



# TPG Specialty Lending

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Earnings Presentation

Quarter Ended December 31, 2016

# Disclaimer and Forward-Looking Statement

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References in this presentation (“Presentation”) to “TSLX,” “we,” “us,” “our” and “the Company” refer to TPG Specialty Lending, Inc.

This Presentation includes forward-looking statements about TSLX that involve substantial risks and uncertainties. These forward-looking statements are not historical facts, but rather are based on current expectations, estimates and projections about us, our current and prospective portfolio investments, our industry, our beliefs, and our assumptions. Words such as “anticipates,” “expects,” “intends,” “plans,” “believes,” “seeks,” “estimates,” “would,” “should,” “targets,” “projects,” and variations of these words and similar expressions are intended to identify forward-looking statements. These statements are not guarantees of future performance and are subject to risks, uncertainties, and other factors, some of which are beyond our control and difficult to predict, that could cause actual results to differ materially from those expressed or forecasted in the forward-looking statements. Such factors include, but are not limited to the risks, uncertainties and other factors we identify in the section entitled “Risk Factors” in filings we make with the Securities and Exchange Commission. Opinions expressed are current opinions as of the date of this Presentation.

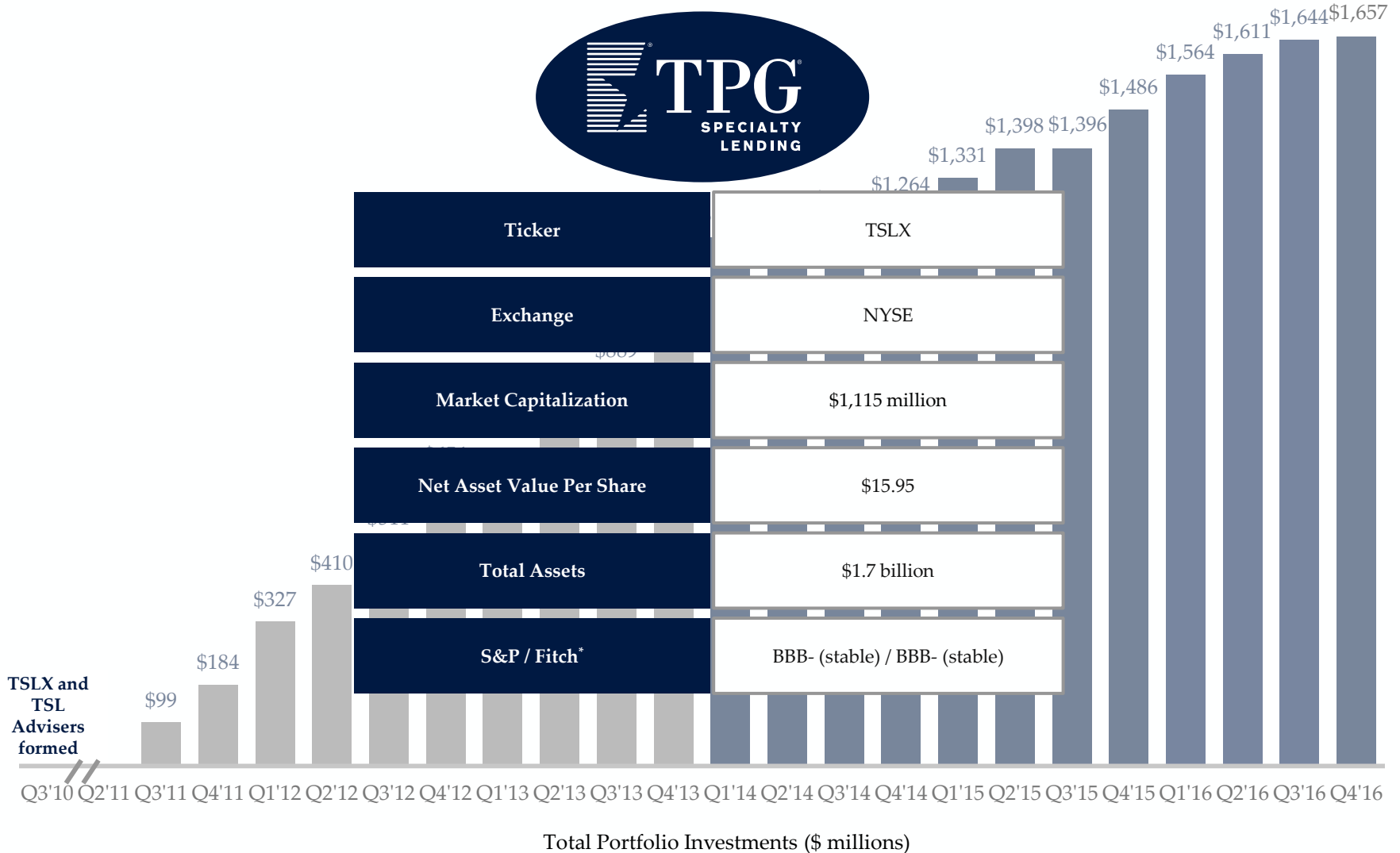
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# Overview

Specialty finance company focused on lending to middle-market companies



Note: Market capitalization and financial data as of 12/31/2016  
 \* S&P rating affirmed on 03/31/2016 and Fitch rating affirmed on 03/09/2016

■ Pre-IPO   ■ Post-IPO

# Highlights

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## Broadly distributed, scaled senior floating rate-focused portfolio

- ▶ Core focus on investing in middle-market loans to U.S. based companies
  - Target EBITDA: \$10 million to \$250 million
  - Portfolio weighted average EBITDA: \$31 million<sup>(1)</sup>
- ▶ Target average investment hold size of \$30 million to \$100 million
- ▶ Diversified portfolio of investments in 52 portfolio companies with an average investment size of \$32 million; largest investment represents 4.5%
- ▶ Portfolio of 98% secured, 97% first-lien debt investments

## Leading platform with proprietary, directly originated deal flow

- ▶ External advisor part of TPG Special Situations Partners, with approximately \$18 billion of credit related assets under management
- ▶ Direct, primary originations sourced through coverage of companies, financial sponsors, and intermediaries
- ▶ Sourcing from non-intermediated channels accounts for 89% of TSLX originations
- ▶ Sponsor coverage focused on sector-based themes

## Disciplined investment strategy, underwriting process, and active asset management

- ▶ Focus on investing at the top of the capital structure and protecting that position
- ▶ Weighted average of 2.5 key financial covenants per credit agreement
- ▶ Effective voting control on 75% of debt investments

## Drive ROE

- ▶ Q4'16 Annualized ROAE from Net Investment Income of 11.9%<sup>(2)</sup>
- ▶ Q4'16 Annualized ROAE from Net Income of 13.9%<sup>(2)</sup>

# Financial Highlights

(Dollar amounts in thousands, except per share data; per share data is based on weighted average shares outstanding during the period, except as otherwise noted)

