Derrick & Equipment, Inc. ⁽³⁾⁽⁶⁾							
Subtotal Southeast		\$ —	\$ —	\$ —	\$ 8,150	\$ 846	\$ 21,377
Southwest							
—0.54% of net asset value							
OEM Group, LLC ⁽⁶⁾	10,000	\$ —	\$ —	\$ —	\$ (10,841)	\$ —	\$ 1,766
Subtotal Southwest		\$ —	\$ —	\$ —	\$ (10,841)	\$ —	\$ 1,766
Subtotal equity investments		\$ —	\$ —	\$ —	\$ (650)	\$ 959	\$ 32,152
Investments in funds							
—26.08% of net asset value							
Northeast							
—26.08% of net asset value							
THL Credit Logan JV LLC ⁽⁴⁾		\$ 21,600	\$ —	\$ 241	\$ (921)	\$ 7,119	\$ 86,088
⁽⁷⁾							
Subtotal investments in funds		\$ 21,600	\$ —	\$ 241	\$ (921)	\$ 7,119	\$ 86,088
Total Control Investments - Majority Owned		\$ 29,874	\$ (1,100)	\$ 241	\$ (1,066)	\$ 11,855	\$ 169,808
Control Investments - Less Than							
Majority Owned							
—4.62% of net asset value							
Equity Investments							
West							
—4.62% of net asset value							
C&K Market, Inc. ⁽⁶⁾	1,992,365	\$ —	\$ —	\$ —	\$ (2,337)	\$ 1,280	\$ 5,282
C&K Market, Inc. due 7/1/2024 ⁽⁵⁾	1,992,365	—	—	—	—	—	9,962
Subtotal West		\$ —	\$ —	\$ —	\$ (2,337)	\$ 1,280	\$ 15,244
Subtotal equity investments		\$ —	\$ —	\$ —	\$ (2,337)	\$ 1,280	\$ 15,244
Total Control Investments - Less Than							
Majority Owned		\$ —	\$ —	\$ —	\$ (2,337)	\$ 1,280	\$ 15,244

THL Credit, Inc. and Subsidiaries

Schedule of Investments in and Advances to Affiliates

(dollar amounts in thousands)

(unaudited)

Type of Investment/Portfolio company ⁽¹⁾⁽²⁾⁽⁹⁾	Principal/No.of			Net	Net	Dividends/	Fair
	Shares /No.of			Realized	Unrealized	Interest	Value at
	Units	Purchases	Sales	Gain	Appreciation	Income/	September
				(Loss)	(Depreciation)	Other	30,
						Income	2018
Total Control Investments		\$ 29,874	\$ (1,100)	\$ 241	\$ (3,403)	\$ 13,135	\$ 185,052
Non-controlled, affiliated Investments							
—7.71% of net asset value							
First lien senior secured debt							
—6.96% of net asset value							
Southwest							
—6.96% of net asset value							
Charming Charlie LLC 12.3% (LIBOR+10%)(7.3% Cash and 5.0% PIK)							
due 4/23/2023	\$ 11,325	\$ 10,735	\$ —	\$ —	\$ (439)	\$ 655	\$ 10,475
Charming Charlie LLC 12.3% (LIBOR+10%)(3.3% Cash and 9.0% PIK)							
due 4/23/2023	13,724	12,882	—	—	(1,403)	788	11,829
Charming Charlie LLC 20% cash due 5/15/2019	671	671	—	—	—	1	671
Charming Charlie LLC	—	—	—	—	—	99	—
Subtotal Southwest	\$ 25,720	\$ 24,288	\$ —	\$ —	\$ (1,842)	\$ 1,543	\$ 22,975
Subtotal first lien senior secured debt	\$ 25,720	\$ 24,288	\$ —	\$ —	\$ (1,842)	\$ 1,543	\$ 22,975
Equity Investments							
—0.75% of net asset value							
Southwest							
—0.75% of net asset value							

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Charming Charlie LLC ⁽⁶⁾	128,307,716	\$—	\$—	\$—	\$ 2,460	\$—	\$2,460
Subtotal Southwest		\$—	\$—	\$—	\$ 2,460	\$—	\$2,460
Subtotal equity investments		\$—	\$—	\$—	\$ 2,460	\$—	\$2,460
Investments in funds							
—0.00% of net asset value							
Northeast							
—0.00% of net asset value							
THL Credit Greenway Fund LLC ^{(4) (8)}		\$—	\$—	\$—	\$—	\$ 32	\$ 1
THL Credit Greenway Fund II LLC ^{(4) (8)}		—	—	—	1	660	3
Subtotal Northeast		\$—	\$—	\$—	\$ 1	\$ 692	\$ 4
Subtotal investments in funds		\$—	\$—	\$—	\$ 1	\$ 692	\$ 4
Total Affiliate Investments		\$ 24,288	\$—	\$—	\$ 619	\$ 2,235	\$ 25,439
Total Control and Affiliate Investments—							
56.06% of net asset value		\$ 54,162	\$ (1,100)	\$ 241	\$ (2,784)	\$ 15,370	\$ 210,491

⁽¹⁾The principal amount and ownership detail as shown in the Consolidated Schedule of Investments as of September 30, 2018. Unless otherwise noted, all investments are valued using significant unobservable inputs.

⁽²⁾Variable interest rate investments bear interest in reference to London Interbank offer rate, or LIBOR, Canadian Dollar offer rate, or CDOR, or Alternate Base Rate, or ABR, which are effective as of September 30, 2018. LIBOR loans and CDOR loans are typically indexed to 30-day, 60-day, 90-day or 180-day LIBOR or CDOR rates, at the borrower's option, and ABR rates are typically indexed to the current prime rate or federal funds rate. Each of LIBOR, CDOR and ABR rates may be subject to interest floors. As of September 30, 2018, the 30-day, 60-day, 90-day and 180-day LIBOR rates were 2.26%, 2.31%, 2.40% and 2.60%, respectively. As of September 30, 2018, the 30-day, 60-day, 90-day and 180-day CDOR rates were 1.83%, 1.90%, 2.02% and 2.19%, respectively.

⁽³⁾Loan was on non-accrual as of September 30, 2018.

⁽⁴⁾Investment is measured at fair value using net asset value.

⁽⁵⁾Preferred Stock.

THL Credit, Inc. and Subsidiaries

Schedule of Investments in and Advances to Affiliates

(dollar amounts in thousands)

(unaudited)

⁽⁶⁾Common stock and member interest.

⁽⁷⁾Together with Perspecta Trident LLC, or Perspecta, an affiliate of Perspecta Trust LLC, the Company invests in THL Credit Logan JV LLC, of Logan JV. Logan JV is capitalized through equity contributions from its members and investment decisions must be unanimously approved by the Logan JV investment committee consisting of one representative from each of the Company and Perspecta.

⁽⁸⁾Income includes certain fees relating to investment management services provided by the Company, including a base management fee, a performance fee and a portion of the closing fees on each investment transaction.

⁽⁹⁾All debt investments are income-producing, unless otherwise noted. Equity and member interests are non-income-producing unless otherwise noted. The Company generally acquires its investments in private transactions exempt from registration under the Securities Act of 1933, as amended, or the Securities Act. Its investments are therefore generally subject to certain limitations on resale, and may be deemed to be “restricted securities” under the Securities Act.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The information contained in this section should be read in conjunction with the consolidated financial statements and notes thereto appearing elsewhere in this report.

Overview

THL Credit, Inc., or we, us, our or the Company, was organized as a Delaware corporation on May 26, 2009 and initially funded on July 23, 2009. We commenced principal operations on April 21, 2010. Our investment objective is to generate both current income and capital appreciation, primarily through investments in privately negotiated investments in debt and equity securities of lower middle market companies.

As of September 30, 2018, we, together with our credit-focused affiliates, collectively had \$16.2 billion of assets under management. This amount included our assets, assets of the managed funds and a separate account managed by us, and assets of the collateralized loan obligations (CLOs), separate accounts and various fund formats, including any uncalled commitments of private funds, as managed by the investment professionals of the Advisor or its consolidated subsidiary.

We are a direct lender to lower middle market companies and invest primarily in directly originated first lien senior secured loans, including unitranche investments. In certain instances, we also make second lien, subordinated, or mezzanine, debt investments, which may include an associated equity component such as warrants, preferred stock or other similar securities and direct equity investments. Our first lien senior secured loans may be structured as traditional first lien senior secured loans or as unitranche loans. Unitranche structures combine characteristics of traditional first lien senior secured as well as second lien and subordinated loans and our unitranche loans will expose us to the risks associated with second lien and subordinated loans to the extent we invest in the "last-out" tranche or subordinated tranche (or piece) of the unitranche loan. We may also provide advisory services to managed funds.

We are an externally managed, non-diversified, closed-end investment company that has elected to be regulated as a business development company, or BDC, under the Investment Company Act of 1940 Act, as amended, or the 1940 Act. As a BDC, we are required to comply with certain regulatory requirements. For instance, we generally have to invest at least 70% of our total assets in "qualifying assets," including securities of private or thinly traded public U.S. companies, cash, cash equivalents, U.S. Government securities and high-quality debt investments that mature in one year or less.

As a BDC, we must not acquire any assets other than "qualifying assets" specified in the 1940 Act unless, at the time the acquisition is made, at least 70% of our total assets are qualifying assets (with certain limited exceptions). Qualifying assets include investments in "eligible portfolio companies." Under the relevant U.S. Securities and Exchange Commission, or SEC, rules the term "eligible portfolio company" includes all private companies, companies whose securities are not listed on a national securities exchange, and certain public companies that have listed their securities on a national securities exchange and have a market capitalization of less than \$250 million, in each case organized in the United States.

We are also registered as an investment adviser under the Investment Advisers Act of 1940, as amended.

Since April 2010, after we completed our initial public offering and commenced principal operations, through September 30, 2018, we have been responsible for making, on behalf of ourselves, managed funds and separately managed account, over \$2.0 billion in aggregate commitments into 102 separate portfolio companies through a combination of both initial and follow-on investments. Since April 2010 through September 30, 2018, we, along with our managed funds and separately managed account, have received \$1.4 billion of gross proceeds from the realization of investments. The Company alone has received \$1.2 billion of gross proceeds from the realization of its investments

during this same time period. As of September 30, 2018, our managed funds, THL Credit Greenway, LLC, or Greenway, and THL Credit Greenway II, LLC and its separately managed account, collectively Greenway II, have received \$188.4 million, or 125.6% of committed capital, and \$160.4 million, or 85.8% of the committed capital, respectively.

We have elected to be treated for tax purposes as a regulated investment company, or RIC, under Subchapter M of the Internal Revenue Code of 1986, as amended, or the Code. To qualify as a RIC, we must, among other things, meet certain source of income and asset diversification requirements. Pursuant to these elections, we generally will not have to pay corporate-level income taxes on any income we distribute to our stockholders.

Portfolio Composition and Investment Activity

Portfolio Composition

As of September 30, 2018, we had \$532.8 million of portfolio investments (at fair value), which represents an \$75.9 million, or 12.5% decrease from the \$608.7 million (at fair value) as of December 31, 2017. Our portfolio consisted of 44 investments, including THL Credit Greenway Fund LLC, or Greenway, and THL Credit Greenway Fund II LLC, or Greenway II, as of September 30, 2018,

compared to 47 portfolio investments, including Greenway and Greenway II, as of December 31, 2017. As of September 30, 2018, we had \$185.1 million of controlled portfolio investments (at fair value) in six portfolio companies, which represents a \$26.4 million, or 16.6% increase from \$158.7 million (at fair value) as of December 31, 2017. The increase in controlled portfolio companies was the result of follow-on investments, primarily in the Logan JV, and changes in performance of certain investments. Our average controlling equity position at September 30, 2018 was approximately \$30.9 and \$30.8 at cost and fair value, respectively. Our investment in the Logan JV represented 16.2% and 10.7% of our portfolio investments at fair value as of September 30, 2018 and December 31, 2017, respectively. We will aim to increase our investment in the Logan JV over the 2018 fiscal year to represent 15% or more of our portfolio but not to exceed 30% of our portfolio.

At September 30, 2018, our average portfolio company investment, excluding Greenway, Greenway II, Logan JV, and portfolio investments where we only have an equity or fund investment and restructured investments where we converted debt to a controlling equity interest, at amortized cost and fair value, was approximately \$11.6 million and \$11.3 million, respectively. Going forward, we intend to limit new investments in new portfolio companies to 2.5% of our investment portfolio based upon the most recent fair market value. Including investments in funds, investments where we hold equity only positions or restructured investments where we converted debt to a controlling equity position would not be representative of our typical portfolio investment size and were therefore excluded from the calculation. Our largest portfolio company investment, excluding the Logan JV and investments where we hold equity only positions or restructured investments where we converted debt to a controlling equity position, by cost and fair value was approximately \$30.0 million and \$28.1 million, respectively. Including such investments, our largest portfolio company investment at September 30, 2018 was our investment in the Logan JV, which totaled \$88.6 million and \$86.1 million at cost and fair value, respectively. At December 31, 2017, our average portfolio company investment, excluding Greenway, Greenway II, Logan JV, and portfolio investments where we only have an equity or fund investment and restructured investments where we converted debt to a controlling equity interest, at amortized cost and fair value, was approximately \$14.5 million and \$13.4 million, respectively. Our largest portfolio company investment as of December 31, 2017, excluding the Logan JV and investments where we hold equity only positions or restructured investments where we converted debt to a controlling equity position, by amortized cost and fair value was approximately \$30.2 million and \$30.5 million. Including such investments, our largest portfolio company investment at December 31, 2017 was our investment in the Logan JV, which totaled \$67.0 and \$65.4 at cost and fair value, respectively.

At September 30, 2018, based upon fair value, 95.9% of our debt investments bore interest based on floating rates, which may be subject to interest rate floors, such as the London Interbank offer rate, or LIBOR, and Canadian Dollar Offered Rate, or CDOR, and 4.1% bore interest at fixed rates. At December 31, 2017, 93.1% of our debt investments bore interest based on floating rates, which may be subject to interest rate floors, such as LIBOR, and 6.9% bore interest at fixed rates.

The following table shows the weighted average yield by investment category at their current cost.

Description:	As of		
	September 30,		December
	2018	31, 2017	
First lien senior secured debt ⁽¹⁾	10.9%	10.0	%
Second lien debt	12.4%	6.9	%
Subordinated debt	16.5%	13.5	%

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Investments in payment rights ⁽²⁾	14.3%	16.6	%
Income-producing equity securities ⁽³⁾	9.6 %	14.0	%
Debt and income-producing investments ⁽¹⁾⁽⁴⁾	11.2%	10.1	%
Logan JV ⁽⁵⁾	13.3%	14.2	%
All investments including Logan JV ⁽¹⁾⁽⁵⁾	11.6%	10.7	%

⁽¹⁾Includes all loans on non-accrual status.

⁽²⁾Yields from investments in payment rights represent an effective yield expected from anticipated cash flows.

⁽³⁾Includes income from debt-like equity securities where there is a stated rate and amounts are due on a fixed payment schedule.

⁽⁴⁾Includes yields on controlled investments, but excludes the yield on the Logan JV.

⁽⁵⁾As of September 30, 2018 and December 31, 2017, the distributions declared and earned of \$10.0 million and \$9.3 million for the twelve months ended September 30, 2018 and December 31, 2017, respectively, represented a yield to us of 13.3% and 14.2%, respectively, based on average capital invested. We expect the dividend yield to fluctuate as a result of the timing of additional capital invested, the changes in asset yields in the underlying portfolio and the overall performance of the Logan JV investment portfolio.

The weighted average yield of our debt investments is not the same as a return on investment for our stockholders but, rather, relates to a portion of our investment portfolio and is calculated before the payment of our fees and expenses. The weighted average yield was computed using the effective interest rates as of September 30, 2018, including accretion of original issue discount and loan origination fees. This weighted average yield reflects the impact of loans on non-accrual status. There can be no assurance that the weighted average yield will remain at its current level. As of September 30, 2018 and December 31, 2017, 4.1% and 6.2% of our investment portfolio at fair value was comprised of non-income producing equity and warrant investments. We intend to continue to reduce our non-income producing investments in 2018 and beyond. No assurance can be given that we will be successful in achieving this target.

As of September 30, 2018 and December 31, 2017, portfolio investments, in which we have debt investments, had a median adjusted earnings before interest, taxes, depreciation and amortization, or EBITDA, of approximately \$10.0 million and \$11.0 million, respectively, based on the latest available financial information provided by the portfolio companies for each of these periods. As of September 30, 2018 and December 31, 2017, our median attachment point in the capital structure of our debt investments in portfolio companies is approximately 4.4 times and 4.3 times the portfolio company's EBITDA, respectively, based on our latest available financial information for each of these periods.

We expect the percent of our portfolio investments in unsponsored investments to decrease significantly over time as we work through restructurings, which may include providing additional liquidity through revolving loans, and ultimately exit our unsponsored investments. However, these portfolio investments may require follow-on capital as we work through restructurings, which will increase our exposure to these investments. Going forward we expect unsponsored investments we make, if any, would only be in first lien senior secured investments. As of September 30, 2018, our portfolio of unsponsored investments included five investments. Three are performing at or above our expectations and have an Investment Score of 1 or 2. Two other unsponsored investments have Investment Scores of 3 and 5.

As of September 30, 2018, we have closed portfolio investments with 64 different sponsors since inception. As of December 31, 2017, we had closed portfolio investments with 62 different sponsors since inception.

The following table summarizes sponsored and unsponsored investments based on amortized cost and fair value (in millions).

	As of September 30, 2018				As of December 31, 2017		
	Fair				Fair		
	Value				Value		
	Amortized	Fair	as % of		Amortized	Fair	as % of
	Cost	Value	Total		Cost	Value	Total
Sponsored Investments ⁽¹⁾	\$369.1	\$351.8	78.7 %		\$477.7	\$435.0	80.1 %
Unsponsored Investments ⁽¹⁾	83.6	95	21.3 %		95.6	108.3	19.9 %
Total	\$452.7	\$446.8	100.0 %		\$573.3	\$543.3	100.0 %

⁽¹⁾Excludes THL Credit Greenway Fund I LLC, THL Credit Greenway Fund II LLC, and THL Credit Logan JV LLC.

The following table summarizes the amortized cost and fair value of investments as of September 30, 2018 (in millions).

Description	Amortized Cost	Percentage of Total	Fair Value (1)	Percentage of Total
First lien senior secured debt	\$ 352.6	65.2	% \$340.1	63.8
Investment in Logan JV	88.6	16.4	% 86.1	16.2
Equity investments	50.2	9.3	% 57.6	10.8
Second lien debt	26.2	4.8	% 26.2	4.9
Investment in payment rights	10.7	2.0	% 11.5	2.2
Subordinated debt	9.3	1.7	% 6.9	1.3
Investments in funds	3.5	0.6	% 3.7	0.7
Warrants	0.2	0.0	% 0.7	0.1
Total investments	\$ 541.3	100.0	% \$532.8	100.0

(1) All investments are categorized as Level 3 in the fair value hierarchy, except for investments in funds and the Logan JV, which are excluded from the fair value hierarchy in accordance with ASU 2015-07. These assets are valued at net asset value.

The following table summarizes the amortized cost and fair value of investments as of December 31, 2017 (in millions).

Description	Amortized Cost	Percentage of Total	Fair Value (1)	Percentage of Total
First lien senior secured debt	\$ 419.0	65.4	% \$407.0	66.9
Equity investments	64.4	10.1	% 69.2	11.4
Investment in Logan JV	67.0	10.5	% 65.4	10.7
Second lien debt	53.4	8.3	% 32.8	5.4
Subordinated debt	22.3	3.5	% 19.1	3.1
Investment in payment rights	10.3	1.6	% 11.3	1.9
Investments in funds	3.8	0.6	% 3.8	0.6
Warrants	0.2	0.0	% 0.1	0.0
Total investments	\$ 640.4	100.0	% \$608.7	100.0

(1) All investments are categorized as Level 3 in the fair value hierarchy, except for investments in funds and the Logan JV, which are excluded from the fair value hierarchy in accordance with ASU 2015-07. These assets are valued at net asset value.

We expect the percent of our core assets, which we define as first lien senior secured loans and the Logan JV, to continue to increase as a percent of total investments as we are repaid or liquidate our second lien debt, subordinated debt and other equity holdings over time and redeploy these proceeds. We intend to continue our efforts to reposition the portfolio towards more senior secured floating rate investments, which we believe will reduce our exposure to portfolio company risks and potential changes in interest rates.

Investment Activity

The following is a summary of our investment activity, presented on a cost basis, for the three and nine months ended September 30, 2018 and 2017 (in millions).

	Three months ended September 30,		Nine months ended September 30,	
	2018	2017	2018	2017
New portfolio investments	\$11.7	\$18.6	\$11.7	\$64.0
Existing portfolio investments:				
Follow-on investments (1) (2)	4.6	7.1	30.3	16.8
Delayed draw and revolver investments (1)	3.9	3.0	14.5	9.6
Total existing portfolio investments	8.5	10.1	44.8	26.4
Total portfolio investment activity	\$20.2	\$28.7	\$56.5	\$90.4
Number of new portfolio investments	2	2	2	6
Number of follow-on investments	6	5	9	10
First lien senior secured debt	\$15.4	\$28.5	\$34.1	\$78.8
Investment in Logan JV	4.0	—	21.6	8.0

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Subordinated debt	—	—	—	1.7
Equity investments	0.8	0.2	0.8	1.9
Total portfolio investments	\$20.2	\$28.7	\$56.5	\$90.4
Weighted average yield of new debt investments	8.5 %	8.8 %	8.4 %	10.2%
Weighted average yield, including all new income-producing investments ⁽²⁾	9.5 %	8.8 %	10.4%	10.3%

⁽¹⁾Includes follow-on investments in controlled investments. Refer to Schedule 12-14 beginning on page 66 of this report for additional detail.

⁽²⁾Includes follow-on investments in Logan JV

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For the three and nine months ended September 30, 2018, we had prepayments and sales of our investments, including any prepayment premiums, totaling \$45.4 million and \$115.5 million, respectively. For the three and nine months ended September 30, 2017, we had prepayments and sales of our investments, including any prepayment premiums, totaling \$44.5 million and \$91.2 million, respectively. Please refer to “Results of Operations- Net Realized Gains and Losses on Investments, net of income tax provision” for additional details surrounding certain investments that were sold.

The following are proceeds received from notable prepayments, sales and other activity related to our investments (in millions):

For the nine months ended September 30, 2018

- Repayment of a subordinated term loan and realization of preferred equity interest in A10 Capital, LLC, which resulted in proceeds of \$26.6 million, including a prepayment premium of \$0.3 million;
- Partial repayment of a first lien senior secured term loan in Alex Toys, LLC, which resulted in proceeds of \$15.0 million;
- Repayment of a senior secured term loan and senior secured delayed draw term loan in BeneSys Inc, which resulted in proceeds of \$11.1 million;
- Repayment of a first lien senior secured term loan in Dodge Data & Analytics LLC, which resulted in proceeds of \$10.2 million;
- Partial sale of a first lien senior secured term loan in Fairstone Financial Inc., which resulted in proceeds of \$7.7 million;
- Repayment of a second lien term loan in Gold, Inc., which resulted in proceeds of \$5.2 million;
 - Partial repayment of a first lien senior secured term loan in Home Partners of America, Inc., which resulted in proceeds of \$5.9 million;
- Repayment of a first lien senior secured term loan in The John Gore Organization, Inc., which resulted in proceeds of \$13.8 million, including a prepayment premium of \$0.1 million;
- Sale of a second lien term loan in Specialty Brands Holdings, LLC, which resulted in proceeds received of \$0.4 million;
- Repayment of a first lien senior secured term loan and revolver in Togetherwork Holdings, LLC, which resulted in proceeds of \$5.7 million, including a prepayment premium of \$0.1 million, and
- Sale of a first lien senior secured term loan, subordinated term loans, preferred equity and common equity in Aerogroup International Inc., which resulted in proceeds received of \$2.5 million and \$8.0 million recorded as an initial escrow receivable, at the time of sale.

For the nine months ended September 30, 2017

- Partial sale of a preferred equity position in A10 Capital, LLC, which resulted in proceeds of \$4.3 million;
- Sale of a senior secured term loan in CRS Reprocessing, LLC, which resulted in proceeds of \$3.2 million;
- Sale of a CLO residual interest in Flagship VIII, Ltd., which resulted in proceeds of \$5.1 million;
- Sale of a CLO residual interest in Flagship VII, Ltd., which resulted in proceeds of \$2.2 million;
- Repayment of a senior secured term loan in Food Processing Holdings, LLC at par which resulted in proceeds of \$19.0 million; and sale of our equity holdings, which resulted in proceeds of \$1.2 million and resulted in a realized gain of \$0.6 million;
- Repayment of a senior secured term loan in Healthcarefirst, Inc. at par which resulted in proceeds of \$8.3 million;
- Sale of a second lien term loan in Hostway Corporation, which resulted in proceeds of \$16.4 million;
- Partial repayment of a first lien senior secured term loan in MeriCal, LLC, which resulted in proceeds of \$2.3 million, including a prepayment premium of \$0.1 million;
- Sale of a senior secured term loan in RealD Inc., which resulted in proceeds of \$14.6 million;
- Sale of a second lien term loan in Washington Inventory Service, which resulted in proceeds of \$0.6 million, and

Realization of our equity interests in YP Equity Investors, LLC which resulted in proceeds of \$1.7 million.

Our level of investment activity can vary substantially from period to period depending on many factors, including the amount of debt and equity capital available to lower middle market companies, the level of merger and acquisition activity, the general economic environment and the competitive environment for the types of investments we make. The frequency and volume of any prepayments may fluctuate significantly from period to period.

Aggregate Cash Flow Realized Gross Internal Rate of Return

Since April 2010, after we completed our initial public offering and commenced principal operations, through September 30, 2018, our fully exited investments have resulted in an aggregate cash flow realized gross internal rate of return to us of 13.2% (based on cash invested of \$1,088.1 million and total proceeds from these exited investments of \$1,353.7 million). 85.5% of these exited investments resulted in an aggregate cash flow realized gross internal rate of return to us of 10% or greater. Internal rate of return, or IRR, is a measure of our discounted cash flows (inflows and outflows). Specifically, IRR is the discount rate at which the net present value of all cash flows is equal to zero. That is, IRR is the discount rate at which the present value of total cash invested in our investments is equal to the present value of all realized returns from the investments. Our IRR calculations are unaudited.

Investment Risk

The value of our investments will generally fluctuate with, among other things, changes in prevailing interest rates, federal tax rates, counterparty risk, general economic conditions, the condition of certain financial markets, developments or trends in any particular industry and the financial condition of the issuer. During periods of limited liquidity and higher price volatility, our ability to dispose of investments at a price and time that we deem advantageous may be impaired.

Lower-quality debt securities involve greater risk of default or price changes due to changes in the credit quality of the issuer. The value of lower-quality debt securities often fluctuates in response to company, political, or economic developments and can decline significantly over short periods of time or during periods of general or regional economic difficulty. Lower-quality debt securities can be thinly traded or have restrictions on resale, making them difficult to sell at an acceptable price. The default rate for lower-quality debt securities is likely to be higher during economic recessions or periods of high interest rates.

THL Credit Logan JV LLC

On December 3, 2014, we entered into an agreement with Perspecta Trident LLC, an affiliate of Perspecta Trust LLC, or Perspecta, to create THL Credit Logan JV LLC, or Logan JV, a joint venture, which invests primarily in senior secured first lien term loans. All Logan JV investment decisions must be unanimously approved by the Logan JV investment committee consisting of one representative from each of us and Perspecta.

We have determined that Logan JV is an investment company under ASC 946, however, in accordance with such guidance, we will generally not consolidate our investment in a company other than a substantially owned investment company subsidiary or a controlled operating company whose business consists of providing services to us. Accordingly, we do not consolidate our non-controlling interest in Logan JV.

Logan JV is capitalized with equity contributions which are generally called from its members, on a pro-rata basis based on their equity commitments, as transactions are completed. Any decision by the Logan JV to call down on capital commitments requires the explicit authorization of us, coupled with that of Perspecta, and we may withhold such authorization for any reason in our sole discretion.

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As of September 30, 2018 and December 31, 2017, Logan JV had the following commitments, contributions and unfunded commitments from its members.

As of September 30, 2018
Total Contributed Unfunded

Member	Commitments	Capital	Commitments
THL Credit, Inc.	\$200.0	\$ 88.6	\$ 111.4
Perspecta Trident LLC	50.0	22.2	27.8
Total Investments	\$250.0	\$ 110.8	\$ 139.2

As of December 31, 2017
Total Contributed Unfunded

Member	Commitments	Capital	Commitments
THL Credit, Inc.	\$200.0	\$ 67.0	\$ 133.0
Perspecta Trident LLC	50.0	16.8	33.2
Total Investments	\$250.0	\$ 83.8	\$ 166.2

Logan JV has a senior credit facility, or the Logan JV Credit Facility, with Deutsche Bank AG and other banks. As of September 30, 2018 and December 31, 2017, the Logan JV Credit Facility had \$250.0 million and \$175.0 million of commitments subject to leverage and borrowing base restrictions with an interest rate of three month LIBOR (with no LIBOR floor) plus 2.20% and LIBOR (with no LIBOR floor) plus 2.50%, respectively. The final maturity date of the Logan JV Credit Facility is January 12, 2023 with the revolving loan period ending on January 12, 2021. As of September 30, 2018 and December 31, 2017, Logan JV had \$215.6 million and \$169.6 million of outstanding borrowings under the credit facility, respectively.

As of September 30, 2018 and December 31, 2017, Logan JV had total investments at fair value of \$320.8 million and \$250.4 million, respectively. As of September 30, 2018 and December 31, 2017, Logan JV's portfolio was comprised of senior secured first lien and second lien loans to 130 and 110 different borrowers, respectively. As of September 30, 2018 and December 31, 2017, there were no loans on non-accrual status. As of September 30, 2018 and December 31, 2017, Logan JV had unfunded commitments to fund revolver and delayed draw loans to its portfolio companies totaling \$5.2 million and \$1.4 million, respectively. The portfolio companies in Logan JV are in industries similar to those in which we may invest directly.

Below is a summary of Logan JV's portfolio, followed by a listing of the individual loans in Logan JV's portfolio as of September 30, 2018 and December 31, 2017 (dollar amounts in thousands):

	As of September 30,		As of December 31,
	2018		2017
First lien secured debt, at par	\$ 313,915		\$ 233,904
Second lien debt, at par	18,581		22,847
Total debt investments, at par	\$ 332,496		\$ 256,751
Weighted average yield on first lien secured loans ⁽¹⁾	7.0	%	6.4
Weighted average yield on second lien loans ⁽¹⁾	10.1	%	9.3
Weighted average yield on all loans ⁽¹⁾	7.2	%	6.7
Number of borrowers in Logan JV	130		110
Largest loan to a single borrower ⁽²⁾	\$ 5,167		\$ 5,000
Total of five largest loans to borrowers ⁽²⁾	\$ 25,092		\$ 24,397

⁽¹⁾Weighted average yield at their current amortized cost.

⁽²⁾At current principal amount.

The weighted average yield of Logan JV's debt investments is not the same as a return on Logan JV investment for our stockholders but, rather, relates to a portion of our investment portfolio and is calculated before the payment of our expenses. The weighted average yield was computed using the effective interest rates as of September 30, 2018 and December 31, 2017, respectively, but excluding the effective rates on investments on non-accrual status, if any. There can be no assurance that the weighted average yield will remain at its current level.

For the three and nine months ended September 30, 2018, our share of income from distributions declared related to our Logan JV LLC equity interest was \$2.6 million and \$7.4 million, respectively, which amounts are included in dividend income and realized gains from controlled investments in the Consolidated Statements of Operations. For the three and nine months ended September 30, 2017, our share of income from distributions declared related to our Logan JV LLC equity interest was \$2.5 million and \$6.7 million, respectively, which amounts are included in dividend income from controlled investments in the Consolidated Statements of Operations. As of September 30, 2018 and December 31, 2017, \$2.7 million and \$2.6 million, respectively, of income related to the Logan JV was included in interest, dividends and fees receivable on the Consolidated Statements of Assets and Liabilities. As of September 30, 2018, the distributions declared and earned of \$10.0 million for the twelve months ended September 30, 2018, represented a dividend yield to the Company of 13.3% based upon average capital invested. As of December 31, 2017, distributions declared and earned of \$9.3 million for the twelve months ended December 31, 2017, represented a dividend yield to the Company of 14.2% based upon average capital invested. We expect the dividend yield to fluctuate as a result of the timing of additional capital invested, the changes in asset yields in the underlying portfolio and the overall performance of the Logan JV investment portfolio.

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Logan JV Loan Portfolio as of September 30, 2018

(dollar amounts in thousands)

Type of Investment/ Portfolio company	Industry	Interest Rate ⁽¹⁾	Initial Acquisition Date	Maturity Date	Principal	Principal	Amortized Cost	Fair Value ⁽²⁾
Senior Secured First Lien Term Loans								
Canada								
Parq Holdings LP	Hotel, Gaming & Leisure	9.89% (LIBOR +7.5%)	12/05/2014	12/17/2020	990,000.00	990	\$ 983	\$992
PNI Canada Acquireco Corp	High Tech Industries	7.99% (LIBOR +5.75%)	08/23/2017	09/21/2022	1,806,750.00	1,807	1,721	1,814
Total Canada							\$ 2,704	\$2,806
Germany								
Rhodia Acetow	Construction & Building	8.09% (LIBOR +5.5%)	04/21/2017	05/31/2023	987,500.00	988	\$ 976	\$983
VAC Germany Holding GmbH	Metals & Mining	6.39% (LIBOR +4%)	02/26/2018	02/26/2025	2,985,000.00	2,985	2,971	3,006
Total Germany							\$ 3,947	\$3,989
United Kingdom								
Auxey Bidco Ltd. ⁽¹²⁾	Services: Business	7.89% (LIBOR +5.5%)	08/07/2018	08/07/2025	5,000,000.00	5,000	\$ 4,800	\$4,825
EG Group	Retail	6.39% (LIBOR +4%)	03/23/2018	02/07/2025	2,852,333.34	2,852	2,839	2,862
Total United Kingdom							\$ 7,639	\$7,687

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United States of America								
1A Smart Start LLC	Services: Consumer	6.74% (LIBOR +4.5%)	03/20/2017	02/21/2022	1,585,330.67	1,585	\$ 1,580	\$ 1,586
1A Smart Start LLC	Services: Consumer	6.99% (LIBOR +4.75%)	08/28/2015	02/21/2022	2,431,250.00	2,431	2,419	2,431
A Place for Mom Inc	Services: Consumer	5.99% (LIBOR +3.75%)	07/28/2017	08/10/2024	3,960,000.00	3,960	3,943	3,972
A10 Capital, LLC	Banking, Finance, Insurance & Real Estate	8.66% (LIBOR +6.5%)	04/25/2018	04/27/2023	5,000,000.00	5,000	4,954	4,950
Advanced Computer Software	High Tech Industries	6.88% (LIBOR +4.75%)	05/25/2018	05/31/2024	1,500,000.00	1,500	1,496	1,515
Advanced Integration Technology LP	Aerospace & Defense	7.22% (LIBOR +4.75%)	07/15/2016	04/03/2023	1,960,150.00	1,960	1,945	1,960
AgroFresh Inc.	Chemicals, Plastics & Rubber	6.99% (LIBOR +4.75%)	12/01/2015	07/31/2021	1,939,849.62	1,940	1,933	1,933
Air Medical Group Holdings Inc	Healthcare & Pharmaceuticals	6.42% (LIBOR +4.25%)	09/26/2017	03/14/2025	2,233,125.00	2,233	2,218	2,227
Alcami Carolinas Corp	Healthcare & Pharmaceuticals	6.4% (LIBOR +4.25%)	07/09/2018	07/06/2025	4,000,000.00	4,000	3,980	4,030
Alpha Media LLC	Media: Broadcasting & Subscription	8.2% (LIBOR +6%)	02/24/2016	02/25/2022	3,122,885.43	3,123	3,033	2,994
AMCP Clean Acquisition Co LLC	Services: Business	6.64% (LIBOR +4.25%)	07/10/2018	07/10/2025	2,413,306.45	2,413	2,401	2,424
AMCP Clean Acquisition Co LLC ⁽³⁾ (13)	Services: Business	6.64% (LIBOR +4.25%)	07/10/2018	07/10/2025	580,645.16	581	(3)	3
American Sportsman Holdings Co	Retail	7.24% (LIBOR +5%)	11/22/2016	09/25/2024	3,960,000.00	3,960	3,914	4,005
Ansira Holdings, Inc. ⁽⁴⁾	Media: Advertising, Printing & Publishing	7.99% (LIBOR +5.75%)	04/17/2018	12/20/2022	612,995.74	613	150	149
Ansira Holdings, Inc.	Media: Advertising, Printing & Publishing	7.99% (LIBOR +5.75%)	12/20/2016	12/20/2022	1,854,457.70	1,854	1,841	1,845
AP Gaming I LLC	Hotel, Gaming & Leisure	6.49% (LIBOR	06/06/2016	02/15/2024	2,468,750.00	2,469	2,463	2,488