	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016
Net investment income per share	\$0.44	\$0.42	\$0.43	\$0.51	\$0.47
Net realized and unrealized gains (losses) per share	(\$0.52)	(\$0.10)	\$0.41	\$0.11	\$0.08
Net income (loss) per share	(\$0.08)	\$0.32	\$0.84	\$0.62	\$0.55
Net asset value per share (ending shares)	\$15.15	\$15.11	\$15.55	\$15.78	\$15.95
Distributions paid per share (ending shares)	\$0.39	\$0.39	\$0.39	\$0.39	\$0.39
Net assets	\$820,741	\$894,671	\$924,019	\$940,469	\$952,212
Total debt <sup>(3)*</sup>	\$652,788	\$635,853	\$673,140	\$688,748	\$691,729
Debt to equity at quarter-end <sup>(4)</sup>	0.80x	0.74x	0.73x	0.73x	0.73x
Average debt to equity <sup>(5)</sup>	0.77x	0.79x	0.79x	0.83x	0.80x
Annualized ROAE on net investment income <sup>(2)</sup>	11.2%	11.0%	11.4%	13.2%	11.9%
Annualized ROAE on net income <sup>(2)</sup>	(2.1%)	8.4%	22.1%	15.9%	13.9%

\*Total carrying value of debt excluding netting of Deferred Financing Costs

# Portfolio Highlights – Selected Metrics

(Dollar amounts in thousands)

	As of and For Three Months Ended				
	December 31, 2015	March 31, 2016	June 30, 2016	September 30, 2016	December 31, 2016
<b>Investments at Fair Value</b>	\$1,485,709	\$1,563,664	\$1,611,039	\$1,643,572	\$1,657,403
<b>Number of Portfolio Companies</b>	46	48	50	52	52
<b>Average Investment Size in Our Portfolio Companies</b>	\$32,298	\$32,576	\$32,221	\$31,607	\$31,873
<b>Asset Class:</b>					
First-Lien Debt Investments	88%	89%	93%	94%	97%
Second-Lien Debt Investments	8%	8%	4%	3%	1%
Mezzanine and Unsecured Debt Investments	2%	2%	2%	1%	<1%
Equity and Other Investments	2%	1%	1%	2%	<2%
<b>Interest Rate Type:</b>					
% Floating Rate*	95%	96%	96%	98%	98%
% Fixed Rate	5%	4%	4%	2%	2%
<b>Yields at Fair Value unless Otherwise Noted:</b>					
Weighted Average Total Yield of Debt and Income Producing Securities at Amortized Cost <sup>(6)</sup>	10.1%	10.3%	10.5%	10.3%	10.4%
Weighted Average Total Yield of Debt and Income Producing Securities <sup>(6)</sup>	10.3%	10.5%	10.6%	10.3%	10.4%
Weighted Average Spread Over LIBOR of All Floating Rate Investments*	8.8%	8.9%	8.8%	8.9%	8.9%
Weighted Average Interest Rate of Debt and Income Producing Securities	9.8%	9.9%	9.8%	9.8%	9.8%
Fair Value as a Percentage of Principal (Debt)	96.7%	96.3%	97.7%	98.2%	98.5%
Fair Value as a Percentage of Call Price (Debt)	92.1%	92.1%	93.6%	94.5%	95.0%
<b>Investment Activity at Par:</b>					
New Investment Commitments	\$283,796	\$129,600	\$184,651	\$194,200	\$54,295
Net Funded Investment Activity	\$129,322	\$83,837	\$31,141	(\$8,848)	(\$2,541)
<b>New Investment Commitments at Par:</b>					
Number of New Investment Commitments in New Portfolio Companies	6	4	3	6	1
Average New Investment Commitment Amount in New Portfolio Companies	\$45,492	\$19,634	\$56,667	\$32,367	\$50,000
Weighted Average Term for New Investment Commitments in New Portfolio Companies (in years)	4.7	5.0	3.4	5.3	2.4
Weighted Average Interest Rate of New Investment Commitments	8.3%	9.0%	8.4%	9.7%	8.2%
Weighted Average Spread Over LIBOR of New Floating Rate Investment Commitments	7.8%*	8.0%	7.8%	8.7%	7.2%

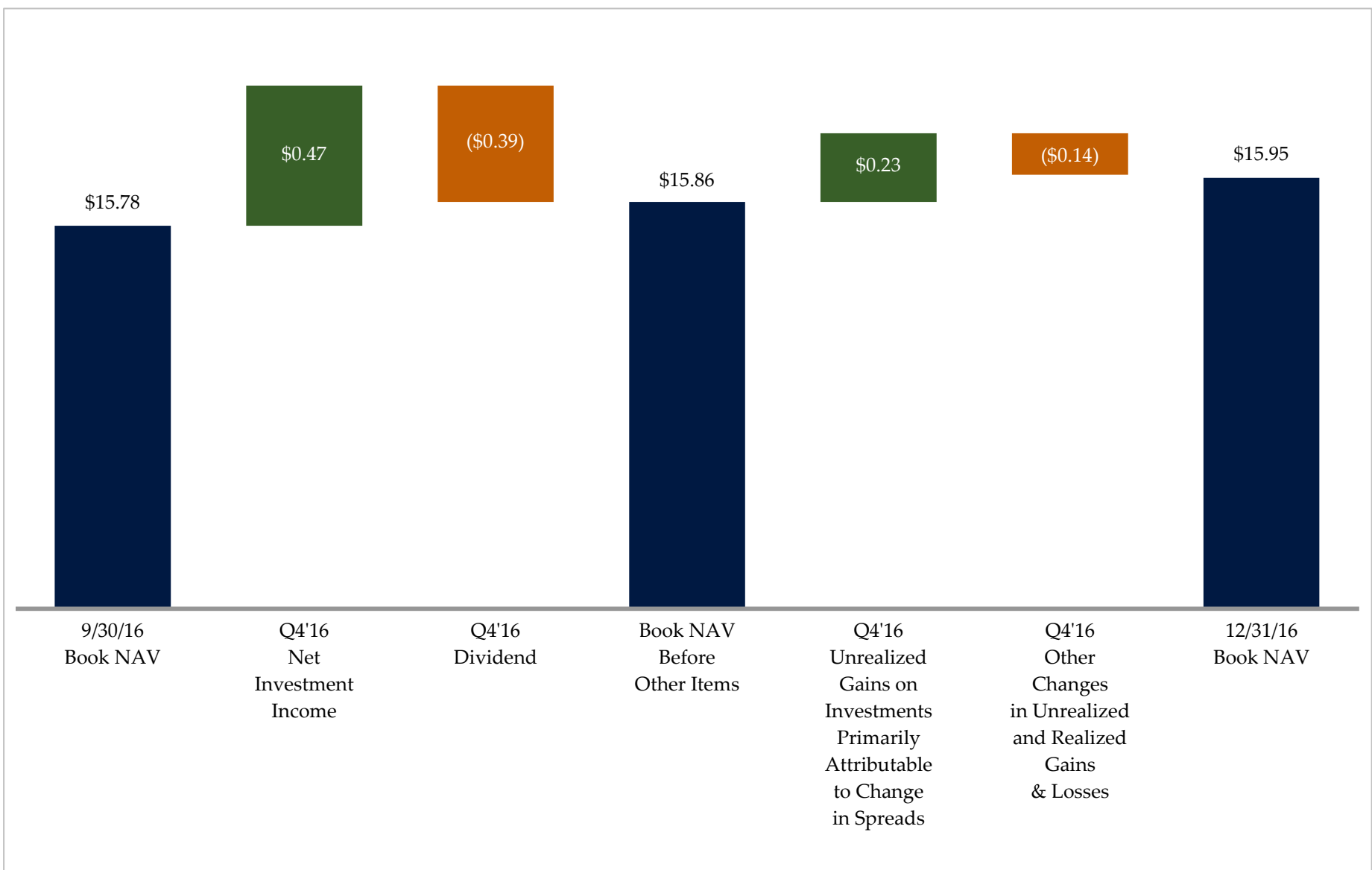
\*Includes one fixed rate investment for which TSLX entered into an interest rate swap agreement to swap to a floating rate