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APC Aftermarket	Automotive	+4.25%) 7.32% (LIBOR +5%)	05/09/2017	05/10/2024	493,750.00	494	486	448
Aptean, Inc.	Services: Business	6.64% (LIBOR +4.25%)	02/15/2016	12/20/2022	1,183,053.65	1,183	1,174	1,192
Avaya Inc	Telecommunications	6.41% (LIBOR +4.25%)	11/09/2017	12/15/2024	2,594,556.01	2,595	2,570	2,621
Barbri Inc	Media: Diversified & Production	6.35% (LIBOR +4.25%)	12/01/2017	11/21/2023	3,198,716.22	3,199	3,185	3,195
BCP Qualtek Merger Sub LLC	Telecommunications	7.99% (LIBOR +5.75%)	07/16/2018	07/16/2025	4,000,000.00	4,000	3,922	3,960
Beasley Mezzanine Holdings LLC	Media: Broadcasting & Subscription	6.16% (LIBOR +4%)	11/17/2017	11/01/2023	2,938,962.96	2,939	2,926	2,967
Big Ass Fans LLC	Services: Business	6.14% (LIBOR +3.75%)	11/07/2017	05/21/2024	2,481,189.14	2,481	2,470	2,505
Big River Steel LLC	Metals & Mining	7.39% (LIBOR +5%)	08/15/2017	08/23/2023	1,980,000.00	1,980	1,964	2,013

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Logan JV Loan Portfolio as of September 30, 2018

(dollar amounts in thousands)

Type of Investment/		Initial		Maturity		Amortized		Fair
Portfolio company	Industry	Interest Rate ⁽¹⁾	Acquisition Date	Date	Principal	Principal Cost		Value ⁽²⁾
BI-LO LLC	Retail	10.34% (LIBOR +8%)	05/15/2018	05/31/2024	1,500,000.00	1,500	1,443	1,508
Bomgar Corp	Telecommunications	6.39% (LIBOR +4%)	04/17/2018	04/18/2025	1,995,000.00	1,995	1,990	2,002
Brand Energy & Infrastructure Services, Inc.	Services: Business	6.64% (LIBOR +4.25%)	06/16/2017	06/21/2024	2,962,500.00	2,963	2,938	2,985
California Cryobank LLC	Healthcare & Pharmaceuticals	6.39% (LIBOR +4%)	08/03/2018	07/26/2025	3,208,333.34	3,208	3,193	3,228
Catapult Learning, Inc.	Services: Consumer	8.55% (LIBOR +6.35%)	05/22/2018	05/18/2023	4,739,336.49	4,739	4,695	4,692
Catapult Learning, Inc. ^{(5) (13)}	Services: Consumer	8.74% (LIBOR +6.35%)	05/22/2018	05/18/2023	260,663.51	261	(2)	(3)
CC Amulet Intermediate, LLC ^{(6) (13)}	Healthcare & Pharmaceuticals	7.14% (LIBOR +4.75%)	06/18/2018	04/30/2024	1,538,461.54	1,538	(15)	(15)
CC Amulet Intermediate, LLC	Healthcare & Pharmaceuticals	6.99% (LIBOR +4.75%)	06/18/2018	04/30/2024	3,452,884.61	3,453	3,420	3,418
Clear Balance Holdings, LLC	Banking, Finance, Insurance & Real Estate	8.14% (LIBOR +5.75%)	07/07/2015	10/05/2023	4,950,000.00	4,950	4,931	4,925
Commercial Barge Line Co	Transportation: Cargo	10.99% (LIBOR +8.75%)	11/06/2015	11/12/2020	1,312,500.00	1,313	1,285	1,020
Constellis Holdings, LLC	Aerospace & Defense	7.39% (LIBOR +5%)	04/18/2017	04/21/2024	1,975,000.00	1,975	1,959	1,960
Conyers Park Parent Merger Sub Inc	Retail	5.84% (LIBOR +3.5%)	06/21/2017	07/07/2024	1,980,000.00	1,980	1,972	2,002
Country Fresh Holdings, LLC	Beverage, Food & Tobacco	7.39% (LIBOR +5%)	07/14/2017	03/31/2023	4,403,508.77	4,404	4,369	4,293

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Covenant Surgical Partners Inc	Healthcare & Pharmaceuticals	6.89% (LIBOR +4.5%)	09/29/2017	10/04/2024	689,334.62	689	688	693
Covenant Surgical Partners Inc	Healthcare & Pharmaceuticals	6.84% (LIBOR +4.5%)	09/29/2017	10/04/2024	2,290,384.62	2,290	2,285	2,302
CPI Acquisition, Inc.	Services: Consumer	7.02% (LIBOR +4.5%)	08/14/2015	08/17/2022	4,187,266.11	4,187	4,101	2,826
CryoLife Inc	Healthcare & Pharmaceuticals	6.39% (LIBOR +4%)	11/15/2017	12/02/2024	1,985,000.00	1,985	1,976	2,010
CT Technologies Intermediate Holdings, Inc	Healthcare & Pharmaceuticals	6.49% (LIBOR +4.25%)	02/11/2015	12/01/2021	1,925,325.00	1,925	1,930	1,817
Deerfield Holdings Corp	Banking, Finance, Insurance & Real Estate	5.49% (LIBOR +3.25%)	12/06/2017	02/13/2025	248,750.00	249	248	249
DigiCert, Inc.	High Tech Industries	6.39% (LIBOR +4.75%)	09/20/2017	10/31/2024	997,500.00	998	993	1,002
Drilling Info Inc.	High Tech Industries	6.54% (LIBOR +4.25%)	07/27/2018	07/26/2025	4,500,000.00	4,500	4,478	4,492
DXP Enterprises, Inc.	Energy: Oil & Gas	6.99% (LIBOR +4.75%)	08/16/2017	08/29/2023	1,485,000.00	1,485	1,473	1,499
Evo Payments International, LLC	Services: Business	5.49% (LIBOR +3.25%)	12/08/2016	12/22/2023	2,600,532.00	2,601	2,581	2,622
Fleetpride	Automotive	6.74% (LIBOR +4.5%)	03/28/2018	11/19/2022	1,669,388.89	1,669	1,624	1,690
FullBeauty Brands LP	Retail	7.09% (LIBOR +4.75%)	03/08/2016	10/14/2022	3,908,870.66	3,909	3,741	1,194
Gold Standard Baking, Inc.	Wholesale	6.94% (LIBOR +4.5%)	05/19/2015	04/23/2021	2,488,069.76	2,488	2,483	2,264
Golden West Packaging Group LLC	Containers, Packaging & Glass	7.49% (LIBOR +5.25%)	02/09/2018	06/20/2023	4,769,385.51	4,769	4,748	4,769
Great Dane Merger Sub Inc	Services: Business	5.99% (LIBOR +3.75%)	05/02/2018	05/21/2025	2,992,500.00	2,993	2,978	3,004
Green Plains Inc	Energy: Oil & Gas	7.75% (LIBOR +5.5%)	08/18/2017	08/29/2023	1,414,285.72	1,414	1,403	1,434
Gruden Acquisition	Transportation: Cargo	7.89% (LIBOR	06/21/2017	08/18/2022	1,974,619.29	1,975	1,937	1,996

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Inc.		+5.5%)						
Gulf Finance, LLC	Energy: Oil & Gas	7.64% (LIBOR +5.25%)	08/17/2016	08/25/2023	1,879,498.41	1,879	1,840	1,586
Heartland Dental LLC ⁽⁷⁾	Services: Consumer	3.75% (LIBOR +3.75%)	04/19/2018	04/17/2025	195,652.17	196	(1)	-
Heartland Dental LLC	Services: Consumer	5.99% (LIBOR +3.75%)	04/19/2018	04/30/2025	1,301,086.96	1,301	1,295	1,303
Help/Systems Holdings, Inc.	High Tech Industries	5.99% (LIBOR +3.75%)	03/23/2018	03/28/2025	1,995,000.00	1,995	1,990	2,010
Higginbotham Insurance Agency, Inc.	Banking, Finance, Insurance & Real Estate	5.99% (LIBOR +3.75%)	12/14/2017	12/19/2024	4,962,500.00	4,963	4,940	4,863
Idera Inc	High Tech Industries	6.75% (LIBOR +4.5%)	06/27/2017	06/28/2024	2,337,681.82	2,338	2,318	2,360
Impala Private Holdings II LLC	Services: Business	6.25% (LIBOR +4%)	11/10/2017	11/14/2024	1,605,701.76	1,606	1,599	1,612
Infoblox Inc.	High Tech Industries	6.74% (LIBOR +4.5%)	11/03/2016	11/07/2023	2,141,111.99	2,141	2,103	2,159
Intermedia Holdings, Inc.	Telecommunications	8.36% (LIBOR +6%)	07/13/2018	07/11/2025	3,000,000.00	3,000	2,971	3,014
International Textile Group Inc	Consumer goods: Non-Durable	7.1% (LIBOR +5%)	04/20/2018	04/19/2024	993,750.00	994	989	997
Isagenix International LLC	Consumer goods: Non-Durable	8.14% (LIBOR +5.75%)	04/26/2018	06/14/2025	1,975,000.00	1,975	1,956	1,980
Kemet Corporation	High Tech Industries	8.24% (LIBOR +6%)	04/21/2017	04/26/2024	937,500.00	938	915	956
Kestra Financial, Inc.	Banking, Finance, Insurance & Real Estate	6.64% (LIBOR +4.25%)	06/10/2016	06/24/2022	3,910,450.00	3,910	3,874	3,910
KMG Chemicals Inc	Chemicals, Plastics & Rubber	4.99% (LIBOR +2.75%)	06/13/2017	06/15/2024	690,909.09	691	688	694
LifeScan Global Corp ⁽¹²⁾	Healthcare & Pharmaceuticals	8.39% (LIBOR +6%)	06/19/2018	09/28/2024	2,250,000.00	2,250	2,183	2,231

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Logan JV Loan Portfolio as of September 30, 2018

(dollar amounts in thousands)

Type of Investment/		Initial		Maturity		Amortized		Fair
Portfolio company	Industry	Interest Rate ⁽¹⁾	Acquisition Date	Date	Principal	Principal	Cost	Value ⁽²⁾
LSCS Holdings Inc.	Healthcare & Pharmaceuticals	6.56% (LIBOR +4.25%)	03/09/2018	03/17/2025	466,993.27	467	465	467
LSCS Holdings Inc.	Healthcare & Pharmaceuticals	6.75% (LIBOR +4.25%)	03/09/2018	03/17/2025	1,809,102.72	1,809	1,801	1,809
Lyons Magnus Inc	Beverage, Food & Tobacco	5.99% (LIBOR +3.75%)	06/08/2018	11/11/2024	3,973,781.24	3,974	3,961	3,999
MAG DS Corp.	Aerospace & Defense	6.99% (LIBOR +4.75%)	06/01/2018	05/30/2025	2,992,500.00	2,993	2,964	2,985
Mavenir Systems Inc	Telecommunications	8.14% (LIBOR +6%)	05/01/2018	05/01/2025	1,995,000.00	1,995	1,957	2,000
MCS Group Holdings LLC	Services: Business	7.14% (LIBOR +4.75%)	05/12/2017	05/20/2024	1,975,000.00	1,975	1,967	1,684
MDVIP Inc	Services: Business	6.42% (LIBOR +4.25%)	11/10/2017	11/14/2024	3,017,200.00	3,017	3,004	3,032
Merrill Communications LLC	Media: Advertising, Printing & Publishing	7.59% (LIBOR +5.25%)	05/29/2015	06/01/2022	877,875.65	878	875	887
Miller's Ale House Inc	Beverage, Food & Tobacco	6.83% (LIBOR +4.75%)	05/24/2018	05/21/2025	2,400,000.00	2,400	2,388	2,382
MLN US Holdco LLC ⁽¹²⁾	Telecommunications	6.89% (LIBOR +4.5%)	07/13/2018	07/13/2025	3,000,000.00	3,000	2,993	3,035
Morphe, LLC	Consumer goods: Non-Durable	8.4% (LIBOR +6%)	02/21/2017	02/10/2023	2,775,000.00	2,775	2,744	2,775
Nasco Healthcare, Inc.	Healthcare & Pharmaceuticals	7.02% (LIBOR +4.5%)	07/13/2015	06/30/2021	4,500,913.22	4,501	4,491	4,456
New Insight Holdings Inc	Services: Business	7.74% (LIBOR +5.5%)	12/08/2017	12/20/2024	1,985,000.00	1,985	1,897	1,997
			02/13/2018	02/28/2023	588,235.29	588	(5)	-

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NextCare, Inc. ⁽⁸⁾ (13)	Healthcare & Pharmaceuticals	7.14% (LIBOR +4.75%)						
NextCare, Inc.	Healthcare & Pharmaceuticals	6.99% (LIBOR +4.75%)	02/13/2018	02/28/2023	3,394,705.88	3,395	3,365	3,395
Northern Star Holdings Inc.	Utilities: Electric	7.14% (LIBOR +4.75%)	03/28/2018	03/14/2025	4,228,750.00	4,229	4,209	4,234
Oak Point Partners, LLC	Banking, Finance, Insurance & Real Estate	7.59% (LIBOR +5.25%)	09/13/2017	09/13/2023	3,000,000.00	3,000	2,969	2,955
OB Hospitalist Group Inc	Healthcare & Pharmaceuticals	6.1% (LIBOR +4%)	08/08/2017	08/01/2024	2,244,000.00	2,244	2,235	2,255
Odyssey Logistics & Technology Corp	Transportation: Cargo	5.99% (LIBOR +3.75%)	10/06/2017	10/12/2024	1,985,024.98	1,985	1,976	1,997
OpenLink	High Tech Industries	7.39% (LIBOR +5%)	03/02/2018	03/21/2025	1,970,000.00	1,970	1,961	1,979
Output Services Group Inc	Services: Business	6.49% (LIBOR +4.25%)	03/26/2018	03/21/2024	4,490,673.08	4,491	4,470	4,530
Park Place Technologies, LLC	Services: Business	6.24% (LIBOR +4%)	03/22/2018	03/22/2025	2,334,150.00	2,334	2,323	2,338
Ping Identity Corp	High Tech Industries	5.99% (LIBOR +3.75%)	01/23/2018	01/24/2025	1,496,250.00	1,496	1,489	1,503
Pivotal Payments	Services: Business	4.5% (LIBOR +4.5%)	09/27/2018	09/27/2025	3,103,448.28	3,103	3,072	3,072
Pivotal Payments ⁽⁹⁾ (12)	Services: Business	3.39% (LIBOR +1%)	09/27/2018	09/27/2025	896,551.72	897	(9)	(9)
PLH Group Inc	Energy: Oil & Gas	8.34% (LIBOR +6%)	08/01/2018	07/25/2023	4,000,000.00	4,000	3,883	3,940
Polar US Borrower ⁽¹²⁾	Chemicals, Plastics & Rubber	7.14% (LIBOR +4.75%)	08/21/2018	08/10/2025	3,000,000.00	3,000	2,880	3,019
Premise Health Holding Corp ⁽¹⁰⁾ (12)	Healthcare & Pharmaceuticals	6.14% (LIBOR +3.75%)	08/14/2018	07/11/2025	294,106.67	294	(1)	2
Premise Health Holding Corp	Healthcare & Pharmaceuticals	6.14% (LIBOR +3.75%)	08/14/2018	07/11/2025	3,705,893.33	3,706	3,688	3,726
Project Leopard Holdings Inc	High Tech Industries	6.24% (LIBOR +4%)	06/21/2017	07/07/2023	1,732,532.81	1,733	1,729	1,742

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PSC Industrial Outsourcing, LP	Environmental Industries	5.91% (LIBOR +3.75%)	10/05/2017	10/11/2024	1,985,000.00	1,985	1,968	2,002
Quidditch Acquisition Inc	Beverage, Food & Tobacco	9.17% (LIBOR +7%)	03/16/2018	03/21/2025	1,016,170.22	1,016	997	1,034
Red Ventures LLC	Media: Diversified & Production	6.24% (LIBOR +4%)	10/18/2017	11/08/2024	2,043,750.00	2,044	2,026	2,071
SCS Holdings Inc	Services: Business	6.49% (LIBOR +4.25%)	11/20/2015	10/30/2022	1,592,362.40	1,592	1,584	1,604
Silverback Merger Sub Inc	High Tech Industries	5.71% (LIBOR +3.5%)	08/11/2017	08/21/2024	1,188,000.00	1,188	1,185	1,087
Situs Group Holdings Corporation	Banking, Finance, Insurance & Real Estate	6.74% (LIBOR +4.5%)	02/21/2018	02/27/2023	3,580,000.00	3,580	3,564	3,580
SMS Systems Maintenance Services Inc	Services: Business	7.24% (LIBOR +5%)	02/09/2017	10/30/2023	2,947,500.00	2,948	2,936	2,412
SoClean, Inc	Healthcare & Pharmaceuticals	8.34% (LIBOR +6%)	02/13/2018	12/20/2022	5,166,713.02	5,167	5,119	5,193
Starfish- V Merger Sub Inc	High Tech Industries	7.26% (LIBOR +5%)	08/11/2017	08/16/2024	1,237,500.01	1,238	1,227	1,242
STS Operating, Inc.	Energy: Oil & Gas	6.49% (LIBOR +4.25%)	04/27/2018	12/11/2024	1,492,481.60	1,492	1,489	1,492
TerraForm AP Acquisition Holdings LLC	Energy: Electricity	6.64% (LIBOR +4.25%)	10/11/2016	06/27/2022	805,934.02	806	806	812
ThoughtWorks, Inc.	High Tech Industries	6.24% (LIBOR +4%)	10/06/2017	10/11/2024	2,992,500.00	2,993	2,986	3,015
ThoughtWorks, Inc.	High Tech Industries	6.24% (LIBOR +4%)	04/19/2018	10/11/2024	570,000.00	570	567	573
ThoughtWorks, Inc. ⁽¹¹⁾	High Tech Industries	4% (LIBOR +4%)	04/19/2018	10/12/2024	428,571.43	429	(2)	2
TKC Holdings Inc	Consumer goods: Durable	6% (LIBOR +3.75%)	06/08/2017	02/01/2023	295,500.00	296	294	296