# Quarterly Statements of Financial Condition

(Dollar amounts in thousands)

	As of				
	December 31, 2015	March 31, 2016	June 30, 2016	September 30, 2016	December 31, 2016
<b>Assets</b>					
Investments at Fair Value	\$1,485,709	\$1,563,664	\$1,611,039	\$1,643,572	\$1,657,403
Cash and Cash Equivalents	\$2,431	\$4,029	\$3,941	\$3,928	\$4,866
Interest Receivable	\$10,146	\$11,829	\$8,304	\$10,668	\$9,678
Receivable for Interest Rate Swaps	\$402	\$1,642	\$1,967	\$1,505	\$69
Receivable for Investments Sold	-	-	-	\$2,722	-
Prepaid Expenses and Other Assets	\$7,880	\$3,088	\$3,561	\$2,825	\$3,516
<b>Total Assets</b>	<b>\$1,506,568</b>	<b>\$1,584,252</b>	<b>\$1,628,812</b>	<b>\$1,665,220</b>	<b>\$1,675,532</b>
<b>Liabilities</b>					
Debt (Net of Deferred Financing Costs) <sup>(3)</sup>	\$642,423	\$626,063	\$663,925	\$680,115	\$680,709
Management Fees Payable to Affiliate	\$5,530	\$5,734	\$5,999	\$6,145	\$6,269
Incentive Fees Payable to Affiliate	\$4,915	\$4,819	\$5,309	\$6,384	\$5,889
Dividends Payable	\$21,124	\$23,098	\$23,171	\$23,236	\$23,289
Payable for Investments Purchased	\$4,435	\$22,045	-	-	-
Payables to Affiliate	\$1,492	\$1,758	\$1,282	\$1,311	\$1,555
Other Liabilities	\$5,908	\$6,064	\$5,107	\$7,560	\$5,609
<b>Total Liabilities</b>	<b>\$685,827</b>	<b>\$689,581</b>	<b>\$704,793</b>	<b>\$724,751</b>	<b>\$723,320</b>
<b>Total Net Assets</b>	<b>\$820,741</b>	<b>\$894,671</b>	<b>\$924,019</b>	<b>\$940,469</b>	<b>\$952,212</b>
<b>Total Liabilities and Net Assets</b>	<b>\$1,506,568</b>	<b>\$1,584,252</b>	<b>\$1,628,812</b>	<b>\$1,665,220</b>	<b>\$1,675,532</b>
Net Asset Value per Share	\$15.15	\$15.11	\$15.55	\$15.78	\$15.95
Debt to Equity at Quarter End <sup>(4)</sup>	0.80x	0.74x	0.73x	0.73x	0.73x
Average Debt to Equity <sup>(5)</sup>	0.77x	0.79x	0.79x	0.83x	0.80x

# Net Asset Value Bridge – Q4'16



Note: Each net asset value per share impact is calculated based on total TSLX equity post each event divided by total shares outstanding post each event, less net asset value per share pre-event. Based on Q4 2016 ending shares outstanding



# Operating Results

(Dollar amounts in thousands, except per share data; per share data is based on weighted average shares outstanding during the period, except as otherwise noted)

	For Three Months Ended				
	December 31, 2015	March 31, 2016	June 30, 2016	September 30, 2016	December 31, 2016
Total Investment Income	\$43,559	\$42,751	\$46,034	\$53,917	\$49,708
Net Expenses	\$19,716	\$19,124	\$20,041	\$22,656	\$21,031
<b>Net Investment Income Before Income Taxes</b>	<b>\$23,843</b>	<b>\$23,627</b>	<b>\$25,993</b>	<b>\$31,261</b>	<b>\$28,677</b>
Income Taxes, Including Excise Taxes	\$200	\$435	\$490	\$690	\$610
<b>Net Investment Income</b>	<b>\$23,643</b>	<b>\$23,192</b>	<b>\$25,503</b>	<b>\$30,571</b>	<b>\$28,067</b>
Net Realized and Unrealized Gains (Losses)	(\$27,985)	(\$5,421)	\$24,135	\$6,304	\$4,656
<b>Net Income (Loss)</b>	<b>(\$4,342)</b>	<b>\$17,771</b>	<b>\$49,638</b>	<b>\$36,875</b>	<b>\$32,723</b>
<b>Per Share:</b>					
Net Investment Income	\$0.44	\$0.42	\$0.43	\$0.51	\$0.47
Net Income (Losses)	(\$0.08)	\$0.32	\$0.84	\$0.62	\$0.55
Distributions (Ending Shares)	\$0.39	\$0.39	\$0.39	\$0.39	\$0.39
Weighted Average Shares Outstanding for the Period	54,115,816	55,802,270	59,348,460	59,523,695	59,669,008
Shares Outstanding at End of Period	54,163,960	59,225,688	59,411,892	59,580,513	59,716,205

	Year Ended	
	December 31, 2015	December 31, 2016
Total Investment Income	\$173,415	\$192,410
Net Expenses	\$76,617	\$82,852
<b>Net Investment Income Before Income Taxes</b>	<b>\$96,798</b>	<b>\$109,558</b>
Income Taxes, Including Excise Taxes	\$1,500	\$2,225
<b>Net Investment Income</b>	<b>\$95,298</b>	<b>\$107,333</b>
Net Realized and Unrealized Gains (Losses)	(\$31,730)	\$29,674
<b>Net Income</b>	<b>\$63,568</b>	<b>\$137,007</b>
<b>Per Share:</b>		
Net Investment Income	\$1.76	\$1.83
Net Income	\$1.18	\$2.34
Distributions (Ending Shares)	\$1.56	\$1.56
Weighted Average Shares Outstanding for the Period	54,006,322	58,591,380
Shares Outstanding at End of Period	54,163,960	59,716,205

# Quarterly Operating Results Detail

(Dollar amounts in thousands)

	For Three Months Ended				
	December 31, 2015	March 31, 2016	June 30, 2016	September 30, 2016	December 31, 2016
<b>Investment Income:</b>					
Interest From Investments – Interest and Dividend Income <sup>(7)</sup>	\$39,131	\$39,774	\$42,784	\$44,620	\$44,357
Interest From Investments – Other Fees <sup>(8)</sup>	\$1,461	\$2,203	\$1,782	\$2,479	\$1,522
<b>Total Interest From Investments</b>	<b>\$40,592</b>	<b>\$41,977</b>	<b>\$44,566</b>	<b>\$47,099</b>	<b>\$45,879</b>
Other Income <sup>(9)</sup>	\$2,967	\$774	\$1,468	\$6,818	\$3,829
<b>Total Investment Income</b>	<b>\$43,559</b>	<b>\$42,751</b>	<b>\$46,034</b>	<b>\$53,917</b>	<b>\$49,708</b>
<b>Expenses:</b>					
Interest	\$5,100	\$5,298	\$5,630	\$6,102	\$6,079
Management Fees	\$5,569	\$5,748	\$5,993	\$6,212	\$6,300
Incentive Fees	\$4,998	\$4,902	\$5,392	\$6,467	\$5,942
Other Operating Expenses	\$4,171	\$3,274	\$3,125	\$4,024	\$2,794
<b>Total Expenses</b>	<b>\$19,838</b>	<b>\$19,222</b>	<b>\$20,140</b>	<b>\$22,805</b>	<b>\$21,115</b>
Management and Incentive Fees Waived	(\$122)	(\$98)	(\$99)	(\$149)	(\$84)
<b>Net Expenses</b>	<b>\$19,716</b>	<b>\$19,124</b>	<b>\$20,041</b>	<b>\$22,656</b>	<b>\$21,031</b>
<b>Net Investment Income Before Income Taxes</b>	<b>\$23,843</b>	<b>\$23,627</b>	<b>\$25,993</b>	<b>\$31,261</b>	<b>\$28,677</b>
Income Taxes, Including Excise Taxes	\$200	\$435	\$490	\$690	\$610
<b>Net Investment Income</b>	<b>\$23,643</b>	<b>\$23,192</b>	<b>\$25,503</b>	<b>\$30,571</b>	<b>\$28,067</b>
Net Unrealized and Realized Gains (Losses)	(\$27,985)	(\$5,421)	\$24,135	\$6,304	\$4,656
<b>Net Income (Losses)</b>	<b>(\$4,342)</b>	<b>\$17,771</b>	<b>\$49,638</b>	<b>\$36,875</b>	<b>\$32,723</b>

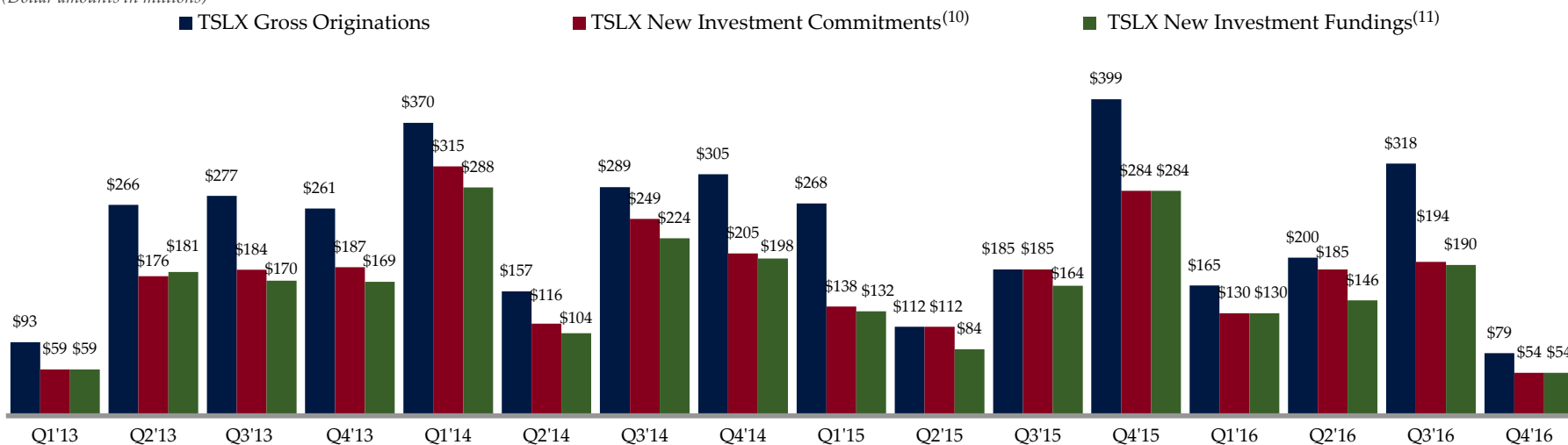
# Portfolio Highlights – Originations

(Dollar amounts in millions)

## Originations and Net Funds Growth

- Gross originations were \$79.2 for the quarter
- New investment commitments and fundings both totaled \$54.3, for the quarter. The commitments were distributed across 1 new portfolio company and 2 add-ons to existing portfolio companies
- Received full paydown on 1 investment, and partially realized 5 investments totaling \$56.8 for the quarter
- Net funded investment activity was (\$2.5) for the quarter

(Dollar amounts in millions)



## Portfolio Funds Roll<sup>(12)</sup>

(Dollar amounts in thousands)

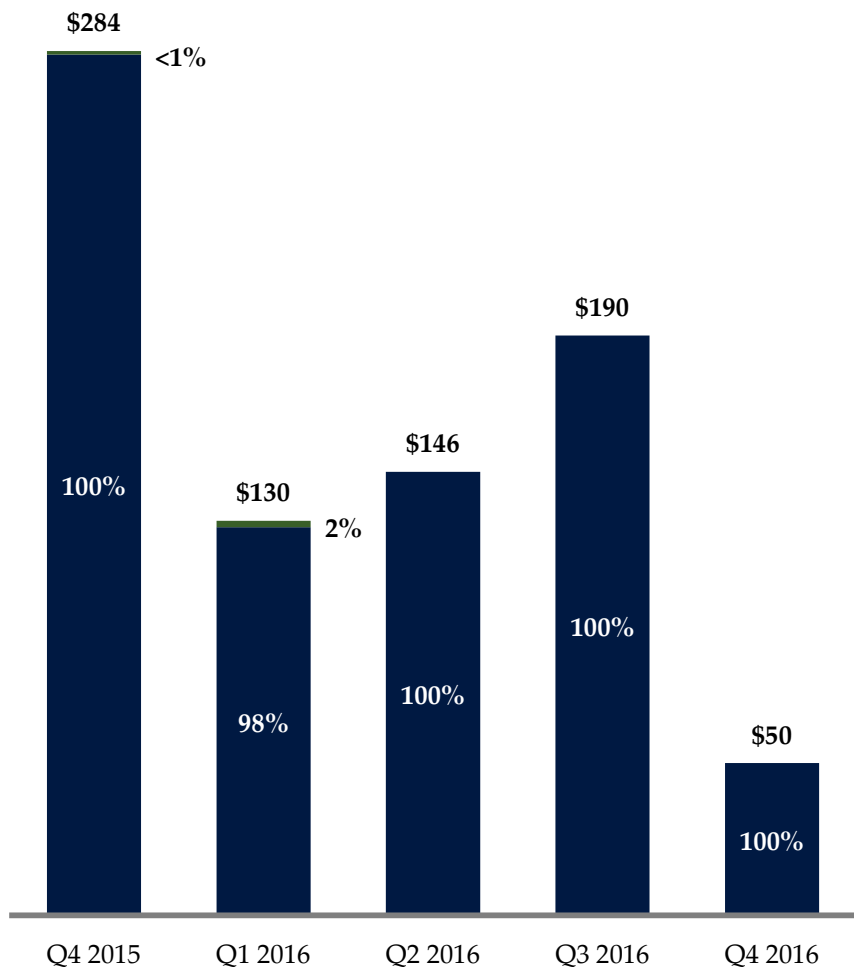
	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016
New Investment Commitments	\$283,796	\$129,600	\$184,651	\$194,200	\$54,295
New Investment Fundings	\$283,796	\$129,600	\$145,797	\$190,375	\$54,295
Investments Sold or Repaid	(\$154,474)	(\$45,763)	(\$114,656)	(\$199,223)	(\$56,836)
Net Funded Investment Activity	\$129,322	\$83,837	\$31,141	(\$8,848)	(\$2,541)