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Logan JV Loan Portfolio as of September 30, 2018

(dollar amounts in thousands)

Type of Investment/		Initial						
		Acquisition			Maturity		Amortized	
Portfolio company	Industry	Interest Rate ⁽¹⁾	Date	Date	Principal	Principal	Cost	Fair Value ⁽²⁾
TOMS Shoes LLC	Retail	7.81% (LIBOR +5.5%)	12/18/2014	10/30/2020	1,930,000.00	1,930	1,878	1,538
Tupelo Buyer Inc	Transportation: Consumer	5.91% (LIBOR +3.75%)	10/02/2017	10/07/2024	2,209,895.00	2,210	2,195	2,228
TV Borrower US LLC	High Tech Industries	7.14% (LIBOR +4.75%)	02/16/2017	02/22/2024	985,000.00	985	981	989
Uber Technologies, Inc.	Services: Consumer	6.12% (LIBOR +4%)	03/22/2018	04/04/2025	2,793,000.00	2,793	2,780	2,815
US Salt LLC	Chemicals, Plastics & Rubber	6.99% (LIBOR +4.75%)	11/30/2017	12/01/2023	2,985,000.00	2,985	2,959	2,985
US Shipping Corp	Utilities: Oil & Gas	6.49% (LIBOR +4.25%)	03/09/2016	06/26/2021	205,934.41	206	200	197
Utility One Source L.P.	Construction & Building	7.74% (LIBOR +5.5%)	04/07/2017	04/18/2023	987,500.00	988	980	1,011
Verdesian Life Sciences LLC	Chemicals, Plastics & Rubber	7.34% (LIBOR +5%)	12/09/2014	07/01/2020	2,028,348.48	2,028	1,911	1,937
Vertiv Group Corporation	Capital Equipment	6.31% (LIBOR +4%)	09/30/2015	11/30/2023	1,504,310.34	1,504	1,470	1,513
Vistage Worldwide, Inc.	Services: Business	6.15% (LIBOR +4%)	02/06/2018	02/10/2025	2,507,400.00	2,507	2,502	2,523
Weight Watchers International, Inc.	Beverage, Food & Tobacco	7.09% (LIBOR +4.75%)	11/20/2017	11/29/2024	2,598,750.00	2,599	2,553	2,633
Wirepath Home Systems LLC	Services: Consumer	6.74% (LIBOR +4.5%)	07/31/2017	08/05/2024	2,970,056.25	2,970	2,957	2,987
Women's Care Florida LLP	Healthcare & Pharmaceuticals	6.74% (LIBOR +4.5%)	08/18/2017	09/29/2023	4,962,500.00	4,963	4,941	4,969

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Yak Access LLC	Construction & Building	7.14% (LIBOR +5%)	06/29/2018	07/02/2025	3,000,000.00	3,000	2,912	2,903
Zenith Merger Sub, Inc.	Services: Business	7.89% (LIBOR +5.5%)	12/22/2017	12/13/2023	2,977,500.00	2,978	2,952	2,978
Total United States of America							\$291,127	\$287,773
Total Senior Secured First Lien Term Loans							\$305,417	\$302,255
Second Lien Term Loans								
United States of America								
ABG Intermediate Holdings 2 LLC	Consumer goods: Non-Durable	9.99% (LIBOR +7.75%)	09/26/2017	09/29/2025	2,333,333.33	2,333	\$2,317	\$2,355
CH Hold Corp	Automotive	9.49% (LIBOR +7.25%)	01/26/2017	02/03/2025	1,000,000.00	1,000	996	1,015
Constellis Holdings, LLC	Aerospace & Defense	11.39% (LIBOR +9%)	04/18/2017	04/21/2025	1,000,000.00	1,000	988	980
DigiCert, Inc.	High Tech Industries	10.24% (LIBOR +8%)	09/20/2017	10/31/2025	750,000.00	750	747	750
DiversiTech Holdings Inc	Capital Equipment	9.89% (LIBOR +7.5%)	05/18/2017	06/02/2025	2,000,000.00	2,000	1,983	1,990
Gruden Acquisition Inc.	Transportation: Cargo	10.89% (LIBOR +8.5%)	07/31/2015	08/18/2023	500,000.00	500	485	500
Midwest Physician Administrative Services, LLC	Healthcare & Pharmaceuticals	9.17% (LIBOR +7%)	08/11/2017	08/15/2025	979,042.75	979	971	984
NextCare, Inc.	Healthcare & Pharmaceuticals	10.99% (LIBOR +8.75%)	02/13/2018	08/28/2023	1,000,000.00	1,000	987	995
Optiv Security Inc	Services: Business	9.5% (LIBOR +7.25%)	01/19/2017	01/31/2025	1,500,000.00	1,500	1,494	1,455
Park Place Technologies, LLC	Services: Business	10.24% (LIBOR +8%)	03/22/2018	03/29/2026	700,000.00	700	693	698

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Pathway Partners Vet Management	Services: Consumer	10.24% (LIBOR +8%)	10/04/2017	10/10/2025	1,899,305.55	1,899	1,883	1,890
Pathway Partners Vet Management	Services: Consumer	10.24% (LIBOR +8%)	10/04/2017	10/10/2025	100,694.45	101	100	100
Red Ventures LLC	Media: Diversified & Production	10.24% (LIBOR +8%)	10/18/2017	11/08/2025	468,750.00	469	462	480
SESAC Holdco II LLC	Media: Diversified & Production	9.49% (LIBOR +7.25%)	02/13/2017	02/24/2025	1,000,000.00	1,000	992	993
TKC Holdings Inc	Consumer goods: Durable	10.25% (LIBOR +8%)	01/31/2017	02/01/2024	1,850,000.00	1,850	1,838	1,869
TV Borrower US LLC	High Tech Industries	10.64% (LIBOR +8.25%)	02/16/2017	02/22/2025	1,000,000.00	1,000	988	1,004
Wash Multifamily Laundry Systems, LLC.	Services: Consumer	9.24% (LIBOR +7%)	05/04/2015	05/15/2023	425,479.17	425	424	419
Wash Multifamily Laundry Systems, LLC.	Services: Consumer	9.24% (LIBOR +7%)	05/04/2015	05/12/2023	74,520.83	75	74	73
Total United States of America							\$ 18,422	\$ 18,550

Logan JV Loan Portfolio as of September 30, 2018

(dollar amounts in thousands)

			Initial					
Type of Investment/			Acquisition	Maturity		Amortized	Fair	
	Industry	Interest Rate ⁽¹⁾	Date	Date	Principal	Principal	Cost	Value ⁽²⁾
Total Second Lien Term Loans							\$ 18,422	\$ 18,550
Total Investments							\$ 323,839	\$ 320,805
Cash and cash equivalents								
Dreyfus Government Cash Management Fund							17,760	17,760
Other cash accounts							2,765	2,765
Total Cash and cash equivalents							\$ 20,526	\$ 20,526

⁽¹⁾ Variable interest rates indexed to 30-day, 60-day, 90-day or 180-day LIBOR rates, at the borrower's option. LIBOR rates are subject to interest rate floors.

⁽²⁾ Represents fair value in accordance with ASC Topic 820.

⁽³⁾ Represents a delayed draw commitment of \$580,645, which was unfunded as of September 30, 2018. Unfunded amounts of a delayed draw position have a lower rate than the contractual fully funded rate. Issuer pays 1.50% unfunded commitment fee on delayed draw term loan and/or revolving loan facilities.

⁽⁴⁾ Represents a delayed draw commitment of \$612,996, of which \$460,886 was unfunded as of September 30, 2018. Unfunded amounts of a delayed draw position have a lower rate than the contractual fully funded rate. Issuer pays 1.00% unfunded commitment fee on delayed draw term loan and/or revolving loan facilities.

⁽⁵⁾ Represents a delayed draw commitment of \$260,664, which was unfunded as of September 30, 2018. Issuer pays 1.00% unfunded commitment fee on delayed draw term loan and/or revolving loan facilities.

⁽⁶⁾ Represents a delayed draw commitment of \$1,538,462, which was unfunded as of September 30, 2018. Issuer pays 1.00% unfunded commitment fee on delayed draw term loan and/or revolving loan facilities.

⁽⁷⁾ Represents a delayed draw commitment of \$195,652, which was unfunded as of September 30, 2018. Issuer pays 3.75% unfunded commitment fee on delayed draw term loan and/or revolving loan facilities.

⁽⁸⁾ Represents a delayed draw commitment of \$588,235, which was unfunded as of September 30, 2018. Issuer pays 1.00% unfunded commitment fee on delayed draw term loan and/or revolving loan facilities.

⁽⁹⁾ Represents a delayed draw commitment of \$896,552, which was unfunded as of September 30, 2018. Issuer will pay 1.00% unfunded commitment fee on delayed draw term loan and/or revolving loan facilities when the trade settles.

⁽¹⁰⁾ Represents a delayed draw commitment of \$294,107, which was unfunded as of September 30, 2018. Issuer pays 1.00% unfunded commitment fee on delayed draw term loan and/or revolving loan facilities.

⁽¹¹⁾ Represents a delayed draw commitment of \$428,571, which was unfunded as of September 30, 2018. Issuer pays 2.00% unfunded commitment fee on delayed draw term loan and/or revolving loan facilities.

⁽¹²⁾ Unsettled trade that will start to accrue interest on when the trade settles. 3 month LIBOR as of September 30, 2018 is shown to reflect the expected interest rate.

⁽¹³⁾ Unfunded amount will start to accrue interest when the borrower draws on the delayed draw/revolver facility. 3 month LIBOR as of September 30, 2018 is shown to reflect the expected interest rate.

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Logan JV Loan Portfolio as of December 31, 2017

(dollar amounts in thousands)

			Initial				Fair
Type of Investment/			Acquisition	Maturity		Amortized	Value
Portfolio company	Industry	Interest Rate ⁽¹⁾	Date	Date	Principal	Cost	⁽²⁾
Senior Secured First Lien Term Loans							
Canada							
Can Am Construction Inc	Construction & Building	7.07% (LIBOR +5.5%)	06/29/2017	07/01/2024	1,194	\$ 1,160	\$1,206
Parq Holdings LP	Hotel, Gaming & Leisure	9.19% (LIBOR +7.5%)	12/05/2014	12/17/2020	998	\$ 989	\$1,005
PNI Canada Acquireco Corp	High Tech Industries	7.32% (LIBOR +5.75%)	08/23/2017	09/21/2022	1,820	\$ 1,717	\$1,764
Total Canada						\$ 3,866	\$3,975
Cayman Islands							
Lindblad Maritime	Hotel, Gaming & Leisure	6.34% (LIBOR +4.5%)	06/23/2015	05/08/2021	334	\$ 336	\$337
Total Cayman Islands						\$ 336	\$337
Denmark							
Rhodia Acetow	Construction & Building	7.19% (LIBOR +5.5%)	04/21/2017	05/31/2023	995	\$ 982	\$999
Total Denmark						\$ 982	\$999
Luxembourg							
AMS FinCo SARL	Services: Business	7.07% (LIBOR +5.5%)	05/17/2017	05/27/2024	2,488	\$ 2,465	\$2,512
Total Luxembourg						\$ 2,465	\$2,512
United States of America							
1A Smart Start LLC	Services: Consumer	6.19% (LIBOR +4.5%)	03/20/2017	02/21/2022	1,593	\$ 1,588	\$1,586
1A Smart Start LLC	Services: Consumer	6.44% (LIBOR +4.75%)	08/28/2015	02/21/2022	2,450	\$ 2,434	\$2,450

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A Place for Mom Inc	Services: Consumer	5.69% (LIBOR +4%)	07/28/2017	08/10/2024	3,990	\$ 3,971	\$4,002
Advanced Integration Technology LP	Aerospace & Defense	6.32% (LIBOR +4.75%)	07/15/2016	04/03/2023	1,975	\$ 1,958	\$1,990
AgroFresh Inc.	Services: Business	6.44% (LIBOR +4.75%)	12/01/2015	07/31/2021	1,955	\$ 1,946	\$1,935
Air Medical Group Holdings Inc	Healthcare & Pharmaceuticals	4.25% (LIBOR +4.25%)	09/26/2017	09/25/2024	2,250	\$ 2,233	\$2,259
Alpha Media LLC	Media: Broadcasting & Subscription	7.42% (LIBOR +6%)	02/24/2016	02/25/2022	3,299	\$ 3,184	\$3,159
American Sportsman Holdings Co	Retail	6.569% (LIBOR +5%)	11/22/2016	09/25/2024	3,990	\$ 3,938	\$3,985
Ansira Holdings, Inc. (3)	Media: Advertising, Printing & Publishing	8.19% (LIBOR +6.5%)	12/20/2016	12/20/2022	254	\$ 138	\$139
Ansira Holdings, Inc.	Media: Advertising, Printing & Publishing	8.19% (LIBOR +6.5%)	12/20/2016	12/20/2022	1,728	\$ 1,714	\$1,719
AP Gaming I LLC	Hotel, Gaming & Leisure	7.07% (LIBOR +5.5%)	06/06/2017	02/15/2024	2,488	\$ 2,482	\$2,517
APC Aftermarket	Automotive	6.41% (LIBOR +5%)	05/09/2017	05/10/2024	498	\$ 488	\$492
Aptean, Inc.	Services: Business	5.95% (LIBOR +4.25%)	12/15/2017	12/20/2022	1,985	\$ 1,967	\$2,004
Avaya Inc	Telecommunications	6.23% (LIBOR +4.75%)	11/09/2017	12/15/2024	2,614	\$ 2,586	\$2,577
Barbri Inc	Media: Diversified & Production	5.73% (LIBOR +4.25%)	12/01/2017	11/21/2023	3,500	\$ 3,483	\$3,500
Beasley Mezzanine Holdings LLC	Media: Broadcasting & Subscription	5.49% (LIBOR +4%)	11/17/2017	11/15/2023	3,033	\$ 3,018	\$3,064
Big Ass Fans LLC	Services: Business	5.94% (LIBOR +4.25%)	11/07/2017	05/21/2024	2,500	\$ 2,488	\$2,511
Big River Steel LLC	Metals & Mining	6.69% (LIBOR +5%)	08/15/2017	08/23/2023	1,995	\$ 1,976	\$2,017
Birch Communications, Inc.	Telecommunications	8.6% (LIBOR +7.25%)	12/05/2014	07/17/2020	1,289	\$ 1,280	\$1,234

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Brand Energy & Infrastructure Services, Inc.	Services: Business	5.63% (LIBOR +4.25%)	06/16/2017	06/21/2024	2,985	\$ 2,957	\$3,000
Clear Balance Holdings, LLC	Banking, Finance, Insurance & Real Estate	7.44% (LIBOR +5.75%)	07/07/2015	06/30/2020	4,988	\$ 4,976	\$4,938
Commercial Barge Line Co	Transportation: Cargo	10.32% (LIBOR +8.75%)	11/06/2015	11/12/2020	1,369	\$ 1,330	\$800
Constellis Holdings, LLC	Aerospace & Defense	6.69% (LIBOR +5%)	04/18/2017	04/21/2024	1,990	\$ 1,972	\$2,014
ConvergeOne Holdings Corp.	Telecommunications	6.45% (LIBOR +4.75%)	06/15/2017	06/20/2024	1,990	\$ 1,972	\$1,997

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Logan JV Loan Portfolio as of December 31, 2017

(dollar amounts in thousands)

Type of Investment/		Interest Rate (1)	Initial		Principal	Amortized Cost	Fair Value (2)
Portfolio company	Industry		Acquisition Date	Maturity Date			
Conyers Park Parent Merger Sub Inc	Retail	5.39% (LIBOR +4%)	06/21/2017	07/07/2024	1,995	\$ 1,986	\$2,012
Country Fresh Holdings, LLC	Beverage, Food & Tobacco	6.69% (LIBOR +5%)	07/14/2017	03/31/2023	4,874	\$ 4,829	\$4,825
Covenant Surgical Partners Inc ⁽⁵⁾	Healthcare & Pharmaceuticals	6.13% (LIBOR +4.75%)	09/29/2017	09/28/2024	692	\$ 126	\$133
Covenant Surgical Partners Inc	Healthcare & Pharmaceuticals	6.09% (LIBOR +4.75%)	09/29/2017	10/04/2024	2,308	\$ 2,302	\$2,325
CPI Acquisition, Inc.	Services: Consumer	5.96% (LIBOR +4.5%)	08/14/2015	08/17/2022	4,187	\$ 4,084	\$3,057
CryoLife Inc	Healthcare & Pharmaceuticals	5.36% (LIBOR +4%)	11/15/2017	12/02/2024	2,000	\$ 1,990	\$2,020
CT Technologies Intermediate Holdings, Inc	Healthcare & Pharmaceuticals	5.82% (LIBOR +4.25%)	02/11/2015	12/01/2021	1,940	\$ 1,946	\$1,939
Cvent, Inc.	Services: Business	5.32% (LIBOR +3.75%)	06/16/2016	11/29/2024	1,990	\$ 1,972	\$1,995
Deerfield Holdings Corp	Banking, Finance, Insurance & Real Estate	3.25% (LIBOR +3.25%)	12/06/2017	12/06/2024	250	\$ 249	\$251
DigiCert, Inc.	Services: Business	6.13% (LIBOR +4.75%)	09/20/2017	10/31/2024	1,000	\$ 995	\$1,014
DXP Enterprises, Inc.	Energy: Oil & Gas	7.07% (LIBOR +5.5%)	08/16/2017	08/29/2023	1,496	\$ 1,482	\$1,511
EmployBridge Holding Co.	Services: Business	8.19% (LIBOR +6.5%)	02/04/2015	05/15/2020	2,912	\$ 2,907	\$2,844
EnergySolutions, LLC	Environmental Industries	6.45% (LIBOR +4.75%)	07/28/2017	05/29/2020	3,727	\$ 3,774	\$3,783
	Services: Business		12/08/2016	12/22/2023	2,620	\$ 2,598	\$2,646