# Portfolio Highlights – Asset Mix

## NEW INVESTMENT FUNDINGS

(At Par Value, \$mm)

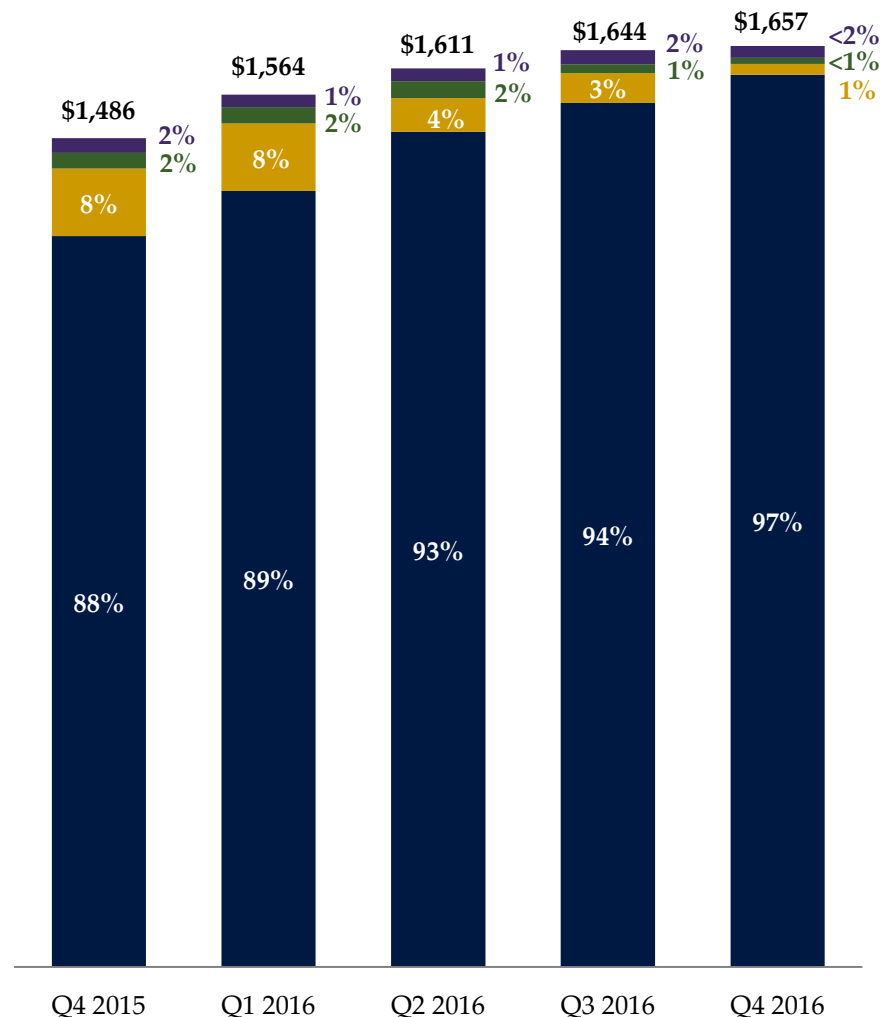
- First Lien
- Second Lien
- Mezzanine & Unsecured
- Equity & Other



## END OF PERIOD INVESTMENTS

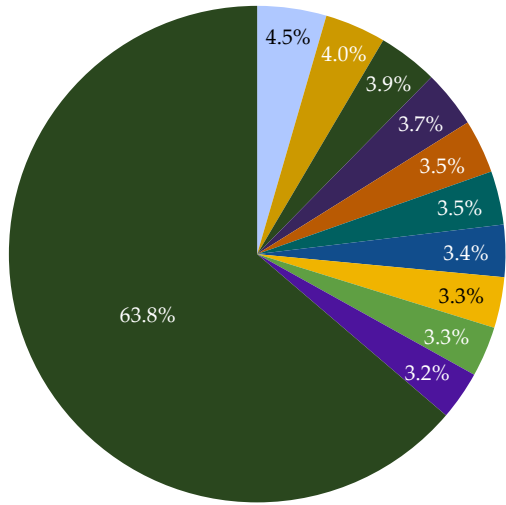
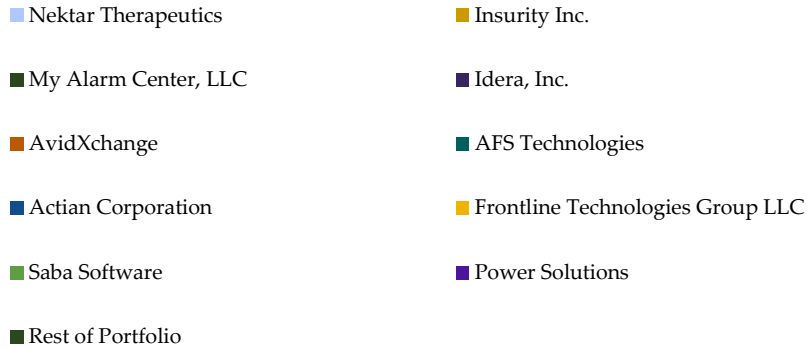
(At Fair Value, \$mm)

- First Lien
- Second Lien
- Mezzanine & Unsecured
- Equity & Other

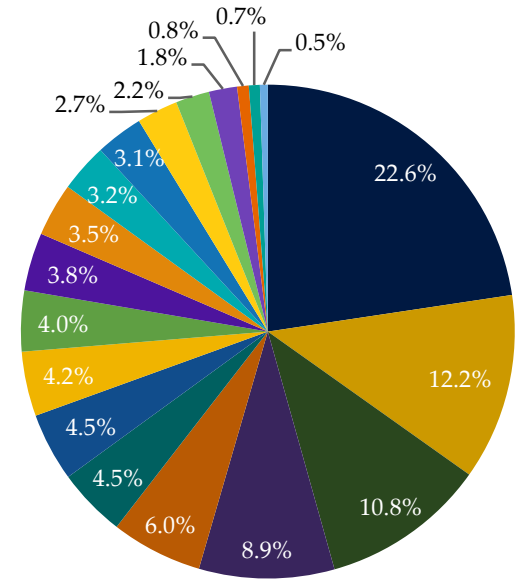
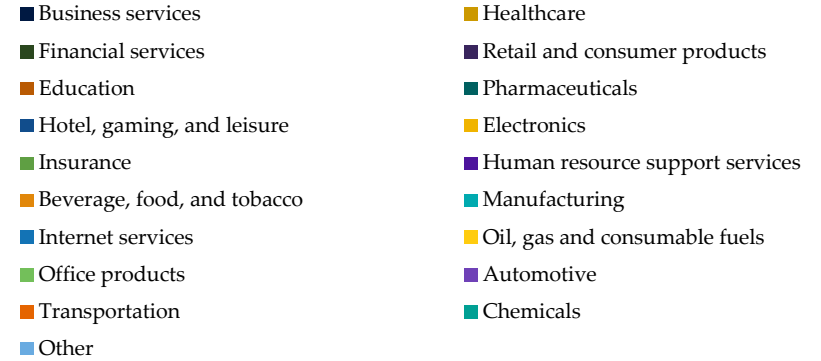