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Evo Payments International, LLC		5.57% (LIBOR +4%)						
Fairmount Santrol Holdings Inc.	Metals & Mining	7.69% (LIBOR +6%)	10/27/2017	11/01/2022	2,000	\$ 1,971	\$ 2,028	
Freedom Mortgage Corporation	Banking, Finance, Insurance & Real Estate	6.96% (LIBOR +5.5%)	02/17/2017	02/23/2022	2,956	\$ 2,948	\$ 3,002	
FullBeauty Brands LP	Retail	6.32% (LIBOR +4.75%)	03/08/2016	10/14/2022	3,929	\$ 3,729	\$ 2,325	
Gold Standard Baking, Inc.	Wholesale	6.25% (LIBOR +4.5%)	05/19/2015	04/23/2021	2,925	\$ 2,917	\$ 2,918	
Green Plains Inc	Chemicals, Plastics & Rubber	7.07% (LIBOR +5.5%)	08/18/2017	08/29/2023	1,425	\$ 1,411	\$ 1,439	
Gruden Acquisition Inc.	Transportation: Cargo	7.19% (LIBOR +5.5%)	06/21/2017	08/18/2022	1,990	\$ 1,945	\$ 1,998	
Gulf Finance, LLC	Energy: Oil & Gas	6.95% (LIBOR +5.25%)	08/17/2016	08/25/2023	1,946	\$ 1,899	\$ 1,756	
Heartland Dental LLC	Services: Consumer	6.45% (LIBOR +4.75%)	07/28/2017	07/31/2023	1,000	\$ 995	\$ 1,015	
Higginbotham Insurance Agency, Inc.	Banking, Finance, Insurance & Real Estate	3.75% (LIBOR +3.75%)	12/14/2017	11/30/2024	5,000	\$ 4,975	\$ 5,013	
Idera Inc	High Tech Industries	6.57% (LIBOR +5%)	06/27/2017	06/28/2024	2,356	\$ 2,334	\$ 2,358	
Impala Private Holdings II LLC	Services: Business	5.7% (LIBOR +4%)	11/10/2017	11/14/2024	1,667	\$ 1,658	\$ 1,661	
Infoblox Inc.	High Tech Industries	6.57% (LIBOR +5%)	11/03/2016	11/07/2023	2,205	\$ 2,168	\$ 2,221	
Insurance Technologies	Banking, Finance, Insurance & Real Estate	7.74% (LIBOR +6.5%)	03/26/2015	12/15/2021	3,406	\$ 3,377	\$ 3,406	
Insurance Technologies ⁽⁴⁾	Banking, Finance, Insurance & Real Estate	0.5% (LIBOR +0.5%)	03/26/2015	12/15/2021	137	\$ (1) \$-	
Jackson Hewitt Tax Service Inc	Services: Consumer	8.38% (LIBOR +7%)	07/24/2015	07/30/2020	931	\$ 921	\$ 923	
Kemet Corporation	High Tech Industries	7.57% (LIBOR +6%)	04/21/2017	04/26/2024	975	\$ 948	\$ 986	

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Kestra Financial, Inc.	Banking, Finance, Insurance & Real Estate	6.94% (LIBOR +5.25%)	06/10/2016	06/24/2022	3,940	\$ 3,896	\$3,940
KMG Chemicals Inc	Chemicals, Plastics & Rubber	4.32% (LIBOR +2.75%)	06/13/2017	06/15/2024	809	\$ 805	\$813
Lindblad Expeditions Inc	Hotel, Gaming & Leisure	6.34% (LIBOR +4.5%)	06/23/2015	05/08/2021	2,591	\$ 2,600	\$2,610
Lyons Magnus Inc aka	Consumer goods: Non-Durable	5.68% (LIBOR +4.25%)	11/03/2017	11/11/2024	2,500	\$ 2,488	\$2,527
Margaritaville Holdings LLC	Beverage, Food & Tobacco	7.46% (LIBOR +6%)	03/12/2015	03/12/2021	4,177	\$ 4,155	\$4,177
MCS Group Holdings LLC	Services: Business	6.25% (LIBOR +4.75%)	05/12/2017	05/20/2024	1,990	\$ 1,981	\$2,005
MDVIP Inc	Services: Business	5.66% (LIBOR +4.25%)	11/10/2017	11/14/2024	3,040	\$ 3,025	\$3,048
Merrill Communications LLC	Media: Advertising, Printing & Publishing	6.63% (LIBOR +5.25%)	05/29/2015	06/01/2022	1,750	\$ 1,743	\$1,765
Meter Readings Holding, LLC	Utilities: Electric	7.23% (LIBOR +5.75%)	08/17/2016	08/29/2023	2,967	\$ 2,941	\$2,982
Morphe, LLC	Retail	7.69% (LIBOR +6%)	02/21/2017	02/10/2023	2,888	\$ 2,850	\$2,873
Nasco Healthcare, Inc.	Healthcare & Pharmaceuticals	6.07% (LIBOR +4.5%)	07/13/2015	06/30/2021	4,536	\$ 4,523	\$4,513
New Insight Holdings Inc	Services: Business	7.13% (LIBOR +5.5%)	12/08/2017	12/20/2024	2,000	\$ 1,900	\$1,918
NextCare, Inc.	Healthcare & Pharmaceuticals	7.57% (LIBOR +6%)	08/21/2015	07/31/2018	2,919	\$ 2,916	\$2,919
Oak Point Partners, LLC	Banking, Finance, Insurance & Real Estate	7.32% (LIBOR +5.75%)	09/13/2017	09/13/2023	3,000	\$ 2,964	\$2,978
OB Hospitalist Group Inc	Healthcare & Pharmaceuticals	5.61% (LIBOR +4.25%)	08/08/2017	08/01/2024	2,400	\$ 2,389	\$2,424

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Logan JV Loan Portfolio as of December 31, 2017

(dollar amounts in thousands)

Type of Investment/		Initial		Amortized		Fair	
Portfolio company	Industry	Interest Rate (1)	Acquisition Date	Maturity Date	Principal	Cost	Value (2)
Odyssey Logistics & Technology Corp	Transportation: Cargo	5.82% (LIBOR +4.25%)	10/06/2017	10/12/2024	2,000	\$ 1,990	\$ 2,010
Pre-Paid Legal Services, Inc	Services: Business	6.82% (LIBOR +5.25%)	05/21/2015	07/01/2019	828	\$ 826	\$ 831
Project Leopard Holdings Inc	High Tech Industries	7.19% (LIBOR +5.5%)	06/21/2017	07/07/2023	1,746	\$ 1,742	\$ 1,760
PSC Industrial Outsourcing, LP	Environmental Industries	5.71% (LIBOR +4.25%)	10/05/2017	10/11/2024	2,000	\$ 1,981	\$ 2,030
PT Holdings LLC	Wholesale	5.57% (LIBOR +4%)	12/04/2017	12/09/2024	3,000	\$ 2,985	\$ 3,018
Quest Software	High Tech Industries	6.92% (LIBOR +5.5%)	11/09/2017	10/31/2022	2,725	\$ 2,706	\$ 2,773
Red Ventures LLC	Media: Diversified & Production	4.25% (LIBOR +4%)	10/18/2017	11/08/2024	2,494	\$ 2,470	\$ 2,495
Riverbed Technology, Inc.	High Tech Industries	4.82% (LIBOR +3.25%)	02/25/2015	04/24/2022	966	\$ 962	\$ 953
SCS Holdings Inc	Services: Business	5.82% (LIBOR +4.25%)	11/20/2015	10/30/2022	1,807	\$ 1,796	\$ 1,821
Silverback Merger Sub Inc	High Tech Industries	5.44% (LIBOR +4%)	08/11/2017	08/21/2024	1,197	\$ 1,194	\$ 1,210
Sirva Worldwide, Inc.	Transportation: Cargo	7.99% (LIBOR +6.5%)	11/18/2016	11/22/2022	2,878	\$ 2,818	\$ 2,906
SMS Systems Maintenance Services Inc	Services: Business	6.57% (LIBOR +5%)	02/09/2017	10/30/2023	2,970	\$ 2,957	\$ 2,554
Starfish- V Merger Sub Inc	High Tech Industries	6.69% (LIBOR +5%)	08/11/2017	08/16/2024	1,247	\$ 1,235	\$ 1,220
	Energy: Electricity		10/11/2016	06/27/2022	868	\$ 868	\$ 873

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TerraForm AP Acquisition Holdings LLC		5.94% (LIBOR +4.25%)					
Thoughtworks, Inc.	High Tech Industries	6.07% (LIBOR +4.5%)	10/06/2017	10/11/2024	3,000	\$ 2,993	\$ 3,008
TKC Holdings Inc	Consumer goods: Durable	5.67% (LIBOR +4.25%)	06/08/2017	02/01/2023	298	\$ 296	\$ 300
TOMS Shoes LLC	Retail	6.98% (LIBOR +5.5%)	12/18/2014	10/30/2020	1,945	\$ 1,873	\$ 1,157
Tupelo Buyer Inc	Transportation: Consumer	5.64% (LIBOR +4.25%)	10/02/2017	10/07/2024	1,600	\$ 1,585	\$ 1,618
TV Borrower US LLC	High Tech Industries	6.44% (LIBOR +4.75%)	02/16/2017	02/22/2024	993	\$ 988	\$ 998
US Renal Care Inc	Healthcare & Pharmaceuticals	5.94% (LIBOR +4.25%)	11/17/2015	12/30/2022	1,960	\$ 1,946	\$ 1,936
US Salt LLC	Chemicals, Plastics & Rubber	4.75% (LIBOR +4.75%)	11/30/2017	12/01/2023	3,000	\$ 2,970	\$ 3,000
US Shipping Corp	Utilities: Oil & Gas	5.82% (LIBOR +4.25%)	03/09/2016	06/26/2021	211	\$ 203	\$ 189
Utility One Source L.P.	Construction & Building	7.07% (LIBOR +5.5%)	04/07/2017	04/18/2023	995	\$ 986	\$ 1,019
Verdesian Life Sciences LLC	Chemicals, Plastics & Rubber	6.38% (LIBOR +5%)	12/09/2014	07/01/2020	2,119	\$ 1,944	\$ 1,907
Vertiv Group Corporation	Capital Equipment	5.35% (LIBOR +4%)	09/30/2016	11/30/2023	1,504	\$ 1,465	\$ 1,505
Viewpoint Inc	High Tech Industries	5.94% (LIBOR +4.25%)	07/18/2017	07/19/2024	998	\$ 993	\$ 1,002
Weight Watchers International, Inc.	Beverage, Food & Tobacco	6.23% (LIBOR +4.75%)	11/20/2017	11/29/2024	2,700	\$ 2,647	\$ 2,721
Wirepath Home Systems LLC	Services: Business	6.87% (LIBOR +5.25%)	07/31/2017	08/05/2024	2,993	\$ 2,978	\$ 3,034
Women's Care Florida LLP	Healthcare & Pharmaceuticals	6.07% (LIBOR +4.5%)	08/18/2017	09/29/2023	5,000	\$ 4,976	\$ 4,994
Zenith Merger Sub, Inc.	Services: Business	7.06% (LIBOR +5.5%)	12/22/2017	12/13/2023	3,000	\$ 2,970	\$ 2,970

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Zest Holdings LLC	Healthcare & Pharmaceuticals	5.82% (LIBOR +4.25%)	04/13/2017	08/16/2023	1,985	\$ 1,981	\$ 2,006
Total United States of America						\$ 223,014	\$ 220,603
Total Senior Secured First Lien Term Loans						\$ 230,663	\$ 228,426
Second Lien Term Loans							
Luxembourg							
Lully Finance S.a.r.l.	Telecommunications	10.069% (LIBOR +8.5%)	07/31/2015	10/16/2023	1,000	\$ 993	\$ 985
Total Luxembourg						\$ 993	\$ 985
United States of America							
ABG Intermediate Holdings 2 LLC	Consumer goods: Durable	9.44% (LIBOR +7.75%)	09/26/2017	09/29/2025	2,333	\$ 2,316	\$ 2,368
BJ's Wholesale Club, Inc.	Beverage, Food & Tobacco	8.95% (LIBOR +7.5%)	01/27/2017	02/03/2025	3,000	2,987	2,939
CH Hold Corp	Automotive	8.82% (LIBOR +7.25%)	01/26/2017	02/03/2025	1,000	996	1,023

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Logan JV Loan Portfolio as of December 31, 2017

(dollar amounts in thousands)

			Initial				
Type of Investment/			Acquisition	Maturity	Amortized	Fair	
Portfolio company	Industry	Interest Rate ⁽¹⁾	Date	Date	Principal	Cost	Value ⁽²⁾
Constellis Holdings, LLC	Aerospace & Defense	10.69% (LIBOR +9%)	04/18/2017	04/21/2025	1,000	986	1,003
DigiCert, Inc.	Services: Business	9.38% (LIBOR +8%)	09/20/2017	10/31/2025	750	746	756
DiversiTech Holdings Inc	Capital Equipment	9.2% (LIBOR +7.5%)	05/18/2017	06/02/2025	2,000	1,981	2,025
Gruden Acquisition Inc.	Transportation: Cargo	10.19% (LIBOR +8.5%)	07/31/2015	08/18/2023	500	482	499
Midwest Physician Administrative Services, LLC	Healthcare & Pharmaceuticals	8.42% (LIBOR +7%)	08/11/2017	08/15/2025	1,000	990	1,006
Optiv Security Inc	Services: Business	8.63% (LIBOR +7.25%)	01/19/2017	01/31/2025	1,500	1,493	1,352
Pathway Partners Vet Management	Healthcare & Pharmaceuticals	9.57% (LIBOR +8%)	10/04/2017	10/10/2025	1,389	1,375	1,382
Pathway Partners Vet Management ⁽⁶⁾	Healthcare & Pharmaceuticals	8% (LIBOR +8%)	10/04/2017	10/10/2025	611	(6)	(3)
Red Ventures LLC	Media: Diversified & Production	9.57% (LIBOR +8%)	10/18/2017	11/08/2025	544	536	545
SESAC Holdco II LLC	Media: Diversified & Production	8.73% (LIBOR +7.25%)	02/13/2017	02/24/2025	1,000	991	986
TKC Holdings Inc	Consumer goods: Durable	9.42% (LIBOR +8%)	01/31/2017	02/01/2024	1,850	1,836	1,864
TV Borrower US LLC	High Tech Industries	9.94% (LIBOR +8.25%)	02/16/2017	02/22/2025	1,000	987	995
Viewpoint Inc	High Tech Industries	9.94% (LIBOR +8.25%)	07/18/2017	07/21/2025	1,000	991	998
	Services: Consumer		05/04/2015	05/15/2023	425	423	423

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Wash Multifamily Laundry Systems, LLC.		8.57% (LIBOR +7%)					
Wash Multifamily Laundry Systems, LLC.	Services: Consumer	8.57% (LIBOR +7%)	05/04/2015	05/12/2023	75	74	74
Total United States of America						\$ 20,184	\$ 20,235
Total Second Lien Term Loans						\$ 21,177	\$ 21,220
Equity Investments							
United States of America							
Avaya Inc	Telecommunications		12/15/2017		870	870	754
Total United States of America						\$ 870	\$ 754
Total Equity Investments						\$ 870	\$ 754
Total Investments						\$ 252,710	\$ 250,400
Cash and cash equivalents							
Dreyfus Government Cash Management Fund						10,023	10,023
Other cash accounts						614	614
Total Cash and cash equivalents						\$ 10,637	\$ 10,637

(1) Variable interest rates indexed to 30-day, 60-day, 90-day or 180-day LIBOR rates, at the borrower's option. LIBOR rates are subject to interest rate floors.

(2) Represents fair value in accordance with ASC Topic 820.

(3) Represents a delayed draw commitment of \$113, which was unfunded as of December 31, 2017.

(4) Represents a delayed draw commitment of \$137, which was unfunded as of December 31, 2017.

(5) Represents a delayed draw commitment of \$565, which was unfunded as of December 31, 2017.

(6) Represents a delayed draw commitment of \$611, which was unfunded as of December 31, 2017.

Logan JV Summarized Financial Information:

Below is certain summarized financial information for Logan JV as of September 30, 2018 and December 31, 2017 and for the three and nine months ended September 30, 2018 and 2017:

Selected Balance Sheet Information

	As of September 30, 2018 (Dollars in thousands)	As of December 31, 2017 (Dollars in thousands)
Assets:		
Investments at fair value (cost of \$323,839		
and \$252,710, respectively)	\$ 320,805	\$ 250,400
Cash	20,526	10,637
Other assets	1,133	9,605
Total assets	\$ 342,464	\$ 270,642
Liabilities:		
Loans payable reported net of unamortized debt issuance costs	\$ 213,193	\$ 168,110
Payable for investments purchased	15,918	15,616
Distribution payable	3,310	3,300
Other liabilities	2,432	1,854
Total liabilities	\$ 234,853	\$ 188,880
Members' capital	\$ 107,611	\$ 81,762
Total liabilities and members' capital	\$ 342,464	\$ 270,642

Selected Statement of Operations Information

For the three months ended	For the three months ended	For the nine months ended	For the nine months ended
September 30,	September 30,	September 30,	September 30,

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	2018 (Dollars in thousands)	2017 (Dollars in thousands)	2018 (Dollars in thousands)	2017 (Dollars in thousands)
Interest income	\$ 6,011	\$ 4,559	\$ 15,974	\$ 12,717
Fee income	(6)	39	102	263
Total revenues	6,005	4,598	16,076	12,980
Credit facility expenses ⁽¹⁾	2,681	1,637	6,821	4,491
Other fees and expenses	298	89	854	280
Total expenses	2,979	1,726	7,675	4,771
Net investment income	3,026	2,872	8,401	8,209
Net realized gains	92	336	371	767
Net change in unrealized appreciation (depreciation) on investments	201	(891)	(724)	(2,595)
Net increase in members' capital from operations	\$ 3,319	\$ 2,317	\$ 8,048	\$ 6,381

⁽¹⁾As of September 30, 2018, Logan JV had \$215,555 of outstanding debt under its credit facility with an effective interest rate of 4.62% per annum. As of December 31, 2017, Logan JV had \$169,632 of outstanding debt under its credit facility with an effective interest rate of 3.92% per annum.

Investment in Tax Receivable Agreement Payment Rights

In June 2012, we invested in a TRA that entitles us to certain payment rights, or TRA Payment Rights, from Duff & Phelps Corporation, or Duff & Phelps. The TRA transfers the economic value of certain tax deductions, or tax benefits, taken by Duff & Phelps to us and entitles us to a stream of payments to be received. The TRA payment right is, in effect, a subordinated claim on the issuing company which can be valued based on the credit risk of the issuer, which includes projected future earnings, the liquidity of the underlying payment right, risk of tax law changes, the effective tax rate and any other factors which might impact the value of the payment right.

Through the TRA, we are entitled to receive an annual tax benefit payment based upon 85% of the savings from certain deductions along with interest. The payments that we are entitled to receive result from cash savings, if any, in U.S. federal, state or local income tax that Duff & Phelps realizes (i) from the tax savings derived from the goodwill and other intangibles created in connection with the Duff & Phelps initial public offering and (ii) from other income tax deductions. These tax benefit payments will continue until the relevant deductions are fully utilized, which was projected to be 16 years from the initial investment date. Pursuant to the TRA, we maintain the right to enforce Duff & Phelps payment obligations as a transferee of the TRA contract. If Duff & Phelps chooses to pre-pay and terminate the TRA, we will be entitled to the present value of the expected future TRA payments. If Duff & Phelps breaches any material obligation then all obligations are accelerated and calculated as if an early termination occurred. Failure to make a payment is a breach of a material obligation if the failure occurs for more than three months.

The projected annual tax benefit payment is accrued on a quarterly basis and paid annually. The payment is allocated between a reduction in the cost basis of the investment and interest income based upon an amortization schedule. Based upon the characteristics of the investment, we have chosen to categorize the investment in the TRA payment rights as an investment in payment rights.

For the three months ended September 30, 2018 and 2017, we recognized interest income totaling \$0.4 million and \$0.5 million, respectively, related to the TRA. For the nine months ended September 30, 2018 and 2017, we recognized interest income totaling \$1.1 million and \$1.5 million, respectively, related to the TRA.

Asset Quality

We employ the use of board observation and information rights, regular dialogue with company management and sponsors, and detailed internally generated monitoring reports to actively monitor performance. Additionally, THL Credit has developed a monitoring template that promotes compliance with these standards and that is used as a tool to assess investment performance relative to plan.

As part of the monitoring process, the Advisor assesses the risk profile of each of our investments and assigns each portfolio investment a score of a 1, 2, 3, 4 or 5

The investment performance scores, or IPS, are as follows:

- 1 – The portfolio investment is performing above our underwriting expectations.
- 2 – The portfolio investment is performing as expected at the time of underwriting. All new investments are initially scored a 2.
- 3 – The portfolio investment is operating below our underwriting expectations and requires closer monitoring. The company may be out of compliance with financial covenants, however, principal or interest payments are generally not past due.

4 – The portfolio investment is performing materially below our underwriting expectations and returns on our investment are likely to be impaired. Principal or interest payments may be past due, however, full recovery of principal and interest payments are expected.

5 – The portfolio investment is performing substantially below expectations and the risk of the investment has increased substantially. The company is in payment default and the principal and interest payments are not expected to be repaid in full.

For purposes of clarity, underwriting as referenced herein may be redetermined after the initial investment as a result of a transformative credit event or other material event whereby such initial underwriting is deemed by the Advisor to be no longer appropriate for the purpose of assessing investment performance relative to plan. For any investment receiving a score of a 3 or lower THL Credit Advisors will increase their level of focus and prepare regular updates for the investment committee summarizing current operating results, material impending events and recommended actions.

The Advisor monitors and, when appropriate, changes the investment scores assigned to each investment in our portfolio. In connection with our investment valuation process, the Advisor and board of directors review these investment scores on a quarterly basis. Our average investment score was 2.05 and 2.24 at September 30, 2018 and December 31, 2017, respectively. The following is a distribution of the investment scores of our portfolio companies at September 30, 2018 and December 31, 2017 (in millions):

Investment Score	September 30, 2018					December 31, 2017						
	% of					% of						
	Total					Total						
	Portfolio					Portfolio						
	based on					based on						
	Amortized					Amortized						
	Cost	Cost	Fair Value	FV		Cost	Cost	Fair Value	FV			
1 ^(a)	\$126.4	23.3	%	\$ 140.4	26.3	%	\$63.1	9.9	%	\$ 69.4	11.4	%
2 ^(b)	262.0	48.4	%	259.2	48.7	%	436.1	68.1	%	437.9	71.9	%
3 ^(c)	129.2	23.9	%	111.1	20.9	%	69.4	10.8	%	60.7	10.0	%
4 ^(d)	-	0.0	%	-	0.0	%	28.4	4.4	%	20.0	3.3	%
5 ^(e)	23.7	4.4	%	22.1	4.1	%	43.4	6.8	%	20.7	3.4	%
Total	\$541.3	100.0	%	\$ 532.8	100.0	%	640.4	100.0	%	608.7	100.0	%

^(a) As of September 30, 2018 and December 31, 2017, Investment Score “1” included \$22.2 million and \$0.0 million, respectively, of loans to companies in which we also hold equity securities.

^(b) As of September 30, 2018 and December 31, 2017, Investment Score “2” included \$92.2 million and \$147.3 million, respectively, of loans to companies in which we also hold equity securities.

^(c) As of September 30, 2018 and December 31, 2017, Investment Score “3” included \$65.0 million and \$48.9 million, respectively, of loans to companies in which we also hold equity securities.

^(d) As of September 30, 2018 and December 31, 2017, Investment Score “4” included no loans to companies in which we also hold equity securities.

^(e) As of September 30, 2018 and December 31, 2017, Investment Score “5” included \$13.0 million and \$12.6, respectively, of loans to companies in which we also hold equity securities.

Loans are placed on non-accrual status when principal or interest payments are past due 30 days or more and/or when it is no longer probable that principal or interest will be collected. However, we may make exceptions to this policy if the loan has sufficient collateral value and is in the process of collection. As of September 30, 2018, we had loans on non-accrual status with an amortized cost basis of \$14.4 million and fair value of \$7.8 million. As of December 31, 2017, we had loans on non-accrual status with an amortized cost basis of \$56.3 million and fair value of \$21.0 million. The decrease in loans on non-accrual status is attributable in part to our exit of certain non-accrual loans and restructuring of other loans. For additional information, please refer to the Consolidated Schedules of Investments as of September 30, 2018 and December 31, 2017. We record the reversal of any previously accrued income against the same income category reflected in the Consolidated Statement of Operations.

Results of Operations

Comparison of the three and nine months ended September 30, 2018 and 2017

Investment Income

We generate revenues primarily in the form of interest on the debt and other income-producing securities we hold. Other income-producing securities include investments in funds and an investment in payment rights. Our investments in fixed income instruments generally have an expected maturity of five to seven years, and typically bear interest at a fixed or floating rate. Interest on our debt securities is generally payable quarterly. Payments of principal of our debt investments may be amortized over the stated term of the investment, deferred for several years or due entirely at maturity. In some cases, our debt instruments and preferred stock investments may defer payments of dividends or pay interest in-kind, or PIK. Any outstanding principal amount of our debt securities and any accrued but unpaid interest will generally become due at the maturity date. The level of interest income we receive is directly related to the balance of interest-bearing investments multiplied by the weighted average yield of our investments. In addition to interest income, we may receive dividends and other distributions related to our equity investments. We may also generate revenue in the form of fees from the management of Greenway and Greenway II, prepayment premiums, commitment, loan origination, structuring or due diligence fees, exit fees, amendment fees, portfolio company administration fees, fees for providing significant managerial assistance and consulting fees. These fees may or may not be recurring in nature as part of our normal business operations. We will disclose below what amounts, if any, are material non-recurring fees that have been recorded as income during each respective period.

The following shows the breakdown of investment income for the three and nine months ended September 30, 2018 and 2017 (in millions):

	Three months ended September 30, 2018		Nine months ended September 30, 2017	
Interest income on debt securities				
Cash interest	\$10.1	\$12.7	\$33.7	\$38.3
PIK interest	0.9	0.4	1.6	1.5
Prepayment premiums	—	—	0.4	0.1
Net accretion of discounts and other fees	0.7	1.4	2.5	3.6
Total interest on debt securities	11.7	14.5	38.2	43.5
Dividend income ⁽¹⁾	3.3	3.7	8.8	10.1
Interest income on other income-producing securities ⁽¹⁾	0.6	1.1	2.4	3.5
Fees related to non-controlled, affiliated investments	0.2	0.3	0.7	0.8
Other income ⁽²⁾	0.3	0.5	1.0	2.3
Total investment income	\$16.1	\$20.1	\$51.1	\$60.2

(1) Includes dividend income from preferred and common equity interests in C&K Market, Inc., Copperweld Bimetallics, LLC, and Logan JV.

(2) For three months ended September 30, 2018 and 2017, we recognized \$0.1 and \$0.1 million, respectively, of non-recurring fees from portfolio companies. For the nine months ended September 30, 2018 and 2017, we recognized \$0.1 million and \$0.6 million, respectively, of non-recurring fees from portfolio companies.

The decrease in investment income between the three and nine month periods was primarily due to the contraction in the overall investment portfolio since September 30, 2017, which led to lower interest income, lower dividend income from certain equity investments and lower other income related to one-time amendment and structuring fees.

The following shows a rollforward of PIK income activity for the three and nine months ended September 30, 2018 and 2017 (in millions):

	Three months ended September 30, 2018		Nine months ended September 30, 2017	
Accumulated PIK balance, beginning of period	\$3.6	\$4.4	\$3.9	\$3.1
PIK income capitalized/receivable	0.9	0.4	1.8	1.7
PIK received in cash from repayments	(0.2)	—	(1.3)	—
Accumulated PIK balance, end of period	\$4.3	\$4.8	\$4.4	\$4.8

In certain investment transactions, we may provide advisory services. For services that are separately identifiable and external evidence exists to substantiate fair value, income is recognized as earned. We earned no income from advisory services related to portfolio companies for the three and nine months ended September 30, 2018 and 2017.

Expenses

Our primary operating expenses include the payment of base management fees, an incentive fee, borrowing expenses related to our credit facilities and Notes, and expenses reimbursable under the investment management agreement and the allocable portion of overhead under the administration and investment management agreements (“administrator expenses”). The base management fee compensates the Advisor for work in identifying, evaluating, negotiating, closing and monitoring our investments. Our investment management agreement and administration agreement provides that we will reimburse the Advisor for costs and expenses incurred by the Advisor for facilities, office equipment and utilities allocable to the performance by the Advisor of its duties under the agreements, as well as any costs and expenses incurred by the Advisor relating to any administrative or operating services provided by the Advisor to us. We bear all other costs and expenses of our operations and transactions.

The following shows the breakdown of expenses for the three and nine months ended September 30, 2018 and 2017 (in millions):

	For the three months ended September 30, 2018		For the nine months ended September 30, 2017	
Expenses				
Interest and fees on Borrowings ^(a)	\$3.8	\$4.4	\$11.8	\$13.1
Base management fees	2.2	2.6	6.9	7.8
Incentive fees ^(b)	1.7	0.8	1.6	3.3
Other expenses	1.0	1.5	3.1	3.5
Administrator expenses	0.5	0.7	1.6	2.2
Total expenses	9.2	10.0	25.0	29.9
Incentive fee waiver	(1.7)	(0.8)	(1.7)	(0.8)
Total expenses, net of incentive fee waiver	7.5	9.2	23.3	29.1
Income tax provision, excise and other taxes ^(c)	—	(0.2)	0.2	0.1
Total expenses after taxes	\$7.5	\$9.0	\$23.5	\$29.2

^(a) Interest, fees and amortization of deferred financing costs related to our Credit Facility and Notes.

^(b) For the three and nine months ended September 30, 2018, the ordinary income incentive fee expense was \$0 and \$0, after giving effect to a fee waiver of \$1.7 million and \$1.7 million, respectively. For the three months ended September 30, 2017, the ordinary income incentive fee expense was \$0, after giving effect to a fee waiver of \$0.8 million. For the nine months ended September 30, 2017, the ordinary income incentive fee expense was \$2.5 million, which included a fee waiver of \$0.8 million.

^(c) Amounts include the income taxes related to earnings by our consolidated corporate subsidiaries established to hold equity or equity-like portfolio company investments organized as pass-through entities and excise taxes related to our undistributed earnings and other taxes.

The decrease in operating expenses during the three and nine month periods was due primarily to lower interest and fees on our Credit Facility due to a reduction in borrowings outstanding, lower administration expenses allocated from the Advisor as well as lower incentive fees, including the effect of the waiver, due to portfolio performance and lower base management fees as a result of portfolio contraction.

We expect certain of our operating expenses, including administrator expenses, professional fees and other general and administrative expenses to decline as a percentage of our total assets during periods of growth and increase as a percentage of our total assets during periods of asset declines.

Net Investment Income

Net investment income was \$8.6 million, or \$0.26 per common share based on a weighted average of 32,673,590 common shares outstanding for the three months ended September 30, 2018, as compared to \$11.2 million, or \$0.34 per common share based on a weighted average of 32,721,686 common shares outstanding for the three months ended September 30, 2017.

Net investment income was \$27.5 million, or \$0.84 per common share based on a weighted average of 32,673,590 common shares outstanding for the nine months ended September 30, 2018 as compared to \$31.0 million, or \$0.94 per common share based on a weighted average of 32,838,903 common shares outstanding for the nine months ended September 30, 2017.

The decrease in net investment income between the three and nine month periods is primarily attributable a decrease in interest income on debt and other income-producing investments due to portfolio contraction offset by lower borrowing costs, incentive and base management fees.

Net Realized Gains and Losses on Investments, net of income tax provision

We measure realized gains or losses by the difference between the net proceeds from the repayment or sale and the amortized cost basis of the investment, using the specific identification method, without regard to unrealized appreciation or depreciation previously recognized.

The following shows the breakdown of net realized gains and losses for the three and nine months ended September 30, 2018 and 2017 (in millions):

	For the		For the	
	three months		nine months	
	ended		ended	
	September 30,	September 30,	September 30,	September 30,
	2018	2017	2018	2017
Aerogroup International Inc. ⁽¹⁾	\$(0.4)	\$—	\$(6.7)	\$—
Charming Charlie LLC ⁽²⁾	—	—	(11.4)	—
CRS Reprocessing, LLC ⁽³⁾	—	(11.9)	—	(11.9)
Fairstone Financial Inc. ⁽⁴⁾	—	—	0.2	—
Food Processing Holdings, LLC	—	0.6	—	0.6
Flagship VII, Ltd.	—	—	—	(0.8)
Flagship VIII, Ltd.	—	—	—	(0.6)
Gryphon Partners 3.5, L.P.	0.1	—	0.2	0.6
Hostway Corporation	—	—	—	(1.0)
Specialty Brands Holdings, LLC ⁽⁵⁾	—	—	(21.0)	—
THL Credit Logan JV LLC	(0.1)	—	0.2	—
Washington Inventory Service ⁽⁶⁾	—	—	—	(10.4)
YP Equity Investors, LLC	—	—	—	1.3
Other	0.1	—	—	—
Net realized losses	\$(0.3)	\$(11.3)	\$(38.5)	\$(22.2)

- (1) In March of 2018, Aerogroup International Inc. was sold through bankruptcy proceedings and we received \$2.5 million in proceeds with an additional \$6.3 million reflected as escrow receivable. During the nine months ended September 30, 2018, a realized loss on the investment of \$6.7 million was offset by a reversal of unrealized prior period depreciation of \$2.2 million.
- (2) In January 2018, our commitment in the DIP facilities allowed us to convert \$17.9 million of principal of our Pre-petition Term Loan into a DIP Roll-up Term Loan. As part of this conversion and in accordance with debt extinguishment rules under GAAP, we recorded a realized loss of \$8.4 million, which was offset by a corresponding change in unrealized appreciation in the same amount. Subsequently, on April 24, 2018, Charming Charlie LLC emerged from Chapter 11 bankruptcy proceedings whereby we converted our DIP facilities, Pre-petition Term Loan and DIP Roll-up Term Loan into two new exit first lien term loans and a noncontrolling common equity interest (we and other funds managed by the Advisor collectively have a controlling equity interest in Charming Charlie, LLC). On the same date, we funded \$0.9 million of the remaining unfunded commitments under our DIP facilities and used an additional \$2.2 million to purchase another lender's existing DIP revolving credit facility, all of which converted to the exit first lien term loans. As a result of these transactions, our debt investment in Charming Charlie is comprised of \$24.6 million in the exit first lien term loans. In addition, we provided \$8.9 million of commitments under a vendor financing facility, which was subsequently reduced to \$8.3 million with \$0.7 million funded into a first lien term loan. As part of this conversion and in accordance with GAAP, we recorded a realized loss of \$3.1 million, which was offset by a corresponding change in unrealized depreciation in the same amount.
- (3) On September 11, 2017, the Company sold its senior secured term loan realizing proceeds of \$3.2 million.

- (4) Includes the impact of foreign exchange gain.
- (5) On June 29, 2018, as part of restructuring the business, we agreed to sell our second lien term loan for \$0.5 million in cash and received nominal equity interests in an affiliated entity.
- (6) On June 8, 2017, as part of restructuring the business, we agreed to sell our second lien term loan to the first lien lenders for \$0.6 million.