# Portfolio Highlights – Diversification Across Borrower and Industry

## TOP 10 BORROWER DIVERSIFICATION

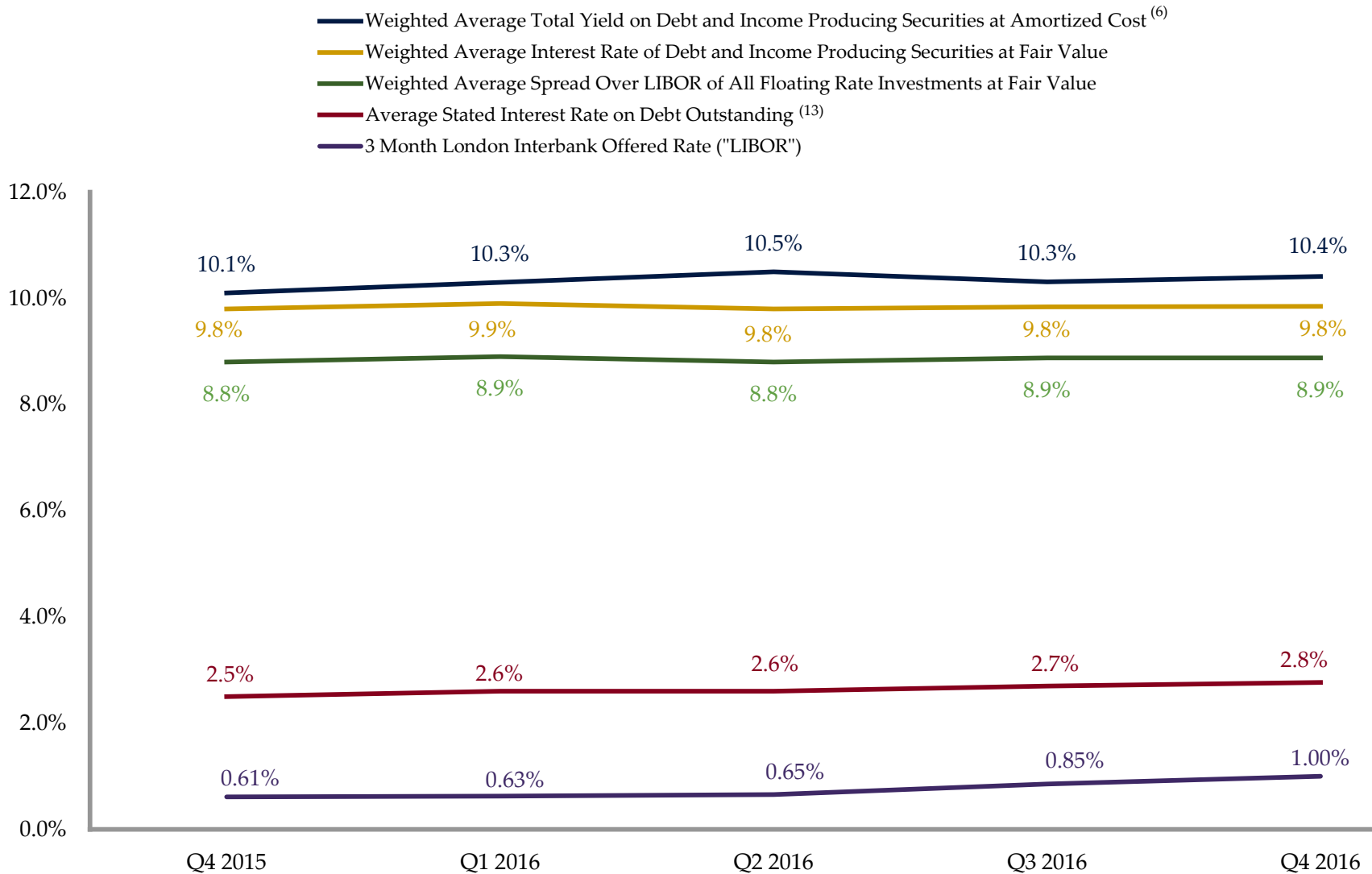


## INDUSTRY DIVERSIFICATION



Note: Numbers may not sum to 100% due to rounding. Based on fair value of investments

# Portfolio Highlights – Net Interest Margin Analysis



# Liquidity Management

## Cash and Cash Equivalents

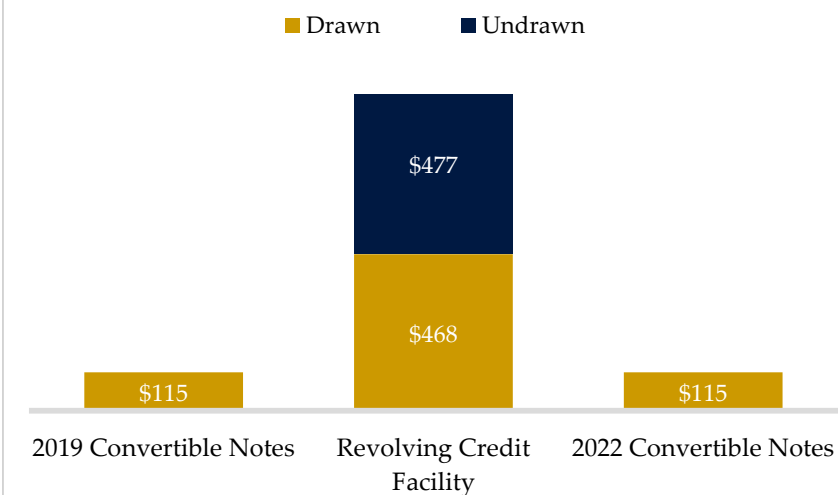
Unrestricted cash totaled \$4.9 million as of December 31, 2016. Cash held at quarter-end was primarily attributable to amortization and interest payments. Restricted cash related to our interest rate swaps totaled \$1.1 million.