In connection with the proceeds received from the exit of our equity investment in YP Equity Investors, LLC and affiliated funds held in a consolidated blocker corporation, we recorded an income tax provision on realized gains of \$0.0 million and \$0.8 million, respectively, for the three and nine months ended September 30, 2017.

Net Change in Unrealized Appreciation (Depreciation) of Investments

Net change in unrealized appreciation primarily reflects the change in portfolio investment values during the reporting period, including the reversal of previously recorded appreciation or depreciation when gains or losses are realized.

The following shows the breakdown in the changes in unrealized appreciation of investments for the three and nine months ended September 30, 2018 and 2017 (in millions):

	Three months ended September 30,		Nine months ended September 30,	
	2018	2017	2018	2017
Gross unrealized appreciation on investments	\$5.8	\$5.9	\$22.6	\$16.2
Gross unrealized depreciation on investments	(9.0)	(8.3)	(29.7)	(22.4)
Reversal of prior period net unrealized depreciation (appreciation) upon a realization	—	7.2	30.3	8.1
Total	\$(3.2)	\$4.8	\$23.2	\$1.9

The net change in unrealized appreciation (depreciation) on our investments for the three and nine months ended September 30, 2018 and 2017 was primarily the result of the reversal of prior period net unrealized depreciation related to certain restructured and exited investments and the improved performance of certain portfolio investments, including certain control investments. See Schedule 12-14 in the accompanying notes to the consolidated financial statements.

Provision for Taxes on Unrealized Gains on Investments

Certain consolidated subsidiaries of ours are subject to U.S. federal and state income taxes. These taxable entities are not consolidated with the Company for income tax purposes and may generate income tax liabilities or assets from temporary differences in the recognition of items for financial reporting and income tax purposes at the subsidiaries. For the three months ended September 30, 2018 and 2017, we recognized a (provision) benefit for tax on unrealized gains on investments of \$(0.2) million and \$0.4 million for consolidated subsidiaries, respectively. For the nine months ended September 30, 2018 and 2017, we recognized a (provision) benefit for tax on unrealized gains on investments of \$(0.3) and \$2.3 million for consolidated subsidiaries, respectively. As of September 30, 2018 and December 31, 2017, \$2.0 million and \$2.3 million, respectively, were included in deferred tax liability on the Consolidated Statements of Assets and Liabilities relating to deferred tax on unrealized gain on investments. The change in provision for tax on unrealized gains on investments relates primarily to changes to the unrealized appreciation (depreciation) of the investments held in these taxable consolidated subsidiaries, other temporary differences and a change in the prior year estimates received from certain portfolio companies.

Net Increase in Net Assets Resulting from Operations

Net increase in net assets resulting from operations totaled \$4.7 million, or \$0.14 per common share based on a weighted average of 32,673,590 common shares for the three months ended September 30, 2018, as compared to \$4.1 million, or \$0.13 per common share based on a weighted average of 32,721,686 common shares for the three months ended September 30, 2017, respectively.

Net increase in net assets resulting from operations totaled \$12.5 million, or \$0.38 per common share based on a weighted average of 32,673,590 common shares for the nine months ended September 30, 2018, as compared to \$10.6 million, or \$0.33 per common share based on a weighted average of 33,234,994 common shares for the nine months ended September 30, 2017.

The changes in net assets from operations between the three months ended September 30, 2018 and 2017 and the nine months ended September 30, 2018 and 2017 is due primarily to lower interest income as a result of portfolio contraction as well as the decrease of the realized and unrealized gains and losses in the portfolio and the related tax impact.

Financial condition, liquidity and capital resources

Cash Flows from Operating and Financing Activities

Our liquidity and capital resources are derived from our borrowings, equity raises and cash flows from operations, including investment sales and repayments, and investment income earned. Our primary use of funds from operations includes investments in portfolio companies, payment of distributions to the holders of our common stock and payments of fees and other operating expenses we incur. We have used, and expect to continue to use, our borrowings and the proceeds from the turnover in our portfolio and from public and private offerings of securities to finance our investment objectives, to the extent permitted by the 1940 Act.

We may raise additional equity or debt capital through both registered offerings off our shelf registration statement and private offerings of securities, by securitizing a portion of our investments or borrowings from credit facilities. To the extent we determine to raise additional equity through an offering of our common stock at a price below net asset value, existing investors will experience dilution. During our 2018 Annual Stockholder Meeting held on June 7, 2018, our stockholders authorized us, with the approval of our Board of Directors, to sell up to 25% of our outstanding common stock at a price below our then current net asset value per share and to offer and issue debt with warrants or debt convertible into shares of our common stock at an exercise or conversion price that will not be less than the fair market value per share but may be below the then current net asset value per share. This approval will expire on the earlier of June 7, 2019 or the date of our 2019 Annual Stockholder Meeting. There can be no assurance that these capital resources will be available.

In December 2014, we closed a public debt offering selling \$50.0 million of Notes due in 2021, or the 2021 Notes, including the exercise of the overallotment option, through a group of underwriters, less an underwriting discount, and received net proceeds of \$48.5 million. In December 2015 and November 2016, we closed a public debt offering selling \$35.0 million and \$25.0 million, respectively, of Notes due in 2022, or the 2022 Notes, including the exercise of the overallotment option, through a group of underwriters, less an underwriting discount, and received net proceeds of \$34.0 million and \$24.3 million, respectively. Collectively, the 2021 Notes and 2022 Notes are referred to as the Notes.

We borrowed \$69.5 million under our Revolving Facility for the nine months ended September 30, 2018 and repaid \$123.1 million on our Revolving Facility (includes CAD \$10.0 million converted to USD \$7.7 million) from proceeds received from prepayments and sales and investment income. We borrowed \$85.9 million (includes CAD \$29.4 million converted to USD \$22.1 million) under our Revolving Facility for the nine months ended September 30, 2017 and repaid \$82.8 million on our Revolving Facility from prepayments and sales and investment income.

Our operating activities provided cash of \$83.1 million and \$23.3 million for the nine months ended September 30, 2018 and 2017, respectively, primarily in connection with the purchase and sales of portfolio investments. For the nine months ended September 30, 2018, our financing activities included net repayments of \$53.6 million on our Revolving Facility and used \$26.5 million for distributions to stockholders. For the nine months ended September 30, 2017, our financing activities included net borrowings of \$3.1 million on our Revolving Facility and used \$26.6 million for distributions to stockholders, \$2.5 million to repurchase common stock and \$0.1 million for the payment of financing and offering costs.

As of September 30, 2018 and December 31, 2017, we had cash of \$6.6 million and \$3.6 million, respectively. We had no cash equivalents as of September 30, 2018 and December 31, 2017.

We believe cash balances, our Revolving Facility capacity and any proceeds generated from the sale or pay down of investments provides us with the liquidity necessary to acquit our pipeline in the near future.

Borrowings

The following shows a summary of our Borrowings as of September 30, 2018 and December 31, 2017 (in millions):

Facility	As of September 30, 2018			Weighted	Weighted	December 31, 2017			Weighted	Weighted
	Commitments	Borrowings	Outstanding			Commitments	Borrowings	Outstanding		
			Average					Average		

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	(1)		Borrowings Outstanding (2)		Average Interest Rate		(3)		Borrowings Outstanding (4)		Average Interest Rate	
Revolving Facility (5)	\$ 275.0	\$ 113.0	\$ 147.9	4.66	%	\$ 275.0	\$ 167.3	\$ 118.0	4.03	%		
2021 Notes	50.0	50.0	50.0	6.75	%	50.0	50.0	50.0	6.75	%		
2022 Notes	60.0	60.0	60.0	6.75	%	60.0	60.0	60.0	6.75	%		
Total	\$ 385.0	\$ 223.0	\$ 257.9	5.69	%	\$ 385.0	\$ 277.3	\$ 228.0	5.11	%		

(1) As of September 30, 2018, excludes deferred financing costs of \$1.0 million for the 2021 Notes and \$1.5 million for the 2022 Notes presented as a reduction to the respective balances outstanding in the Consolidated Statements of Assets and Liabilities.

(2) Represents the weighted average borrowings outstanding for the nine months ended September 30, 2018.

(3) As of December 31, 2017, excludes deferred financing costs of \$1.2 million for the 2021 Notes and \$1.8 million for the 2022 Notes presented as a reduction to the respective balances outstanding in the Consolidated Statements of Assets and Liabilities.

(4) Represents the weighted average borrowings outstanding for the year ended December 31, 2017.

(5) We may borrow amounts in U.S. dollars or certain other permitted currencies. As of September 30, 2018, we had outstanding debt denominated in Canadian Dollars (CAD) of CAD \$19.4 million on our Revolving Credit Facility. The CAD was converted into USD at a spot exchange rate of \$0.77 CAD to \$1.00 USD as of September 30, 2018. As of December 31, 2017, we had outstanding debt denominated in Canadian Dollars (CAD) of CAD \$29.4 million on our Revolving Facility. The CAD was converted into USD at a spot exchange rate of \$0.80 CAD to \$1.00 USD as of December 31, 2017.

Credit Facility

On December 15, 2017, we entered into an amendment, or the Revolving Amendment, to our existing revolving credit agreement, or Revolving Facility. The Revolving Amendment revised the Revolving Facility dated August 19, 2015 to, among other things, extend the maturity date from August 2019 to December 2022 (with a one year term out period beginning in December 2021). The one year term out period is the one year anniversary between the revolver termination date, or the end of the availability period, and the maturity date. During this time, we are required to make mandatory prepayments on its loans from the proceeds we receive from the sale of assets, extraordinary receipts, returns of capital or the issuances of equity or debt. The Revolving Amendment also reduced the size of the commitments from \$303.5 million to \$275.0 million. The Revolving Facility, denominated in US dollars, has an interest rate of LIBOR plus 2.5% (with no LIBOR floor). The Revolving Facility, denominated in Canadian dollars, has an interest rate of CDOR plus 2.5% (with no CDOR floor). The non-use fee is 1.0% annually if we use 35% or less of the Revolving Facility and 0.50% annually if we use more than 35% of the Revolving Facility. We elect the LIBOR or CDOR rates on the loans outstanding on our Revolving Facility, which has a LIBOR or CDOR period that is one, two, three or nine months. The LIBOR rate on the US dollar borrowings outstanding on its Revolving Facility had a one month LIBOR period as of September 30, 2018. The CDOR rate on the Canadian borrowings outstanding on its Revolving Facility had a one month CDOR period as of September 30, 2018.

As of September 30, 2018, we had borrowings of \$113.0 million outstanding under the Revolving Facility with a weighted average interest rate of 4.70% including non-United States dollar borrowings denominated in Canadian dollars of CAD \$19.4 million (\$15.0 million in United States dollars) outstanding under the Revolving Facility with a weighted average interest rate of 4.34%. The borrowings denominated in Canadian dollars are translated into United States dollars based on the spot rate at each balance sheet date. The impact resulting from changes in foreign exchange rates on the Revolving Facility borrowings is included in unrealized appreciation (depreciation) on foreign currency borrowings in our Consolidated Statements of Operations. The borrowings denominated in Canadian dollars may be positively or negatively affected by movements in the rate of exchange between the United States dollar and the Canadian dollar. This movement is beyond our control and cannot be predicted.

On December 15, 2017, in conjunction with the Revolving Amendment, the \$75.0 million Term Loan Facility was refinanced into the Revolving Facility and the Term Loan Facility was terminated. The Term Loan Facility previously had a maturity date of August 2021, an interest rate of LIBOR plus 2.75% (with no LIBOR floor) and had substantially similar terms to the existing Revolving Facility (as amended by the Revolving Amendment). As of September 30, 2017, the LIBOR rate on our Senior Secured Term Loan had a one month LIBOR period.

The Revolving Facility includes an accordion feature permitting us to expand the Revolving Facility, if certain conditions are satisfied; provided, however, that the aggregate amount of the Revolving Facility, collectively, is capped. The Revolving Amendment revised the cap from \$600.0 million to \$500.0 million.

The Revolving Facility generally requires payment of interest on a quarterly basis for ABR loans (commonly based on the Prime Rate or the Federal Funds Rate), and at the end of the applicable interest period for Eurocurrency loans bearing interest at LIBOR, the interest rate benchmark used to determine the variable rates paid on the Revolving Facility. All outstanding principal is due upon each maturity date. The Revolving Facility also require a mandatory prepayment of interest and principal upon certain customary triggering events (including, without limitation, the

disposition of assets or the issuance of certain securities).

Borrowings under the Revolving Facility are subject to, among other things, a minimum borrowing/collateral base. The Facilities have certain collateral requirements and/or covenants, including, but limited to, covenants related to: (a) limitations on the incurrence of additional indebtedness and liens, (b) limitations on certain investments, (c) limitations on certain restricted payments, (d) limitations on the creation or existence of agreements that prohibit liens on certain properties of ours and our subsidiaries, and (e) compliance with certain financial maintenance standards including (i) minimum stockholders' equity, (ii) a ratio of total assets (less total liabilities not represented by senior securities) to the aggregate amount of senior securities representing indebtedness, of us and our consolidated subsidiaries, of not less than 2.00: 1.0, (iii) minimum liquidity, (iv) minimum net worth, and (v) a consolidated interest coverage ratio. In addition to the financial maintenance standards, described in the preceding sentence, borrowings under the Facilities (and the incurrence of certain other permitted debt) are subject to compliance with a borrowing base that applies different advance rates to different types of assets in our portfolio.

We cannot be assured that we will be able to borrow funds under the Revolving Facility at any particular time or at all. We are currently in compliance with all financial covenants under the Revolving Facility.

For the nine months ended September 30, 2018, we borrowed \$69.5 million and repaid \$123.1 million under the Revolving Facility (includes CAD \$10.0 million converted to USD \$7.7 million). For the nine months ended September 30, 2017, we borrowed \$85.9 million (includes CAD \$29.4 million converted to USD \$22.1 million) and repaid \$82.8 million under the Revolving Facility.

As of September 30, 2018 and December 31, 2017, the carrying amount of the Company's outstanding Revolving Facility approximated fair value. The fair values of the our Revolving Facility is determined in accordance with ASC 820, which defines fair value in terms of the price that would be paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions. The fair value of our Revolving Facility is estimated based upon market interest rates and entities with similar credit risk. As of September 30, 2018 and December 31, 2017, the Revolving Facility would be deemed to be Level 3 of the fair value hierarchy.

Interest expense and related fees, excluding amortization of deferred financing costs, of \$1.6 million and \$2.2 million were incurred in connection with the Facilities during the three months ended September 30, 2018 and 2017, respectively. Interest expense and related fees, excluding amortization of deferred financing costs, of \$5.3 million and \$6.3 million were incurred in connection with the Facilities during the nine months ended September 30, 2018 and 2017, respectively.

Amortization of deferred financing costs of \$0.1 million and \$0.2 million, respectively, were incurred in connection with the Facilities for the three months ended September 30, 2018 and 2017. Amortization of deferred financing costs of \$0.4 million and \$0.7 million, respectively, were incurred in connection with the Facilities for the nine months ended September 30, 2018 and 2017. As of September 30, 2018, we had \$2.5 million of deferred financing costs related to the Revolving Facility, which is presented as an asset. As of December 31, 2017, we had \$2.9 million of deferred financing costs related to the Revolving Facility, which is presented as an asset.

In accordance with the 1940 Act, with certain exceptions, we are only allowed to borrow amounts such that its asset coverage, as defined in the 1940 Act, is at least 200% after such borrowing. Our asset coverage as of September 30, 2018 was in excess of 200%. However, recent legislation has modified the 1940 Act by allowing a BDC to increase the maximum amount of leverage it may incur under the 1940 Act from an asset coverage ratio of 200% to an asset coverage ratio of 150%, if certain requirements are met. Under the legislation, we are allowed to increase our leverage capacity if shareholders representing at least a majority of the votes cast, when quorum is met, approve a proposal to do so. If we receive shareholder approval, we would be allowed to increase our leverage capacity on the first day after such approval. Alternatively, the legislation allows the majority of our independent directors to approve an increase in our leverage capacity, and such approval would become effective after one year. In either case, we would be required to make certain disclosures on our website and in SEC filings regarding, among other things, the receipt of approval to increase our leverage, our leverage capacity and usage, and risks related to leverage. As a result of this legislation, we may be able to increase our leverage up to an amount that reduces our asset coverage ratio from 200% to 150% if we receive the necessary approval and amend the Revolving Facility, with lender consent, as described above. We continue to evaluate whether to increase our leverage capacity under this new legislation.

Notes

In December 2014, we completed a public offering of \$50.0 million in aggregate principal amount of 6.75% notes due 2021, or the 2021 Notes. The 2021 Notes mature on November 15, 2021, and may be redeemed in whole or in part at

any time or from time to time at our option on or after November 15, 2017. The 2021 Notes bear interest at a rate of 6.75% per year payable quarterly on March 30, June 30, September 30 and December 30, of each year, beginning December 30, 2014 and trade on the New York Stock Exchange under the trading symbol “TCRX”. On October 5, 2018, we issued a redemption notice for the outstanding balance of the 2021 Notes. Subsequently, the 2021 Notes were redeemed on November 5, 2018 at par plus accrued interest.

In December 2015 and November 2016, we completed a public offering of \$35.0 million and \$25.0 million, respectively, in aggregate principal amount of 6.75% notes due 2022, or the 2022 Notes. The 2022 Notes mature on December 30, 2022, and may be redeemed in whole or in part at any time or from time to time at our option on or after December 30, 2018. The 2022 Notes bear interest at a rate of 6.75% per year payable quarterly on March 30, June 30, September 30 and December 30, of each year, beginning March 30, 2016 and trade on the New York Stock Exchange under the trading symbol “TCRZ”. We refer to the 2021 Notes and the 2022 Notes collectively as the Notes.

The Notes are our direct unsecured obligations and rank: (i) *pari passu* with our other outstanding and future senior unsecured indebtedness; (ii) senior to any of our future indebtedness that expressly provides it is subordinated to the Notes; (iii) effectively subordinated to all our existing and future secured indebtedness (including indebtedness that is initially unsecured to which we subsequently grant security), to the extent of the value of the assets securing such indebtedness, including without limitation, borrowings under our Revolving Facility and Term Loan Facility; (iv) structurally subordinated to all existing and future indebtedness and other obligations of any of our subsidiaries.