Revolving Credit Facility*		Convertible Notes**	
<b>Size:</b>	\$945.0 million; uncommitted accordion feature can increase total size to \$1.25 billion	<b>Size:</b>	\$115 million / \$115 million
<b>Revolving Period:</b>	December 22, 2020	<b>Maturity:</b>	December 15, 2019 / August 1, 2022
<b>Maturity Date:</b>	December 22, 2021	<b>Coupon:</b>	4.50% / 4.50%
<b>Interest Rate:</b>	LIBOR + 200 / LIBOR + 175*	<b>Interest Rate Swap Pricing:<sup>(14)</sup></b>	LIBOR + 286.0 / LIBOR + 237.2
<b>Undrawn Fee:</b>	0.375%	<b>Conversion Price:</b>	\$25.83 / \$21.34

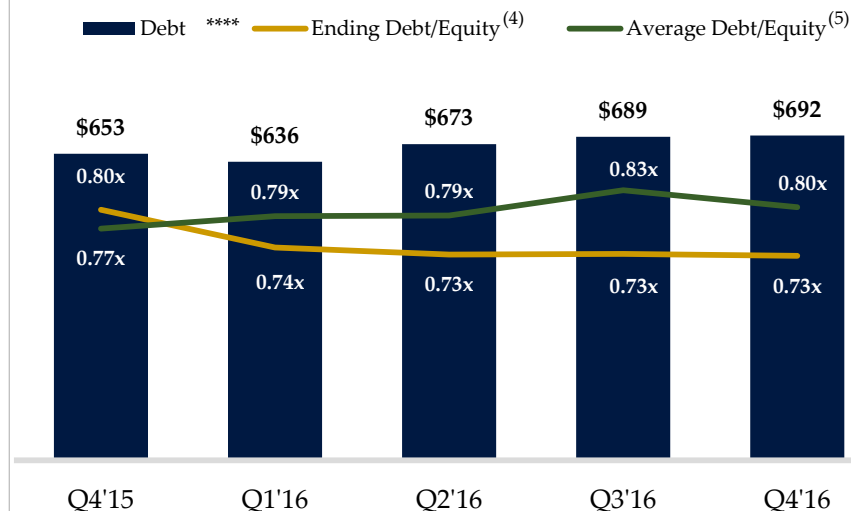
\* Interest rate on the facility is a formula based calculation. If the Borrowing Base is equal to or greater than 1.85 times the Combined Debt Amount, the applicable margin is L+175. As of December 31, 2016, under this formula, the stated rate on the facility is L +200. \$60.0 million of commitments have a revolving period date of October 2, 2019 and a maturity date of October 2, 2020.

\*\* Pro forma to reflect \$115mm offering of 2022 senior convertible notes that closed in February 2017.

(As of December 31, 2016; \$ in millions)\*\*\*



(\$ in millions)



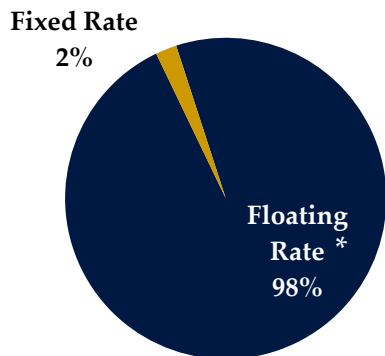
\*\*\* Reflects outstanding balance on the revolving credit facility as of 12/31/2016 less net proceeds of \$110.6mm received from the February 2017 convertible notes offering.

\*\*\*\* Total carrying value of debt excluding netting of Deferred Financing Costs<sup>(3)</sup>

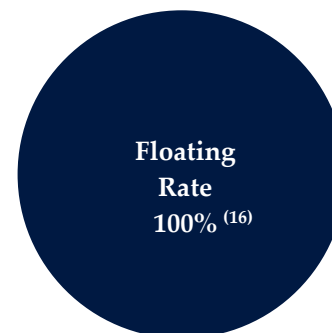
# Funding Profile

## Stable Funding Profile

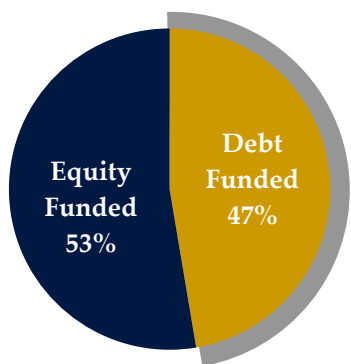
### DEBT PORTFOLIO COMPOSITION



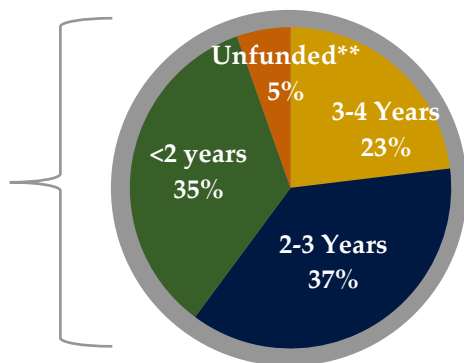
### FLOATING RATE DEBT



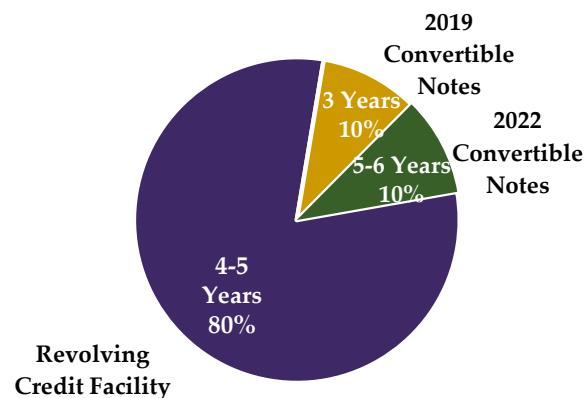
### PORTFOLIO FUNDING PROFILE



### INVESTMENTS FUNDED WITH DEBT



### REMAINING DURATION OF DEBT\*\*\*



• Weighted average remaining life of investments funded by debt of ~2.2 years<sup>(15)</sup>

• Weighted average remaining maturity date of debt of ~4.8 years<sup>(17)</sup>

TSLX is match funded from an interest rate and duration perspective

\*Includes one fixed rate investment for which TSLX entered into an interest rate swap agreement to swap to a floating rate

\*\*Includes unfunded commitments of \$43.8mm

\*\*\*Based on remaining life of debt weighted by total capacity as of 12/31/2016, adjusted to reflect \$115mm offering of senior convertible notes that closed in February 2017