The Base Indenture, as supplemented by the First and Second Supplemental Indentures (the “Indenture”), contains certain covenants including covenants requiring us to comply with (regardless of whether it is subject to) the Section 18 (a)(1)(A) as modified by Section 61(a)(1) of the 1940 Act or any successor provisions, whether or not we continue to be subject to such provisions of the 1940 Act, but giving effect, in either case, to any exemptive relief granted to us by the SEC. Currently these provisions generally prohibit us from making additional borrowings, including through the issuance of additional debt or the sale of additional debt securities, unless our asset coverage, as defined in the 1940 Act, equals at least 200% after such borrowings. These covenants are subject to important limitations and exceptions that are described in the Indenture. The Indenture provides for customary events of default and further provides that the Trustee or the holders of 25% in aggregate principal amount of the outstanding Notes in a series may declare such Notes immediately due and payable upon the occurrence of any event of default after expiration of any applicable grace period. As of September 30, 2018, we were in compliance with the terms of the Base Indenture and the First and Second Supplemental Indentures governing the Notes. See Note 7 to our consolidated financial statements for more detail on the Notes.

As of September 30, 2018, the carrying amount and fair value of our Notes was \$110.0 million and \$111.3 million, respectively. As of December 31, 2017, the carrying value and fair value of our 2021 Notes was \$110.0 million and \$112.7 million, respectively. The fair value of our Notes is determined in accordance with ASC 820, which defines fair value in terms of the price that would be paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions. The fair value of the Notes is based on the closing price of the security, which is a Level 2 input under ASC 820 due to the trading volume.

In connection with the issuance of the 2021 and 2022 Notes, we incurred \$4.7 million of fees and expenses. These deferred financing costs are presented as a reduction to the notes payable balance and are being amortized using the effective interest method over the term of the Notes. For the three months ended September 30, 2018 and 2017, we amortized approximately \$0.2 million and \$0.2 million of deferred financing costs, respectively, which is reflected in amortization of deferred financing costs on the Consolidated Statements of Operations. For the nine months ended September 30, 2018 and 2017, we amortized approximately \$0.5 million and \$0.5 million of deferred financing costs, respectively, which is reflected in amortization of deferred financing costs on the Consolidated Statements of Operations. As of September 30, 2018 and December 31, 2017, we had \$2.5 million and \$3.0 million, respectively, of remaining deferred financing costs on the Notes, which reduced the notes payable balance on our Consolidated Statements of Assets and Liabilities.

For the three months ended September 30, 2018 and 2017, we incurred interest expense on the Notes of approximately \$1.9 million and \$1.9 million, respectively. For the nine months ended September 30, 2018 and 2017, we incurred interest expense on the Notes of approximately \$5.6 million and \$5.6 million, respectively. In October 2018, we issued \$51.6 million in aggregate principal amount of 6.125% notes due 2023. Refer to Recent Developments for more information relating to such issuance.

Commitments and Contingencies and Off-Balance Sheet Arrangements

From time to time, we, or the Advisor, may become party to legal proceedings in the ordinary course of business, including proceedings related to the enforcement of our rights under contracts with our portfolio companies. Neither

we, nor the Advisor, are currently subject to any material legal proceedings.

Unfunded commitments to provide funds to portfolio companies are not reflected in our Consolidated Statements of Assets and Liabilities. Our unfunded commitments may be significant from time to time. These commitments will be subject to the same underwriting and ongoing portfolio maintenance as are the on-balance sheet financial instruments that we hold. Since these commitments may expire without being drawn upon, the total commitment amount does not necessarily represent future cash requirements. We intend to use cash flow from normal and early principal repayments and proceeds from borrowings and offerings to fund these commitments.

As of September 30, 2018 and December 31, 2017, we have the following unfunded commitments to portfolio companies (in millions):

	As of	
	September	December
	30,	31,
	2018	2017
Unfunded delayed draw facilities		
Charming Charlie, LLC	\$8.3	\$ 4.5
Home Partners of America, Inc.	5.8	—
	14.1	4.5
Unfunded revolving commitments		
Gener8, LLC	1.2	—
Hansons Window & Construction, Inc.	0.1	0.2
HealthDrive Corporation	0.3	0.9
Holland Intermediate Acquisition Corp. ⁽¹⁾	3.0	3.0
The John Gore Organization, Inc.	—	0.8
Loadmaster Derrick & Equipment, Inc.	0.3	0.1
OEM Group, LLC	3.5	0.9
Togetherwork Holdings, LLC	—	0.1
Tri Starr Management Services, Inc.	0.6	0.5
Sciens Building Solutions, LLC	2.5	2.1
SPST Holdings, LLC	0.8	0.8
Whitney, Bradley & Brown, Inc.	—	0.1
	12.3	9.5
Unfunded commitments to investments in funds		
Freeport Financial SBIC Fund LP	0.7	0.7
Gryphon Partners 3.5, L.P.	0.4	0.3
	1.1	1.0
Total unfunded commitments	\$27.5	\$ 15.0

⁽¹⁾ We have sole discretion as to whether to lend under this revolving commitment.

The changes in fair value of our unfunded commitments are considered to be immaterial as the yield determined at the time of underwriting is expected to be materially consistent with the yield upon funding. We will fund our unfunded commitments from the same sources we use to fund our investment commitments that are funded at the time they are made (which are typically existing cash and cash equivalents and borrowings under our Revolving Facility). We manage our liquidity to ensure that we have available capital to fund our unfunded commitments as necessary.

Distributions

We have elected to be taxed as a RIC under Subchapter M of the Code. In order to maintain our status as a regulated investment company, we are required to distribute at least 90% of our investment company taxable income. To avoid a 4% excise tax on undistributed earnings, we are required to distribute each calendar year the sum of (i) 98% of our

ordinary income for such calendar year (ii) 98.2% of our net capital gains for the one-year period ending October 31 of that calendar year (iii) any income recognized, but not distributed, in preceding years and on which we paid no federal income tax.

Our quarterly distributions, if any, will be determined by our board of directors. We intend to make distributions to stockholders on a quarterly basis of substantially all of our net investment income. Although we intend to make distributions of net realized capital gains, if any, at least annually, out of assets legally available for such distributions, we may in the future decide to retain such capital gains for investment. In addition, the extent and timing of special dividends, if any, will be determined by our board of directors and will largely be driven by portfolio specific events and tax considerations at the time.

In addition, we may be limited in our ability to make distributions due to the BDC asset coverage test for borrowings applicable to us as a BDC under the 1940 Act.

The following table summarizes our recent distributions declared and paid or to be paid on all shares including distributions reinvested, if any:

Date Declared	Record Date	Payment Date	Amount Per Share	Percentage Attributable to Return of Investors' Paid-In Capital
March 8, 2016	March 21, 2016	March 31, 2016	\$ 0.34	—
May 3, 2016	June 15, 2016	June 30, 2016	\$ 0.34	—
August 2, 2016	September 15, 2016	September 30, 2016	\$ 0.34	—
November 8, 2016	December 15, 2016	December 30, 2016	\$ 0.27	—
March 7, 2017	March 20, 2017	March 31, 2017	\$ 0.27	—
May 2, 2017	June 15, 2017	June 30, 2017	\$ 0.27	—
August 1, 2017	September 15, 2017	September 29, 2017	\$ 0.27	—
November 7, 2017	December 15, 2017	December 29, 2017	\$ 0.27	—
March 2, 2018	March 20, 2018	March 30, 2018	\$ 0.27	—
May 1, 2018	June 15, 2018	June 29, 2018	\$ 0.27	—
August 7, 2018	September 14, 2018	September 28, 2018	\$ 0.27	—
November 6, 2018	December 14, 2018	December 31, 2018	\$ 0.27	—

We may not be able to achieve operating results that will allow us to make distributions at a specific level or to increase the amount of these distributions from time to time. If we do not distribute a certain percentage of our income annually, we will suffer adverse tax consequences, including possible loss of our status as a regulated investment company. We cannot assure stockholders that they will receive any distributions at a particular level.

We maintain an “opt in” dividend reinvestment plan for our common stockholders. As a result, unless stockholders specifically elect to have their dividends automatically reinvested in additional shares of common stock, stockholders will receive all such dividends in cash. There were no dividends reinvested for the three and nine months ended September 30, 2018. There was \$0.003 million of dividends reinvested for the three and nine months ended September 30, 2017, respectively.

Under the terms of our dividend reinvestment plan, dividends will primarily be paid in newly issued shares of common stock. However, we reserve the right to purchase shares in the open market in connection with the implementation of the plan. This feature of the plan means that, under certain circumstances, we may issue shares of our common stock at a price below net asset value per share, which could cause our stockholders to experience dilution.

Distributions in excess of our current and accumulated earnings and profits would generally be treated as a return of capital (reduced by our fees and expenses) to the extent of a shareholder’s adjusted tax basis in our shares. If a shareholder’s tax basis is reduced to zero, the shareholder would treat any remaining distributions as a capital gain. The determination of the tax attributes of our distributions will be made annually as of the end of our fiscal year based upon our taxable income for the full year and distributions paid for the full year. Therefore, a determination made on a quarterly basis may not be representative of the actual tax attributes of our distributions for a full year. If we had determined the tax attributes of our 2018 distributions as of September 30, 2018, 100% would be from ordinary income, 0% would be from capital gains and 0% would be a return of capital. Each year, a statement on Form 1099-DIV identifying the source of the distribution will be sent to our U.S. stockholders of record. Our board of

directors presently intends to declare and pay quarterly distributions. Our ability to pay distributions could be affected by future business performance, liquidity, capital needs, alternative investment opportunities and loan covenants.

We may generate qualified interest income and short-term capital gains that may be exempt from United States withholding tax on foreign accounts. A regulated investment company, or RIC, is permitted to designate distributions in the form of dividends that represent interest income (commonly referred to as qualified interest income) and short-term capital gains as exempt from U.S. withholding tax when paid to non-U.S. stockholders with proper documentation. As of September 30, 2018, the percentage of 2018 income estimated as qualified interest income for tax purposes was 81.4%.

Stock Repurchase Program

On March 7, 2017 our board of directors authorized a \$20.0 million stock repurchase program, which was extended on March 2, 2018. Unless extended by our board of directors, the stock repurchase program will expire on March 2, 2019 and may be modified or terminated at any time for any reason without prior notice. We have provided our stockholders with notice of our ability to repurchase shares of our common stock in accordance with 1940 Act requirements. We will retire immediately all such shares of common stock that we purchase in connection with the stock repurchase program.

The following table summarizes our share repurchases under our stock repurchase program for the three and nine months ended September 30, 2018 and 2017 (in millions):

	For the three months ended September 30, 2018	For the nine months ended September 30, 2017
Dollar amount repurchased	\$—\$1.0	\$—\$2.5
Shares repurchased	— 0.1	— 0.3
Average price per share (including commission)	\$—\$9.73	\$—\$9.89
Weighted average discount to net asset value	— 15.55 %	— 15.02 %

Related Party Transactions

Refer to Note 4, Related Party Transactions, in the Notes to the Consolidated Financial Statements

Critical accounting policies

For a description of the Company's critical accounting policies, refer to "Part II—Item 7—Management's Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Policies" in the Company's 2017 Annual Report on Form 10-K. The Company considers its most significant accounting policies to be those related to its Valuation of Portfolio Investments, Revenue Recognition, Net Realized Gains or Losses and Net Change in Unrealized Appreciation or Depreciation and U.S. Federal Income Taxes, including excise tax. There have been no material changes to the Company's critical accounting policies since December 31, 2017.

Recent Developments

From October 1, 2018 through November 7, 2018, we made new investments totaling \$15.2 million and follow-on investments of \$8.6 million at a combined weighted average yield based upon cost at the time of the investment of 10.9%.

On October 5, 2018, we completed a public offering of \$50.0 million in aggregate principal amount of 6.125% notes due 2023 ("2023 Notes"). The 2023 Notes mature on October 30, 2023, and may be redeemed in whole or in part at any time or from time to time at our option on or after October 30, 2021. The 2023 Notes bear interest at a rate of 6.125% per year payable quarterly on March 30, June 30, September 30 and December 30, of each year, beginning December 30, 2018 and trade on the New York Stock Exchange under the trading symbol "TCRW". On October 16, 2018, the underwriters exercised their option to purchase an additional \$1.6 million to cover overallotments. The proceeds from this public offering were used to redeem the 2021 Notes and partially repay the Revolving Facility. The redemption of the 2021 Notes was completed on November 5, 2018. As a result of this redemption, we will recognize approximately \$0.9 million of one-time costs from the accelerated amortization of deferred financing costs related to the 2021 Notes during the three months ended December 31, 2018.

On October 26, 2018, we fully exited our debt and controlling equity investment in Tri Starr Management Services, Inc. Cash proceeds received and escrow were in-line with the September 30, 2018 fair value.

On November 6, 2018, our board of directors declared a dividend of \$0.27 per share payable on December 31, 2018 to stockholders of record at the close of business on December 14, 2018.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

We are subject to financial market risks, including changes in interest rates. As of September 30, 2018, 95.9% of the debt investments in our portfolio are floating rate loans, based upon fair market value. In the future, we expect other debt investments in our portfolio will have floating rates. These floating rate loans typically bear interest in reference to LIBOR, which are indexed to 30-day, 60-day, 90-day or 180-day LIBOR rates subject to an interest rate floor. As of September 30, 2018 and December 31, 2017, the weighted average interest rate floor on our floating rate loans was 0.91% and 0.94%, respectively. Our Revolving Facility is also subject to floating interest rates.

Based on our September 30, 2018, Consolidated Statement of Assets and Liabilities, the following table shows the annual impact on net income of changes in interest rates, which assumes no changes in our investments and borrowings (in millions):

	Interest	Interest	Net
Change in Basis Points	Income	Expense	Income ⁽¹⁾
Up 300 basis points	\$ 10.8	\$ 3.4	\$ 7.4
Up 200 basis points	\$ 7.2	\$ 2.3	\$ 4.9
Up 100 basis points	\$ 3.6	\$ 1.1	\$ 2.5
Down 300 basis points	\$ (4.9)	\$ (2.4)	\$ (2.5)
Down 200 basis points	\$ (4.9)	\$ (2.2)	\$ (2.7)
Down 100 basis points	\$ (3.5)	\$ (1.1)	\$ (2.4)

1)Excludes the impact of incentive fees based on pre-incentive fee net investment income. See “Note 4. Related Party Transaction” footnote to our consolidated financial statements for the three and nine months ended September 30, 2018 for more information on the incentive fee.

Although we believe that this measure is indicative of our sensitivity to interest rate changes, it does not adjust for potential changes in credit quality, size and composition of the assets on the balance sheet and other business developments, including borrowings under our Revolving Facility, that could affect net increase in net assets resulting from operations, or net income.

In the future, we may use other standard hedging instruments such as futures, options and forward contracts subject to the requirements of the 1940 Act. While hedging activities may insulate us against adverse changes in interest rates, they may also limit our ability to participate in the benefits of lower interest rates with respect to our portfolio of investments.

From time to time, we may make investments that are denominated in a foreign currency. These investments are translated into U.S. dollars at each balance sheet date, exposing us to movements in foreign exchange rates. We have the ability to borrow in certain foreign currencies under our Revolving Credit Facility. Instead of entering into a foreign exchange forward contract in connection with loans or other investments we have made that are denominated in a foreign currency, we may borrow in that currency to establish a natural hedge against our loan or investment.

Item 4. Controls and Procedures

Disclosure Controls and Procedures

Our Chief Executive Officer and Chief Financial Officer, under the supervision and with the participation of our management, conducted an evaluation of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). As of the end of the period covered by this quarterly report on Form 10-Q, our Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures were effective to ensure that information required to be disclosed by us in reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the SEC’s rules and forms, and that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Control Over Financial Reporting

There have been no changes in our internal control over financial reporting, as defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act, that occurred during our most recently completed fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

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PART II. OTHER INFORMATION

Item 1. Legal proceedings

We are not a defendant in any material pending legal proceeding, and no such material proceedings are known to be contemplated. However, from time to time, we may be party to certain legal proceedings incidental to the normal course of our business including the enforcement of our rights under the contracts with our portfolio companies.

Item 1A. Risk Factors

There have been no changes to the risk factors described in Part I, Item 1A “Risk Factors” of the Company’s Annual Report on Form 10-K for the year ended December 31, 2017 filed with the Securities and Exchange Commission on March 6, 2018 other than as included in Part II, Item 1A “Risk Factors” of the Company’s Quarterly Report on Form 10-Q for the quarter ended March 31, 2018, filed with the SEC on May 2, 2018.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds Stock Repurchase Program

On March 7, 2017 our board of directors authorized a \$20.0 million stock repurchase program, which was extended on March 2, 2018. Unless extended by our board of directors, the stock repurchase program will expire on March 2, 2019 and may be modified or terminated at any time for any reason without prior notice. We have provided our stockholders with notice of our ability to repurchase shares of our common stock in accordance with 1940 Act requirements. We will retire immediately all such shares of common stock that we purchase in connection with the stock repurchase program.

There were no stock repurchases during the nine months ended September 30, 2018.

Item 3. Defaults Upon Senior Securities None.

Item 4. Mine Safety Disclosures Not applicable.

Item 5. Other Information None.

Item 6. Exhibits

Listed below are the exhibits that are filed as part of this report (according to the number assigned to them in Item 601 of Regulation S-K):

- 11 Computation of Per Share Earnings (included in the notes to the consolidated financial statements contained in this report).
- 31.1 Certification of Chief Executive Officer Pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934, as amended.*
- 31.2 Certification of Chief Financial Officer Pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934, as amended.*
- 32.1 Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350).*
- 32.2 Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350).*

(*) Filed herewith

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

THL CREDIT, INC.

Date: November 7, 2018 By: /s/ Christopher J. Flynn
Christopher J. Flynn
Chief Executive Officer

Date: November 7, 2018 By: /s/ Terrence W. Olson
Terrence W. Olson
Chief Financial Officer