# Distribution and Equity Information

## Distribution Data<sup>(18)</sup>

Date Declared	Record Date	Payment Date	Amount Per Share	Total Amount (\$000's)
December 31, 2011	December 31, 2011	January 30, 2012	\$0.06	\$649
March 20, 2012	March 31, 2012	May 7, 2012	\$0.16	\$3,100
May 9, 2012	June 30, 2012	August 3, 2012	\$0.32	\$7,410
September 30, 2012	September 30, 2012	October 30, 2012	\$0.36	\$9,000
December 31, 2012	December 31, 2012	January 31, 2013	\$0.33 <sup>(19)</sup>	\$10,260 <sup>(19)</sup>
March 31, 2013	March 31, 2013	May 6, 2013	\$0.38	\$13,000
June 30, 2013	June 30, 2013	July 31, 2013	\$0.40	\$13,675
September 30, 2013	September 30, 2013	October 31, 2013	\$0.38	\$13,900
December 31, 2013	December 31, 2013	January 30, 2014	\$0.40 <sup>(20)</sup>	\$14,810 <sup>(20)</sup>
March 26, 2014	March 31, 2014	April 30, 2014	\$0.38	\$19,717
May 6, 2014	June 30, 2014	July 31, 2014	\$0.38	\$20,272
August 4, 2014	September 30, 2014	October 31, 2014	\$0.38	\$20,355
November 3, 2014	December 31, 2014	January 30, 2015	\$0.39	\$20,981
February 20, 2015	March 31, 2015	April 30, 2015	\$0.39	\$21,044
May 6, 2015	June 30, 2015	July 31, 2015	\$0.39	\$21,061
August 4, 2015	September 30, 2015	October 30, 2015	\$0.39	\$21,070
November 3, 2015	December 31, 2015	January 29, 2016	\$0.39	\$21,124
February 24, 2016	March 31, 2016	April 29, 2016	\$0.39	\$23,098
May 4, 2016	June 30, 2016	July 29, 2016	\$0.39	\$23,171
August 3, 2016	September 30, 2016	October 31, 2016	\$0.39	\$23,236
November 7, 2016	December 30, 2016	January 31, 2017	\$0.39	\$23,289
February 22, 2017	March 31, 2017	April 28, 2017	\$0.39	TBD

## Equity Offerings / Repurchases<sup>(22)</sup>

Date	Offering	Amount Per Share	Gross Amount (\$000s)
January 15, 2014	Capital Call	\$15.35	\$65,000
February 13, 2014	DRIP Issuance	\$15.52	\$7,794
March 21, 2014	Private Placement	\$16.00	\$50,000
March 21, 2014	Public Offering	\$16.00	\$128,402
May 1, 2014	DRIP Issuance <sup>(21)</sup>	\$17.24	\$7,072
August 1, 2014	DRIP Issuance	\$18.40	\$4,028
November 3, 2014	DRIP Issuance	\$15.93	\$3,673
February 2, 2015	DRIP Issuance	\$16.61	\$2,699
May 1, 2015	DRIP Issuance	\$17.25	\$715
August 3, 2015	DRIP Issuance	\$16.91	\$444
August 24, 2015	Stock Repurchase	\$14.42	(\$29)
November 2, 2015	DRIP Issuance	\$16.15	\$2,235
January – February 2016	Stock Repurchase <sup>(23)</sup>	\$15.44	(\$1,329)
February 1, 2016	DRIP Issuance	\$15.63	\$2,310
March 3, 2016	Equity Issuance	\$16.42	\$79,600
May 2, 2016	DRIP Issuance	\$15.61	\$2,907
August 1, 2016	DRIP Issuance	\$16.67	\$2,811
November 1, 2016	DRIP Issuance	\$17.02	\$2,310
February 1, 2017	DRIP Issuance	\$17.36	\$2,132

## Common Stock Data

Quarter Ended	Low	High	End of Period
March 31, 2014	\$16.00	\$16.70	\$16.60
June 30, 2014	\$16.60	\$23.90	\$21.83
September 30, 2014	\$16.01	\$22.36	\$16.01
December 31, 2014	\$15.74	\$18.00	\$16.82
March 31, 2015	\$16.34	\$18.54	\$17.21
June 30, 2015	\$17.00	\$18.35	\$17.00
September 30, 2015	\$16.22	\$18.00	\$16.43
December 31, 2015	\$15.97	\$17.65	\$16.22
March 31, 2016	\$15.15	\$16.86	\$16.13
June 30, 2016	\$15.97	\$16.74	\$16.61
September 30, 2016	\$16.61	\$18.77	\$18.11
December 31, 2016	\$17.43	\$19.05	\$18.68

# Endnotes

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Note: Figures are as of 12/31/2016 quarter end unless otherwise noted

- 1) Represents our core portfolio, which excludes certain investments that fall outside of our typical borrower profile. EBITDA is defined as earnings before interest, tax, depreciation and amortization. This calculation may vary depending on the portfolio company
- 2) Return on Average Equity is calculated using weighted average equity. Weighted average equity is calculated by starting with NAV at the beginning of the period, adjusting daily for equity issuances and adjusting on the last day of the period for that period's net income and dividends payable
- 3) Deferred Financing Costs total \$10.4mm at 12/31/15, \$9.8mm at 3/31/16, \$9.2mm at 6/30/16, \$8.6mm at 9/30/16 and \$11.0mm at 12/31/16
- 4) Pro-forma for unsettled trades of \$4mm at 12/31/15, \$22mm at 3/31/16, \$0 at 6/30/16, -\$3mm at 9/30/16 and \$0 at 12/31/16
- 5) Daily average debt outstanding during the quarter divided by daily average net assets during the quarter. Daily average net assets is calculated by starting with the prior quarter end net asset value and adjusting for capital activity during the quarter (adding common stock offerings / DRIP contributions)
- 6) Total yield on investments is calculated based on the interest rate and the accretion of OID, exclusive of investments on non-accrual status
- 7) Interest from investments – interest and dividend income includes accrued interest and dividend income, amortization of purchase discounts (premiums) and certain fees, and accelerated amortization of upfront fees from scheduled principal payments
- 8) Interest from investments – other fees includes prepayment fees and accelerated amortization of upfront fees from unscheduled paydowns
- 9) Other income includes amendment and syndication fees and other income
- 10) New investments are net of sell-downs
- 11) Fundings exclude intra-quarter revolver borrowings that are repaid by quarter-end
- 12) Par value; excludes amortization, excess cash flow sweeps, PIK, FX movements, and intra-quarter revolver borrowings that are repaid by quarter-end
- 13) Interest rate on debt outstanding includes the swap-adjusted interest expense related to our Convertible Notes
- 14) In connection with the convertible senior note offerings, the Company entered into interest rate swaps to continue to align the interest rates of our liabilities with our investment portfolio, which consists of predominately floating rate loans. As a result of the swaps, our effective interest rate on the 2019 and 2022 convertible senior notes was three-month LIBOR plus 286.0 basis points and 237.2 basis points respectively, which reflects the current terms.
- 15) Weighted by amortized cost of debt investments. Investments are financed by debt and permanent equity capital. This analysis assumes longer-dated investments are currently funded by permanent equity capital (53% of investments) and the remaining (shorter-dated) investments (47% of investments) are currently funded by debt financing. Investments for purposes of this analysis include unfunded commitments
- 16) Convertible debt treated as floating rate due to interest rate swap TSLX entered into to swap fixed notes payments for floating rate payments
- 17) Weighted by gross commitment amount. Reflects current terms
- 18) Total distributions and shares issued before accounting for proceeds reinvested under the company's dividend reinvestment (DRIP) program
- 19) Includes special dividend of \$260,000, or \$0.01 per share
- 20) Includes special dividend of \$1,110,781, or \$0.03 per share
- 21) Includes over-allotment shares issued. Offering price of \$16.00 per share less \$0.38 dividend per share
- 22) Reflects equity offerings since 2014, including capital calls pursuant to the subscription agreement between the Company and private placement investors prior to our initial public offering
- 23) Reflects aggregate amount of shares repurchased across various dates throughout stated time period

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